
Chapter XII

RETIREMENT, TERMINAL BENEFITS, TERMINATION & RESIGNATION

(1) Retirement:

a) Government Guidelines:

Age of Retirement - Regulation 19(1):

1. The age of retirement of an officer in the Banks shall be 60 years.
2. Subject to the provisions of the Regulations, every officer shall retire from the service on the afternoon of the last day of the month in which he attains the age of 60 years provided that the officer whose date of birth is 1st of month shall retire from the service on the afternoon of the last day of the preceding month on attaining the age of 60 years.
3. No extension shall be given to any officer employee beyond 60 years of age.

b) OSR Provisions:

Regulation '19' - Age of Retirement

1. The age of retirement of an officer employee shall be as determined by the Board in accordance with the guidelines issued by the government from time to time. Provided that the Bank may, at its discretion, on review by the Special Committee/ Special Committees as provided hereinafter in sub-regulation (2) retire, if it is of the opinion that it is in the public interest, an officer employee on or at any time after the completion of 55 years of age or on or at any time after the completion of 30 years of total service as an officer employee or otherwise, whichever is earlier.

Provided further that before retiring an officer employee at least three months' notice in writing or an amount equivalent to three months' substantive pay and allowances, shall be given to such officer employee;

Provided further that an officer aggrieved by the order of the competent authority, as provided in sub-regulation (2), may, within one month of the passing of the order, give in writing a represent to the Board of Directors against the decision of the competent authority, and on receipt of such representation shall consider his representation and take a decision within a period of three months. Where the Board of Directors decides that the order passed by the competent authority is not justified, the concerned officer shall be reinstated as though the Competent Authority has not passed the order.

Provided also that nothing in this regulation shall be deemed to preclude an officer employee from retiring earlier pursuant to the option exercised by him in accordance with the rules in the bank.

Explanation :

An officer employee shall retire on the last day of the month in which he completes his age of retirement. Provided that an officer whose date of birth is on the first of a month shall

retire from the service on the afternoon of the last date of the preceding month on attaining the age of retirement.

2. The bank shall constitute a special committee/special committees consisting of not less than three members to review, whether an officer employee should be retired in accordance with the first provision to sub-regulation (1). Such committee/committees shall, from time to time, review the case of each officer employee, and no order of retirement shall be made unless the special committee/special committees recommend/s in writing to the competent authority the retirement of the officer employee.

3. Traveling Allowance on Retirement - Regulation 43:

On retirement, an officer will be eligible to claim Travelling Allowance, baggage and other expenses for himself and his family as on transfer from the last station at which he is posted to the place where he proposes to settle down on retirement.

4. Provident Fund and Pension - Regulation 45:

Provident Fund & Pension:

- (1) Every officer shall become a member of the Provident Fund constituted by the Bank, unless he is already a member of that Fund and shall agree to be bound by the rules governing such fund.
- (2) The Provident Fund rules framed shall provide that on and from 01.11.1993: -
 - a) In case of an officer governed by the Pension Scheme, contribution to the Provident Fund shall be made only by the officer at the rate of 10% of pay without any matching contribution on the part of the bank. Provided that no adjustment on account of provident fund contributions already made for the period 01.07.1993 to 31.10.1993 shall be made.
 - b) In case of an officer not governed by the Pension scheme, contribution to Provident Fund by the officer and a matching contribution by the bank shall be made at the rate of 10% of pay. Provided that no adjustment on account of provident fund contributions already made for the period 01.07.1993 to 31.10.1993 shall be made.

Officers joining the bank's service on or after 29.09.1995 shall be governed by the Pension Scheme.

Provided that the following categories of officers shall not be covered by the Pension Scheme:

An officer who was in service of the bank prior to 29.09.1995, unless he has specifically exercised an option to become member of the Pension Scheme in response to bank's notice to that effect.

An officer who is recruited on or after 29.09.1995 at the age of 35 years and above, and who has elected to forego his right to Pension in terms of the Pension Scheme.

Note: 'Pay' for the purposes of Provident Fund shall mean basic pay including Stagnation Increment, Officiating Allowance, Professional Qualification Allowance and

increment component of Fixed Personal Allowance.

Note: In terms of Joint Note dated 27.04.2010, following provisions shall be applicable for Provident Fund:

While the officers who are presently covered under the Pension Scheme and those who will join the Pension Scheme in terms of option being made available under Joint Note dated 27th April, 2010 shall continue to contribute 10% of the Pay towards Provident Fund, there shall be no matching contribution.

Officers who are presently covered under Contributory Provident Fund Scheme who do not opt for Pension Scheme being made available under Joint Note dated 27th April, 2010 shall continue under the Contributory Provident Fund Scheme as hitherto.

There shall be no Provident Fund to officers joining the services of banks on or after 1st April 2010. They shall be covered by a Defined Contributory Pension Scheme, where the officer will contribute 10% of Pay plus Dearness Allowance and the bank will make a matching contribution. The Scheme shall be governed by the provisions of the Contributory Pension Scheme as introduced for employees of Central Government w.e.f. 1st January 2004 and modified from time to time.

The terms of the Bank Employees' Pension Regulations, 1995 dated 29th September 1995/ 26th March 1996 shall not apply to the officers who join the services of Banks on or after 1st April 2010; and they shall be covered by a Defined Contributory Pension Scheme, which shall be governed by the provision of the Contributory Pension Scheme introduced for officers of the Central Government w.e.f. 1st January 2004, and as modified from time to time. Necessary amendments to the relevant provisions of the Bank Employees' Pension Regulations, 1995 dated September 1995/ 26 th March 1996 shall be carried out following the procedure in this regard.

(3) Pension:

Officers opted for pension are covered under OBC (Employees) Pension Regulations, 1995. Officers joining the bank's service on or after 29.09.1995 shall be governed by the Pension Scheme. Provided that the following categories of officers shall not be covered by the Pension Scheme:

- (a) An officer who was in service of the bank prior to 29.09.1995, unless he has specifically exercised an option to become member of the Pension Scheme in response to bank's notice to the effect.
- (b) An officer who is recruited on or after 29.09.1995 at the age of 35 years and above, and who has elected to forego his right to Pension in terms of the Pension Scheme.

Note: 'Pay' for the purpose of Provident Fund shall mean basic pay including Stagnation Increments, Officiating Allowance, Professional Qualification Allowance and increment component of Fixed Personal Allowance.

(c) Bank's Policies / Rules / Clarifications:

1. Repurchase of furniture (HO/64/12/07/04.04.2007)

- a) For Retiring Officers (including the officers demitting the office on superannuation or lateral movement in higher cadre in some other Public Sector Bank) at its (WDV) Written Down Value.

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- b) For Deceased Officers at 25% of Original Cost or Written Down Value, whichever is lower.

2. Scheme of Medical Assistance to Retired Employees

(Settlement dated 17/02/2001) & Est. Cir. No. HO/HRD/69/16/2011-2012/83 dt. 06/05/2011)

Generally, the reimbursement of such expenses is made by the concerned Regional Office from where he is retired. However, the reimbursement may also be made by the Regional Office under whose jurisdiction the employee has after retirement settled down provided he opts for the same. Under this eventuality, the record of medical assistance of the employee is required to be transferred to the Regional Office from where he opts to claim the reimbursement.

The other terms & conditions and also the procedure prescribed under the Scheme remain the same.

- a) A fixed amount of Rs.4000/- p. a. to all the retired employees of the bank w.e.f. 01.04.2011 as medical assistance.
- b) The amount shall be reimbursed by the bank on submission of declaration by the retired employee stating therein the amount spent by him/her on medicines/consultation for treatment of common ailments such as cold, cough, aches, etc.
- c) The consolidation list of claims of medical assistance of retiree employees shall be forwarded by the Regional Office to the office of OBC Employees Welfare Trust at Est. Deptt. at Head Office for claiming reimbursement of payment made by them out of suspense account.

3. Hospitalisation After Retirement: OBC Parivar Health Scheme:

- a) In order to ensure good health and carefree post retirement life of its employees, the Bank has entered into a Memorandum of Understanding with the United India Insurance Company Ltd. under which post-retirement medical insurance cover is made available to all employees of the Bank.
- b) This is a Hospitalization/domiciliary Hospitalization reimbursement policy for a Sum Insured for Rs. One Lac only over Balance life span after retirement of employee. Maximum reimbursement shall be up to 40% of Sum Insured or balance amount available from one Lac.
- c) Enhancement of sum insured upto Rupees Four Lacs and coverage of spouse upto Rupees Five Lacs can be taken by the employee by paying extra premium on the pattern of schedule offered to the Bank. The employees joining as officer and other cadres of the Bank at later stage may opt for enhancement of the sum insured and inclusion of their spouse to be covered under the scheme by making payment of additional premium as aforesaid within three months of their joining the services of the "Bank".
- d) The rules relating to insurance cover, additional insurance cover for employees and spouse, payment of premium, issuance of policy (ies), refunds, lodgment and enforcement of claim(s), and other related matters are available in Welfare Scheme Chapter of this Diary.

1. Travelling Allowance:

Retiring officers shall be eligible to travel upto the place where they propose to settle down after retirement; by the mode they were eligible during service. They are also permitted to shift their household belongings and reimbursement shall be made as per their eligibility as on transfer.

The same provisions are also applicable to the widow of the officer who expired during service.

Travelling Allowance on VRS:

As per IBA Circular No.PD/CIR/76/H7/E9/1452 dated November 27, 2000 and subsequent HO letter Per/21368 dated 30/12/2000 to all Regional Heads, travelling allowance is available to those who opt to voluntarily retire in terms of Regulation 9 of the Bank (Employees) Pension Regulations, 1995.

Travelling Allowance on Termination / Compulsory Retirement:

As per IBA Circular No.PD/CIR/76/H7/E9/1452 dated November 27, 2000 and subsequent HO letter Per/21368 dated 30/12/2000 to all Regional Heads, an Officer whose services are terminated or who is compulsorily retired as a punishment as per Regulation 4 of the Officer Employees (Discipline & Appeal) Regulations **will not** be entitled for travelling allowance on retirement.

2. Pension:

Pending necessary amendments to be made to the relevant provisions of Bank [Employees'] Pension Regulations 1995, officer retiring or dying while in service on or after 1st May 2005, shall be granted provisional pension having regard to the above provisions.

PAY: "Pay" for the purpose of Provident Fund and Pension shall mean Basic Pay including Stagnation Increment, Professional Qualification Pay, Increment component of Fixed Personal Pay and Officiating allowance.

The anomaly in respect of the Pension being fixed for the retirees from 01.04.1998 at 1616 points of CPI without loading and without linking it to the last Wage Revision index point of 1684 as a result of which about 7 to 8% of the Basic Pension being drawn by them less than the entitlement has been rectified in this Wage Revision and they will have their increased Basic Pension w.e.f. 01.05.2005.

In respect of the retirees from 01.11.2002 to 30.04.2005 the Basic pension will be revised as if they have retired during this Wage Revision and accordingly in respect of all the retirees during this period the pension will be paid at 50% of the last drawn pay taking into account the additional loading that is given for existing employees. Their pension will be revised w.e.f. 01.05.2005.

All the retirees who will be retiring on or after 01.05.2005 will be drawing their Basic Pension at the rate of 50% of the last drawn pay taking into account the Basic Pay fixed for the existing Employees / Officers.

Pension Calculation: In respect of an employees retiring on or after 01.05.2005, 'Average Emoluments' as defined in Pension Regulations for the purpose of Pension, be calculated reckoning pay last drawn during the **Last Ten Months** of the employees' service in the Bank.

3. Commercial Employment after Retirement:

The provisions of Regulation 50 of OBC (Employees) Pension Regulation, 1995 regarding commercial employment after retirement are as under:

- a) If a pensioner who immediately before his retirement was holding the post of an officer and wishes to accept any commercial employment before the expiry of two years from the date of his retirement, he shall obtain the previous sanction of the bank to such acceptance.
- b) In granting or refusing permission to a pensioner for taking up any commercial employment, the bank shall have regard to the certain factors. As to whether his commercial duties will be such that his previous official position or knowledge or experience under bank could be used to give the proposed employer an unfair advantage. For example setting up practice as advocate or consultant is 'commercial employment' for which prior permission of the bank is necessary.
- c) The grant of the permission may be subject to any condition.
- d) If the pensioner take up any commercial employment before expiry of two years from the date of his retirement without the prior permission of the bank or commits a breach of any condition subject to such permission to take up any commercial employment, payment of his pension may be withheld.

4. Sanctioning Power Prior to Retirement:

(Est. Circular Per/55/102/98/239 dated 30.11.1998)

As per recommendation of Ghosh Committee Banks may permit Regional Heads at Controlling Offices, Senior Executives and Top Executives at Head Office level including CMD & ED to exercise the sanctioning powers delegated to them during the period of three months prior to retirement also. However, the proposals sanctioned by them during the period should be put up immediately to the next higher authority.

The facilities sanctioned by the Branch Incumbents in their power before one month of retirement shall be released only after the same is reviewed by the Regional Head.

5. Encashment of Leave on Retirement/Lapse of Leave:

As per Regulation 38 all leave to the credit of an officer shall lapse on resignation, retirement, death, dismissal or termination for any reason. Encashment of leave on retirement, resignation, death, discharge, dismissal or termination;

Provided that where an officer retires from the bank's service, he shall be eligible to be paid a sum equivalent to the emoluments of any period; not exceeding 240 days, of privilege leave that he had accumulated.

Provided further where an officer dies while in service, there shall be payable to his legal representatives, a sum equivalent to the emoluments for the period not exceeding 240 days of privilege leave to his credit as on the date of his death.

Provided also that where an officer leaves or discontinues his services by resignation on or after 1st April, 2001 after giving due notice under Sub-Regulation (2) of Regulation 20, he may be paid a sum equivalent to the emoluments in respect of privilege leave to the extent of half of such leave to his credit on the date of cessation of service, subject to a maximum 120 days.

Clarification: In case of retirement/death of an officer, the privilege leave due to him shall be calculated even for the broken period upto the date of retirement/death, for the purpose of encashment.

Casual Leave on Retirement:

An employee is eligible for full 12 days Casual Leave irrespective of month of retirement during the last year of Superannuation. (HO/HRD/A6491 dated 25.08.2010)

Leave Encashment on VRS / Termination / CRS : As per IBA Circular No.PD/CIR/76/H7/E9/1452 dated November 27, 2000 and subsequent HO letter Per/21368 dated 30/12/2000 to all Regional Heads, an Officer whose services are terminated or who is compulsorily retired as a punishment as per Regulation 4 of the Officer Employees (Discipline & Appeal) Regulations **will not** be entitled for leave encashment on retirement. However, it is clarified that leave encashment are available to officers who opt to voluntarily retire in terms of Regulations 29 of the Bank Employees (Pension) Regulations 1995.

9. Income Tax on encashment:

Exemption of Leave Encashment at the time of retirement u/s 10(10AA) upto a limit of Rs.3 lacs is permitted as under:

Minimum of the following four limits:

- a) Leave encashment actually received; or
- b) 10 months average salary; or
- c) Cash equivalent of unavailed leave calculated on the basis of maximum 30 days leave for every year of actual service rendered; or
- d) Amount specified by the Government i.e; Rs.3,00,000.
- e) Meaning of Salary
- f) Basic salary plus DA to the extent the terms of employment so provide plus Commission, if fixed percentage of turnover.
- g) Average salary of last 10 months immediately proceeding the date of retirement.

10. Higher Rate of Interest (HO/P&D/32/06-07/447 Dated 27.12.06):

- a) With effective from 01.01.2007, Retired staff members, they being Senior Citizens (60 years of age or above), are entitled to get 1% additional rate of interest over and above the additional interest of 1% payable to them by virtue of their being Retired members of the bank's Staff in respect of a Term Deposit account, opened in the name of a member or a retired member of the Bank's Staff, either singly or jointly with any member or members of his / her family; or
- b) The Spouse of a deceased member or
- c) A deceased Retired member of the staff;

Clarifications:

- i) 'A Retired member of the Bank's Staff' means an employee retiring whether on superannuation or otherwise as provided in the Bank's Service / Staff Regulations, but does not include and employee retired compulsorily or in consequence of Disciplinary Action.
- ii) Family means and includes the spouse of the member / retired member of the Bank's Staff and the Children, parents, brothers and sisters of the member / retired member of the Bank's Staff, who are dependent on such member/retired member, but does not include legally separated spouse.

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- iii) Senior Citizen means a person who has completed the age of 60 years. In case term deposit is made in the name of spouse as per clause (b & c) above, the spouse must also be a Senior Citizen to get the said benefit.
 - iv) The Bank shall obtain a declaration from the depositor concerned, that the amount deposited or which may, from time to time, be deposited into such account belong to the depositor. The name of retired staff / Spouse (in case of his / her demise) shall be first, in case of joint term deposit account.
 - v) These rates are applicable on fresh deposits accepted or renewal of deposits on and / or after January 1, 2007.

11. Telephone & Residence on Retirement:

(Government Guideline dated 18/07/1986 and Est. Cir. No. Per/43/68/308 dated 20-08-1986)

In pursuance of the Government guidelines regarding extending certain facilities to the retiring officers so that they are not put to hardships immediately after retirement, it has been decided that such officers who give written request in advance may be granted the following facilities for a period two months only from the date of retirement: -

- a) Residence, if any, on charging 10% of the last drawn basic pay as rent. Receipt should not be issued for the rent paid by the officers.
- b) Telephone, if provided during service period, on the condition that the officer will pay the telephone bills.

The amount of gratuity payable to such officers who have been given the above facilities would be released only after getting the vacant possession of the accommodation/flat, settlement of the bill etc.

The competent authority for allowing the above facilities to the retired officers would be the same as in case of existing officers as per the policies.

12. LTC Prior to Retirement:

In case of an officer availing the facility of LTC immediately prior to retirement, the reimbursement will be restricted to the journey undertaken before the date of his actual retirement for himself and / or his family members i.e. journey be completed in the block, before the retirement. Such officer would not be eligible for reimbursement of expenses for any journey undertaken by himself and / or family members after the date of his retirement.

13. Re-employment of Retired Bank Executives as consultants.

(Gist of Govt. letter dated 26th June, 1989)

- (a) Extension/ re-employment of superannuated persons leads to loss of initiative and frustration in the other officers, and hence re-employment of such persons should not be given encouragement.
- (b) In addition, Ministry of Personnel and Public Grievances & Pensioners has issued instructions on 29.10.87 with regard to rate of fee, tenure and other perks for the persons. appointed as consultants. These guidelines were revised on 15.12.1988.
- (c) As may be seen from these letters, consultants are not to be appointed for the normal work and they should be engaged for attending to specific problems or for getting advise on specific issues.

(d) They have to be appointed for a minimum period necessary but not exceeding 6 months which could be further extended by a period of 6 months in exceptional circumstances.

(e) While appointing consultants, the guidelines issued by the Ministry of Personnel, Public Grievances & Pensions may be followed and Prior Approval of the Government taken for making fresh appointments or extending the tenure of existing incumbents.

14. Memento to the Employees on Retirement.

As per Est. cir. Per/46/45/39/206 dated 24.05.1989, the employees on their reaching the age of superannuation and retiring honourably will be awarded a memento upto a cost of Rs. 2000/- (Increased from Rs.1000/- w.e.f 14/10/2009 as per Establishment Circular No. HO/HRD/67/42/2010/698 dated 31st December, 2009) in kind.

(2) Gratuity:

HO Circular nos Per/15/81/45 dated 13/02/1981, Per/27/81/92 dated 26/03/1981, Per/47/16/90/552 dated 15/03/1990, Per/52/89/95/251 dated 18/12/1995, HO/HRD/68/23/2010-11/186 dated 22/06/2010.

a) OSR Provisions - Gratuity: Regulation 46:

1. Every officer shall be eligible for gratuity on:-

- (a) Retirement
- (b) Death
- (c) Disablement rendering him unfit for further service as certified by a medical officer approved by the Bank;
- (d) Resignation after completing ten years of continuous service; or
- (e) Termination of service in any other way except by way of punishment after completion of 10 years of service.

2. The amount of gratuity payable to an officer shall be one month's pay for every completed year of service, subject to a maximum of 15 months' pay. Provided that where an officer has completed more than 30 years of service, he shall be eligible by way of gratuity for an additional amount at the rate of one half of a month's pay for each completed year of service beyond 30 years.

Provided further that pay for the purpose of Gratuity for an officer who ceased to be in service during the period 01.07.1993 to 31.10.1994 shall be with regard to scale of pay as specified in sub-regulation (1) of regulation 4.

Provided also that pay for the purpose of Gratuity of an officer who ceased to be in service during the period 01.04.1998 to 31.10.1999 shall be with regard to scale of pay as specified in sub-regulation (2) of Regulation 4.

Note:

If the fraction of service beyond completed years of service is 6 months or more, gratuity will be paid pro-rate for the period.

b) Main Provisions of Gratuity Act:

1. Family: 'Family' in relation to an employee, shall be deemed to consist of:

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- a) In the case of a male employees, himself, his wife, his children, whether married or unmarried his dependants parents and the widow and children, of his predeceased son, if any.
 - b) in the case of female employee, herself, her husband, her children, whether married or unmarried, her dependent parents and the dependent parents of her husband and the widow and children of her predeceased son, if any.

Provided that if a female employee, by a notice in writing to the controlling authority, expresses her desire to exclude her husband from her family, the husband and his dependent parents shall not longer be deemed, for the purposes of this Act, to be included in the family of such female employee unless the said notice is subsequently withdrawn by such female employee.

3. Nomination:

- i. Each employee, who has completed one year of service, after the commencement of the Act, shall make within 30 days of completion of One year of service, a nomination. [Section 6 (1) read with Rule 86 (1)]
- ii. If an employee has a family at the time of making a nomination, the nomination shall be made in favour of one or more members of his family and any nomination made by such employees in favour of a person who is not a member of his family shall be void. [Section 6 (3)]
- iii. If at the time of making a nomination, the employee has no family, the nomination can be made in favour of any person or persons, but if the employees subsequently acquires a family, such nomination shall forthwith become invalid and the employees shall make within 90 days fresh nomination in favour of one or more members of his family. [Section 6(4) read with rule 6(3)]
- iv. A nomination or a fresh nomination or a notice of modification of nomination shall be signed by an employees or, if illiterate, shall bear his thumb impression in the presence of two witnesses, who shall also sign declaration to that effect in that nomination, fresh nomination or notice of modification of nomination as the case may be. [Rule 6(5)]
- v. a nomination or fresh nomination or notice of modification of nomination shall take effect from the date of receipt of the same by the employer. [Rule 6 (6)]

3. How to apply for Gratuity:

- i. An officer who is eligible for payment of Gratuity under the Act, or any person authorised, in writing, to Act on his behalf, shall apply ordinarily within 30 days from the date gratuity become payable:

Provided that where the date of superannuation or retirement of an employee is known, the employee may apply to such employer before 30 days of the date of superannuation or retirement. [Rule 7(1)].

- ii. A nominee of an employee who is eligible for payment of gratuity shall apply, ordinarily within 30 days from the date the gratuity became payable to him, to the employer. [Rule 7(2)]
- iii. A legal heir of an employee who is eligible for payment of gratuity shall apply, ordinarily within 1 year from the date the gratuity became payable to him, to the employer. [Rule 7 (3)].

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- iv. An application for payment of gratuity filed after the expiry of the periods specified above shall also be entertained by the employer if the applicant adduces a sufficient cause for the delay. [Rule 7(5)]

4. Forfeiture of Gratuity:

- i. the gratuity of an employee, whose services have been terminated for any act, willful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer, shall be forfeited to the extent of the damage or loss so caused under section 4(6) of the Gratuity Act.
- ii. The gratuity payable to an employee shall wholly be forfeited:
- iii. If the services of such employee have been terminated for his riotous or disorderly conduct or of any other act of violence on his part, or
- iv. If the services of an employee have been terminated for any act which constitutes an offence involving moral turpitude, provided that such offence is committed by him in the course of his employment.

5. Payment of Gratuity:

Gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years.

Provided that the completion of continuous service of 5 years shall not be necessary where the termination of the employment is due to death or disablement. Disablement means such disablement, which incapacitates an employee for the work, which he was capable of performing before the accident or disease resulting in such disablement [Section 4(1)].

6. Protection of Gratuity:

No gratuity payable under the Payment of Gratuity Act and the rules made thereunder shall be liable to attachment in execution of any decree or order of any Civil, Revenue or Criminal Court. [Section 8]

7. Calculation of Gratuity:

In respect of officers in service as on 1.1.83, they have the option either to adopt the above pattern regarding extra gratuity or continue in the present system which provides for payment of gratuity @ one month's pay for each completed year of service upto 15 years and thereafter 15 days pay for each completed year of services upto a maximum of 20 months pay. Pay for the purpose means Basic Pay last payable to an officer (Estt. Circular No. Per/47/16/90/552 dated 15.3.90).

Further, service rendered beyond the completed years of services shall also be reckoned for gratuity purposes on pro-rata basis if it is 6 months or more, but less than one year.

Officers are eligible for the statutory Gratuity viz. Gratuity as per the payment of Gratuity Act, 1972, or as per service rules.

The formula for calculation of gratuity is as under:-

$$\frac{\text{Wages payable}^{**} \times \text{No. of years of service} \times 15}{26}$$

(Wages means **BP +DA + Increment Component of FPA + PQA, if any.)

(Illustration):

Suppose you are a Scale II Officer:

Your Date of Joining: 01.12.1967, Date of Retirement: 31.08.2007, Date of Promotion Grade I: 21.07.1990.

Total service rendered: 39 years & 9 months.

Basic Pay	Rs. 22,900/-,
+ DA	Rs.
+ FPP	Rs.
Total	Rs.

Under the Gratuity Act:

Basic Pay	Rs. 22,900/-,
+ DA	Rs.
Total	Rs.

However, maximum amount of Gratuity payable under the Act is ` 10,00,000/- w.e.f 24/05/2010

i) Under OSR:

Basic Pay	Rs. 22,900/-,
FPP	Rs.
Total	Rs.

The Gratuity amount of ` 10,00,000/- under the Act being higher to the OSR's becomes payable to you.

ii) Less all loans due:

8. Tax Liability on Gratuity:

Gratuity on retirement or on cessation of service, received by an employee or by his heir(s) on his death, is exempted from Income Tax subject to the following conditions:

- a) in case where the gratuity paid to an employee is under the provision of Payment of Gratuity Act, 1972, the whole of such gratuity calculated and paid in accordance with the provision of that Act upto Rs.3,50,000/- which is the maximum payable amount under the Act.
- b) Where the gratuity is paid as per the terms of the service conditions of our Bank, the, the following amount is to be excluded from the scope of Income.
 - i. One half month's salary for each completed year of service calculated on the basis of average salary of 10 months immediately preceding the month, in which the employee retires, OR
 - ii. Rs.3,50,000/- OR
 - iii. Gratuity received.

Whichever is the Least.

Note: Salary for this purpose includes Basic Pay and all such other pay / Allowance / or part of such pay Allowance which are taken into account for computing the gratuity.

When part of the gratuity received is taxable, then it will be accounted for in the previous years.

(3) Termination of Service & Resignation:

a) Government Guidelines: Regulation 20 (1) (a)

[Govt. Letter F.No.4/ 10/ 1/89 - IR dated 10th April 1992]

The option to terminate the services of an officer shall be exercised only where-
Decisions taken by the officer employee in his capacity as an officer employee has put the bank to monetary loss through no misconduct as such can be proved against him.

The Officer employee for any reasons, has not been attending to his duties in the bank continuously for a period of 90 days after exhausting all leave due to him or after his request for leave of extension of leave has been refused in writing.

The officer employee employed on the basis of a particular expertise or skill or qualification, ceases to possess such an expertise or skill or qualification, for any reason whatsoever.

The officer employee, for three consecutive years in annual appraisal of his performance, has received rating of less than average and despite the appraisal reports of the first two years having been communicated to him there has been no improvement or insufficient improvement in his performance.

Situation is such that due to violence, insurgency or general indiscipline, insubordination, holding an enquiry against the officer employee is not possible.

The evidence to be relied upon to prove the misconduct gets destroyed or the principal witness(es) becomes unavailable for reasons beyond management's control.

There is such other cause as would reasonably lead the Bank to believe that the retention of the officer employee would prejudice the Bank's interest.

b) OSR Provisions

Regulation 20 (1)

(1)

- a) Subject to sub-regulation 3 of regulation 16, where the bank is satisfied that performance of an officer is unsatisfactory or inadequate or there is a bonafide suspicion about his integrity of his retention in the bank, and where it is not possible or expedient to proceed against him as per the disciplinary procedure, the bank may terminate his services on giving him three months' notice/emoluments in lieu thereof in accordance with the guidelines issued by the government from time to time.
- b) Order of termination under this sub-regulation shall not be made unless such officer has been given a reasonable opportunity of making a representation to the bank against the proposed order.
- c) The decision to terminate the service of an officer employee under sub-regulation (a) above will be taken only by the Chairman and Managing Director.
- d) The officer employee shall be entitled to appeal against any order passed under sub-regulation (a) above by preferring an appeal within 15 days to the Board of

Directors of the bank. If the appeal is allowed, the order under sub-regulation (a) shall stand cancelled.

- e) Where an officer employee whose services have been terminated and who has been paid an amount of 3 months emoluments in lieu of notice and an appeal paid to him in lieu of notice shall be adjusted against the salary that he would have earned, had his services not been terminated and he shall continue in the bank's employment on same terms and conditions as if his orders of termination had not been passed at all.
- f) An officer employee whose services are terminated under sub-regulation (a) above shall be paid gratuity, provident fund including employer's contribution and all other dues that may be admissible to him as per rules notwithstanding the year of service rendered.
- g) Nothing contained here in above will affect the bank's right to retire an officer employee under regulation 19 (1).

(2) An officer shall not leave or discount his service in the Bank without first giving a notice in writing of his intention to leave or discontinue his service or resign. The period of notice required shall be 3 months and shall be submitted to the Competent Authority as prescribed in these regulations.

Provided further that the Competent Authority may reduce the period of 3 months, or remit the requirement of notice.

(3) (i) An officer against whom disciplinary proceedings are pending shall not leave / discontinue or resign from his service in the Bank without the prior approval in writing of Competent Authority and any notice of resignation given by such an officer before or during the disciplinary proceedings shall not take effect unless it is accepted by the Competent Authority.

(ii) Disciplinary proceedings shall be deemed to be pending against any employee for the purpose of this regulation if he has been placed under suspension or any notice has been issued to him to show cause why disciplinary proceedings shall not be instituted against him and will be deemed to be pending until final orders are passed by the Competent Authority.

(iii) The officer against whom disciplinary proceedings have been initiated will cease to be in service on the date of superannuation but the disciplinary proceedings will continue as if he was in service until the proceedings are concluded and final order is passed in respect thereof. The concerned officer will not receive any pay and / or Allowance after the date of superannuation. He will also not be entitled for the payment or retirement benefits till the proceedings are completed and final order is passed thereon except his own contributions to CPF.

(4) As per IBA Circular No.PD/CIR/76/H7/E9/1452 dated November 27, 2000 and subsequent HO letter Per/21368 dated 30/12/2000 to all Regional Heads, an Officer whose services are terminated or who is compulsorily retired as a punishment as per Regulation 4 of the Officer Employees (Discipline & Appeal) Regulations **will not** be entitled for leave encashment and travelling allowance on retirement.

(4) Redressal of Grievances of Retired Employees.

(Establishment Circular No.HO/HRD/67/13/2009/130 dated 18/06/2009)

In order to ensure that the representations of the retired employees are attended to promptly by the concerned departments at Head Office / Regional Offices, a Committee consisting of the following executives has been constituted at Head Office level :-

- 1.General Manager (HRD)
- 2.General Manager (P&D)
- 3.Asstt. General Manager (HRD)

The representations received at Head Office from retired employees / Association of retired employees shall be put up to the Committee by the concerned departments in accordance with rules / policy & Government / RBI guidelines, if any and shall be disposed off as per directions of the Committee.

The Regional Heads shall continue to attend to the representations of retired employees at their end. Only those cases which may involve decision at Head Office level be referred to the Committee.

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**APPLICATION FOR COMMERCIAL
EMPLOYMENT AFTER RETIREMENT**

To,
The Chief General Manager (HRD)
Oriental Bank of Commerce
Corporate Office, Gurgaon

Dear Sir

Sub: Employment after Retirement

I hereby apply for permission to be granted for employment after my retirement as under:

- 1.Name :
- 2.Father's name :
- 3.Date of superannuation :
- 4.Name of last served office
Designation at the time of
retirement & PF no. :
- 5.Present address & tel. nos. :
- 6.Nature of employment
proposed to be taken up :
- 7.Antecedents of the employer:
 - a) Name of the Company :
 - b) Address & tel. nos.:
 - c) Business of the company:
 - d) Any other relevant detail:
- 8.Whether his duties which he proposes to take up might be such as to bring him into conflict with the Bank :
- 9.Whether the pensioner while in service had any such dealing with the employer under whom he proposes to seek employment?:
- 10.Whether the duties of the commercial employment proposed involve liaison or contact work with bank? :

-
-
11. Whether commercial duties will be such that his previous official position or knowledge or experience under bank could be used to give the proposed employer an unfair advantage? :
 12. The emoluments offered by the proposed employer:
 13. Any other relevant factor/information:
- Kindly permit me as above.

Yours faithfully

(Name & address of officer)

TERMINAL BENEFITS

Provident Fund and Pension:

Every officer shall become a member of the Provident Fund constituted by the Bank, unless he is already a member of that Fund and shall agree to be bound by the rules governing such fund.

The Provident Fund rules framed shall provide that on and from 01.11.1993:-

In case of an officer governed by the Pension Scheme, contribution to the Provident Fund shall be made only by the officer at the rate of 10% of pay without any matching contribution on the part of the bank. Provided that no adjustment on account of provident fund contributions already made for the period 01.07.1993 to 31.10.1993 shall be made.

In case of an officer not governed by the Pension Scheme, contribution to Provident Fund by the officer and a matching contribution by the bank shall be made at the rate of 10% of pay. Provided that no adjustment on account of provident fund contributions already made for the period 01.07.1993 to 31.10.1993 shall be made.

Gratuity:

Every officer, shall be eligible for gratuity on:-

Retirement

Death

Disablement rendering him unfit for further service as certified by a medical officer approved by the Bank;

Resignation after completing ten years of continuous service' or

Termination of service in any other way except by way of punishment after completion of 10 years of service.

The amount of gratuity payable to an officer shall be one month's pay for every completed year of service, subject to a maximum of 15 months' pay. Provided that where an officer has completed more than 30 years of service, he shall be eligible by way of gratuity for an additional amount at the rate of one half of a month's pay for each completed year of service beyond 30 years.

Provided further that pay for the purpose of Gratuity for an officer who ceased to be in service during the period 01.07.1993 to 31.10.1994 shall be with regard to scale of pay as specified in sub-regulation (1) of regulation 4.

Provided also that pay for the purpose of Gratuity of an officer who ceased to be in service during the period 01.04.1998 to 31.10.1999 shall be with regard to scale of pay as specified in sub-regulation (2) of Regulation 4.

Note: If the fraction of service beyond completed years of service is 6 months or more, gratuity will be paid pro-rata for the period.