# NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT PENSION REGULATIONS, 1993

**(Incorporating amendments up to 18 December 2014)**

IndiaCode

HUMAN RESOURCE MANAGEMENT DEPARTMENT
PERSONNEL POLICY DIVISION
NATIONAL BANK FOR AGRICULTURE
AND RURAL DEVELOPMENT
MUMBAI

IndiaCode

# NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT PENSION REGULATIONS, 1993

In exercise of the powers conferred by sub-section (1) read with clause (j) of sub-section (2) of Section 60 of the National Bank for Agriculture and Rural Development Act, 1981 (61 of 1981), the Board of the National Bank for Agriculture and Rural Development, with the previous sanction of the Central Government and in consultation with Reserve Bank of India, hereby make the following Regulations.

## CHAPTER-I

PRELIMINARY

1. Short title and commencement

(1) These Regulations may be called the National Bank for Agriculture and Rural Development Pension Regulations, I993.

(2) They shall come into force on the 01 November 1993.

IndiaCode

2. Definitions

In these Regulations, unless the context otherwise requires

(1) 'Act' means the National Bank for Agriculture and Rural Development Act, 1981 (61 of 1981);

(2) 'Average Emoluments' means the average of pay drawn by an employee during the last 10 months of his service;

(3) 'National Bank' means the National Bank for Agriculture and Rural Development;

(4) 'Board' means the Board of Directors of the National Bank constituted under the Act;

(5) 'Competent Authority' shall have the same meaning as in the National Bank for Agriculture and Rural Development (Staff) Rules, 1982;

(6) 'Date of Retirement' means the date on which an employee attains the age of superannuation or he is retired by the National Bank or the date on which the employee voluntarily retires;

(7) 'Employee' means any person employed in the service of the National Bank on full-time work or on part-time work exceeding thirteen hours per week but shall not include a person employed on contract basis or on daily-wage basis;

(8) 'Family' means,

(a) wife in the case of male employee and husband in the case of female employee, provided the marriage took place before retirement of the employee;

(b) son who has not attained the age of twenty five years and unmarried daughter who has not attained the age of twenty five years, including son or daughter adopted legally before retirement, but shall not include son or daughter adopted after retirement, however, a posthumous child is entitled for the grant of family pension.

IndiaCode

(9) 'Pay' includes

(a) substantive pay
(b) officiating pay,
(c) special pay,
(d) personal pay,
(e) special personal pay.
(f) The portion of dearness allowance at 1148 points of Consumer Price Index for industrial workers (base 1960 = 100) in respect of employees who are on the Bank's roll as on 01 November I993
(g) any other emoluments which may be classified as pay by the Board of the National Bank;

(10) Subject to other conditions contained in these Regulations, 'qualifying service' means service rendered while on duty or otherwise which shall be taken into account for the purpose of pension under these Regulations;

(11) 'Retirement' means retirement in terms of Staff Rule I9 and other instructions issued by the National Bank under Settlements/Awards;

(12) 'Staff Rules' means the National Bank for Agriculture and Rural Development (Staff) Rules, I982;

(13) 'Transferred employee' means an employee as defined under the Staff Rule 3(r).

## CHAPTER-II

## APPLICATION AND ELIGIBILITY

3. Application

These Regulations shall apply to:-

(1) Employees who join the National Bank's service on or after 01 November I993.

(2) Employees who are in the services of the National Bank as on 31 October I993, except those employees who, within the period prescribed by the National Bank exercise an option in writing not to be governed by these Regulations.

(3) Employees who were in service as on 01 January I986 (excluding those on leave preparatory to retirement) and had retired before 01 November I993, provided they exercise option to be governed by these Regulations and refund, within such period as may be specified, the National Bank's contribution to Provident Fund including interest received by them from the National Bank together with simple interest at six percent per annum from the date of withdrawal till the date of repayment. Pension shall be payable to them in accordance with Regulation 31.

indiacode

4. Eligibility

Pension will be payable on retirement to a full-time employee and to a part-time employee, on part-time work exceeding thirteen hours per week, provided they have completed a minimum service of ten years. The requirement of minimum service shall not be applicable for drawing Family Pension in the case of an employee who dies while in service.

5. In the matter of the application of these Regulations, regard may be had to the corresponding provisions of the Reserve Bank of India Pension Regulations, 1990 or the Civil Service Regulations or the Liberalised Pension Rules or the Civil Pensions (Commutation) Rules or the Family Pension Scheme for Central Government employees, or the Public Sector Banks, as the case may be, in so far as they can be adapted to the service in the National Bank, but subject to such exceptions and modifications as the National Bank may, from time to time, determine.

## CHAPTER-III

## GENERAL CONDITIONS

6. Pension subject to future good conduct

(1) (a) Future good conduct shall be an implied condition of every grant of pension and its continuance under these Regulations.

(b) The Competent Authority may, by order in writing, withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, if the pensioner is convicted of a serious crime or is found guilty of grave misconduct. Provided that where a part of pension is withheld or withdrawn, the amount of pension drawn by a pensioner shall not be less than ₹***3500***[1] per mensem in the case of a full-time employee, and proportionate amount thereof in relation to rate of wages applicable in the case of a part-time employee.

(2) Where a pensioner is convicted of a serious crime by a court of law, action under sub regulation (1) shall be taken in the light of the judgement of the court relating to such conviction.

(3) In a case not falling under sub-regulation (2), if the authority referred to in sub-regulation (1) considers that the pensioner is prima facie guilty of grave misconduct, it shall before passing an order under sub-regulation (1),

(a) serve upon the pensioner a notice specifying the action proposed to be taken against him and the ground on which it is proposed to be taken and calling upon him to submit, within fifteen days of the receipt of the notice or such further time not exceeding fifteen days as may be allowed by the Competent Authority such representation as he may wish to make against the proposal; and

(b) take into consideration the representation, if any, submitted by the pensioner under clause (a).

(4) Where the authority competent to pass an order under sub-regulation (1) is the Chairman, the Board shall be consulted before the order is passed.

[1] Inserted by amendments vide notification No. 52 dated 18 December 2014 in Gazette of India Part III – Section 4

(5) An appeal against an order under sub-regulation (1), passed by any authority other than the Chairman, shall lie to the Chairman and the Chairman shall, in consultation with the Board, pass such orders on the appeal as he deems fit.

7. Right of the National Bank to withhold or withdraw pension

The Competent Authority may withhold or withdraw a pension or a part thereof, whether permanently or for a specified period, and order recovery from pension of the whole or part of any pecuniary loss caused to the National Bank if in any departmental or judicial proceedings the pensioner is found guilty of grave misconduct or negligence during the period of his service including service rendered upon re-employment after retirement, provided that the Board shall be consulted before any final orders are passed.

Provided further that no departmental or judicial proceedings, if not initiated while the employee was in service, shall be instituted in respect of a cause of action which arose or in respect of an event which took place more than four years before such institution.

Where the Competent Authority orders recovery of pecuniary loss from pension, the recovery shall not ordinarily be made at a rate exceeding one-third of the pension admissible on the date of retirement of the employee, provided that where a part of pension is withheld or withdrawn, the amount of pension drawn by a pensioner shall not be less than ₹***3500***[2] per mensem in the case of a full-time employee, and proportionate amount thereof in relation to rate of wages applicable in the case of a part-time employee.

8.(i) An employee who has retired on attaining the age of superannuation or otherwise and against whom any departmental or judicial proceedings are instituted or where departmental proceedings are pending, a provisional pension equal to the maximum pension which would have been admissible to him would be allowed subject to adjustment against final retirement benefits sanctioned to him upon conclusion of the proceedings but no recovery shall be made where the pension finally sanctioned is less than the provisional pension or the pension is reduced or withheld, etc. permanently or for a specified period.

(ii) In such cases the gratuity will not be paid to such an employee until the conclusion of the proceedings against him. The gratuity will be paid to him on

[2] Inserted by amendments vide notification No. 52 dated 18 December 2014 in Gazette of India Part III – Section 4

conclusion of the proceedings subject to decision of the proceedings or any recoveries to be effected from the employee.

9. Notwithstanding anything contained in Regulation 30 of these Regulations, no employee against whom departmental or judicial proceedings referred to in Regulation 7 have been instituted before the date of his retirement, or against whom such proceedings are instituted after the date of his retirement, as the case may be, shall be eligible to commute a portion of his provisional pension authorised under Regulation 8 and during the pendency of such proceedings.

10. Commercial employment on retirement

If a pensioner takes up any commercial employment without the prior permission of the National Bank under Staff Rule 36 or commits a breach of any conditions subject to which permission to take up any commercial employment has been granted to him, it shall be competent for the National Bank to declare by order in writing and for reasons to be recorded therein that he shall not be entitled to whole or such part of the pension and for such period as may be specified in the order, provided that no order shall be made without giving the employee an opportunity of showing cause against such declaration.

IndiaCode

## CHAPTER-IV

## QUALIFYING SERVICE

11. Commencement of qualifying service

Subject to the provisions of these Regulations, qualifying service of an employee shall commence from the date he takes charge of the post to which he is first appointed either substantively or in an officiating or temporary capacity, provided that officiating or temporary service is followed without interruption by substantive appointment in the same or anotherpost.

Provided further that in the case of a transferred employee his service shall be deemed to have commenced from the date mentioned in Rule 12 (2) of the Staff Rules.

12. Broken period of service of less than one year

If the period of service of an employee includes broken period of service of less than one year, then if such broken period is more than six months, it shall be treated as one year and if such broken period is less than six months, it shall be ignored.

13. Counting of service on probation

Service on probation against a post if followed by confirmation in the same or another post shall qualify.

14. Counting of military service

An employee who has rendered military service before appointment in the National Bank may opt either:

(a) to continue to draw the military pension, in which case his former military service shall not count as qualifying service; or

(b) to cease to draw his pension and refund the pension already drawn on re-employment and the value received for the commutation of a part of military pension and count military service as a qualifying service, provided that:

(i) the pension drawn prior to the date of appointment in the National Bank/Reserve Bank of India/ARDC shall not be required to be refunded; and
(ii) the element of pension which was ignored for fixation of his pay shall be refunded by him.

IndiaCode

15. Counting of period spent on leave

All leave during service for which leave salary is payable and all extraordinary leave granted on medical certificate shall count as qualifying service, unless otherwise decided.

Provided that in the case of extraordinary leave other than extraordinary leave granted on medical certificate, the Competent Authority may, at the time of granting such leave, allow the period of that leave to count as qualifying service if such leave is granted to an employee -

(i) due to his inability to join or re-join duty on account of civil commotion; or
(ii) for pursuing higher studies approved by the National Bank.

16. Period spent on training

Period spent by an employee on training in the National Bank immediately before appointment shall count as qualifying service.

17. Period of suspension

Period of suspension of an employee pending enquiry shall count for qualifying service where on conclusion of such enquiry he has been fully exonerated and in other cases the period of suspension shall not count unless the authority competent to pass the order expressly declares that it shall count as qualifying service.

18. Forfeiture of service on resignation or dismissal or termination

Resignation or dismissal or termination of an employee from the service shall entail forfeiture of his entire past service and consequently shall not qualify for pension payment.

19. Period of deputation to foreign service

An employee deputed on foreign service to the United Nations or any other foreign body or organisation may at his option –

(i) pay pension contribution in respect of his foreign service and count such service as qualifying service under these Regulations; or

(ii) avail of the retirement benefit admissible under the rules of the foreign employer and not count such service as qualifying for pension under these Regulations provided that, where an employee opts for clause (ii), the pension contributions, if any, paid by the employee shall be refunded to him.

20. Period of deputation to an organisation in India

Period of deputation of an employee to another organisation in India will count as qualifying service provided the organisation or the employee pays the pensionary contributions to the National Bank.

21. Period of deputation in the National Bank for Agriculture and Rural Development

Previous service of an employee on deputation to the National Bank from another organization, who is later absorbed in the National Bank's service may count as qualifying service, if the employee pays to the National Bank the amount of retirement benefits drawn by him from his previous employer together with six percent simple interest per annum up to the date of payment.

Provided that if an employee has not been paid any pensionary benefits for his previous service, he may count such service for the purpose of pension by paying an amount calculated with reference to commutation tables and interest thereon as laid down in these Regulations.

22. Leave Preparatory to retirement

Leave preparatory to retirement shall not count as qualifying service and pension shall not be payable during leave preparatory to retirement. Employees will have the choice as under:

(a) either to encash the entire period of accumulated leave preparatory to retirement and draw pension from the first of the month following the date of superannuation itself (as leave preparatory to retirement commences from the beginning of that month): or
(b) to avail of leave preparatory to retirement for completed months and encash the broken period of leave preparatory to retirement of less than a month so as to draw pension from the first of the succeeding month.

23. Addition to qualifying service in special circumstances

(1) At the National Bank's discretion, an employee shall be eligible to add to his service qualifying for superannuation pension (but not for any other class of pension) the actual period not exceeding one-fourth of the length of his service or the actual period by which his age at the time of recruitment exceeded twenty-five years or a period of five years, whichever is less if the service or post to which the employee is appointed is one;

(a) for which post-graduate research, or specialist qualification or experience in scientific, technological or professional fields, is essential, and
(b) to which candidates of more than twenty-five years of age are normally recruited.

IndiaCode

Provided that this concession shall not be admissible to an employee unless his actual qualifying service at the time he quits the National Bank's service is not less than ten years.

Explanation

This concession shall not be available to an employee recruited in the National Bank at more than twenty-five years of age merely on the basis of relaxation of age.

(2) An employee who is recruited at an age so that with reference to his normal age of superannuation he would not be rendering a minimum of ten years of service so as to become eligible to pension, will not be entitled to the pension and instead will be governed by Contributory Provident Fund rules only.

(3) The option referred to in the sub-regulation (2) once exercised shall be final.

## CHAPTER-V

## CLASSES OF PENSION AND CONDITIONS COVERING GRANT THEREOF

24. Superannuation pension

Superannuation pension shall be granted to an employee who has retired on his attaining the age of superannuation. Provided that pension shall not be payable during leave preparatory to retirement.

25. Premature retirement pension

(1) Premature retirement pension shall be granted to an employee who is retired by the National Bank or who voluntarily retires in accordance with Rule 19 of the Staff Rules.
(2) The qualifying service of an employee voluntarily retiring pursuant to sub-rule (3) or (3A) of Rule 19 of the Staff Rules shall be increased by a period not exceeding five years so, however, that the total qualifying service of such employee shall not in any case exceed thirty-three years and does not take him beyond the date of superannuation.
(3) The pension of an employee retiring pursuant to sub-Rule (3A) of the Rule 19 of the Staff Rules shall be based on the average emoluments as defined under sub-regulation (2) of Regulation 2 of these Regulations and the increase not exceeding five years in his qualifying service shall not entitle him to any notional fixation of pay for the purpose of calculating his pension.
(4) No pension shall be payable during leave preparatory to retirement.

26. Invalid pension

(1) Invalid pension may be granted if an employee retires from the services on account of any bodily or mental infirmity which permanently incapacitates him for the service.
(2) An employee applying for an invalid pension shall submit a medical certificate of incapacity from the National Bank's Medical Officer.
(3) Where the National Bank's Medical Officer has declared the employee fit for further service of less laborious character than that which he had been doing, he shall, provided he is willing to be so employed, be employed on lower post and if there be no means of employing him even on a lower post, he may be admitted to invalid pension.

IndiaCode

27. Compassionate Allowance

(1) An employee of the National Bank who is dismissed or terminated from service shall forfeit his pension.
Provided that the authority competent to dismiss or terminate from service may, if the case is deserving of special consideration, sanction a compassionate allowance not exceeding two-third of pension which would have been otherwise admissible to him.

(2) A compassionate allowance sanctioned under proviso to sub-regulation (1) shall not be less than the amount of **₹3500**[3] per mensem in the case of a full-time employee, and proportionate amount thereof in relation to rate of wages applicable in the case of a part-time employee.

28. Rate of pension

The rate of basic pension will be fifty percent of the average emoluments subject to a minimum of ***₹3500***[4] per mensem in the case of a full-time employee, and proportionate amount thereof in relation to rate of wages applicable in the case of a part-time employee. Service of thirty-three years will qualify for the full pension. In the case of an employee who has put in less than thirty-three years of service, pension will be payable on proportionate basis for the number of years of qualifying service.

29. Dearness relief on pension

Dearness relief will be granted at such rates as may be determined by the National Bank from time to time. Dearness relief will be allowed on the full basis pension even after commutation.

30. Commutation

A pensioner may commute upto maximum of one-third of the pension admissible to him. Such a pensioner will be entitled to two-third portion of the admissible pension. Commuted portion of the pension will be restored after a period of fifteen years from the date of commutation. The method of commutation shall be in accordance with the table enclosed hereto. If commutation is sought after one year of the date of retirement, it will be granted only after medical examination, by the National Bank's Medical Officer.

[3] Inserted by amendments vide notification No. 52 dated 18 December 2014 in Gazette of India Part III – Section 4

[4] Inserted by amendments vide notification No. 52 dated 18 December 2014 in Gazette of India Part III – Section 4

31. Payment of pension to employees who retired on or After 01 January 1986, but before 01 November 1993

Employees who have retired from the National Bank's service on or after 01 January 1986 and before 01 November 1993 shall be eligible for pension from 01 November 1993, or after expiry of leave preparatory to retirement subject to Regulation 22. The payment of pension shall be subject to their refunding National Bank's contribution to Provident Fund including interest received by them from the National Bank, together with simple interest at the rate of six percent per annum from the date of withdrawal till the date of repayment. Such employees will be permitted to commute their pension with effect from 01 November 1993, after due medical examination, by the District Medical Board. The medical board will certify the health of official and will indicate its opinion regarding weightage to be applied to the age of the official. The commutation value will thereafter be calculated with reference to weighted age indicated by the medical board. The facility of commutation will not be admissible to the family of employees who retire or die between 01 January 1986 and the last date of exercise of option to come over to the pension scheme, viz., 31 July 1994.

IndiaCode

## CHAPTER-VI

32. Family Pension

(1) Without prejudice to the provisions contained in sub-regulation (3), where an employee dies –
   (a) after completion of one year of continuous service; or
   (b) before completion of one year of continuous service provided the deceased employee concerned immediately prior to his appointment to the service or post was examined by the National Bank's Medical Officer and declared fit for employment; or
   (c) after retirement from service and was on the date of death in receipt of a pension, or compassionate allowance, the family of the deceased shall be entitled to family pension.

Explanation

The expression 'one year of continuous service' wherever it occurs in this Regulation shall be construed to include 'less than one year of continuous service' as defined in clause (b)

(2) The amount of family pension shall be fixed at monthly rates and be expressed in whole rupees and where the family pension contains a fraction of a rupee, it shall be rounded off to the next higher rupee;

Provided that in no case a family pension in excess of the maximum prescribed under sub-Regulation (5) shall be allowed.

(3) Where at the time of death the employee has completed seven years of continuous service, family pension may be paid at fifty percent of pay last drawn or twice the ordinary rate of family pension, whichever is less, provided the employee was not covered by the Workmen's Compensation Act, 1923. In case the employee was covered by the Workmen's Compensation Act, 1923, the family pension should be fifty percent of the pay last drawn or one and a half times of the ordinary rate of family pension, whichever is less. The pension at this higher rate is payable for a period of seven years or till the deceased employee would have attained the age of sixty five years had he survived, whichever is earlier.

(4) In the event of death after retirement, the family pension at twice the ordinary rate of family pension or at the rate of fifty percent of the pay last drawn, whichever is less, shall be payable from the date following the date of death for a period of seven years or till the deceased employee would have attained the age of sixty-five years, whichever is earlier, provided that the amount of enhanced family pension as above shall not exceed the normal pension admissible on retirement.

(5) The ordinary rate of family pension shall be thirty percent of the Pay, subject to a minimum of ₹3,500/- (rupees three thousand and five hundred only) per month and a maximum of ₹24,495/- (rupees twenty-four thousand four hundred ninety-five only) per month.

Explanation

In the case of a part-time employee, the minimum and maximum amounts of family pension shall be in proportion to the rate of wages applicable.[5]

(6) The period for which family pension is payable shall be as follows :

(a) In the case of a widow or widower, upto the date of death or remarriage whichever is earlier;

[5] Substituted by amendments vide notification No. 52 dated 18 December 2014 in Gazette of India Part III – Section 4

(b) In the case of a son, until he starts earning or he attains the age of twenty-five years, whichever is earlier; and

(c) In the case of an unmarried daughter, until she starts earning or she attains the age of twenty-five years or until she gets married, whichever is earliest.

Provided, that if the son or daughter of an employee is suffering from any disorder or disability of mind or is physically crippled or disabled so as to render him or her unable to earn a living, the family pension shall be payable to such son or daughter for life in accordance with the instructions as may be issued in this regard by the National Bank.

(7) (a) The family pension shall not be payable to more than one member of the family at the same time.

(b) If a deceased employee or pensioner leaves behind a widow or widower, the family pension shall become payable to the widow or widower, failing which to the eligible child.

(c) If sons and unmarried daughters are alive, unmarried daughters shall not be eligible for family pension unless the sons attain the age of twenty-five years or start earning and thereby become ineligible for the grant of family pension.

IndiaCode

(8) Where a deceased National Bank employee or pensioner leaves behind more children than one, the eldest eligible child shall be entitled to the family pension for the period mentioned in clause (b) or clause (c) of sub-regulation (6) of this Regulation as the case may be and after the expiry of that period the next child shall become eligible for the grant of family pension.

(9) Where family pension is granted under this Regulation to a minor, it shall be payable to the guardian on behalf of the minor.

(10) In case both wife and husband are employees of the National Bank and are governed by the provisions of these Regulations and one of them dies while in service or after retirement, the family pension in the case of deceased shall be payable to the surviving husband or wife and in the event of death of the surviving husband or wife, the surviving child or children shall be granted the two family pensions in respect of the deceased parents subject to the limits as may be laid down by the National Bank.

## COMMUTATION TABLE

COMMUTATION VALUES FOR A PENSION OF RE.1 PER ANNUM

| Age next birthday | Commutation value expressed as number of year's purchase | Age-next birthday | Commutation value expressed as number of year's purchase | Age-next birthday | Commutation value expressed as number of year's purchase |
|---|---|---|---|---|---|
| 17 | 19.28 | 40 | 15.87 | 63 | 9.15 |
| 18 | 19.20 | 41 | 15.64 | 64 | 8.82 |
| 19 | 19.11 | 42 | 15.40 | 65 | 8.50 |
| 20 | 19.01 | 43 | 15.15 | 66 | 8.17 |
| 21 | 18.91 | 44 | 14.90 | 67 | 7.85 |
| 22 | 18.81 | 45 | 14.64 | 68 | 7.53 |
| 23 | 18.70 | 46 | 14.37 | 69 | 7.22 |
| 24 | 18.59 | 47 | 14.10 | 70 | 6.91 |
| 25 | 18.47 | 48 | 13.82 | 71 | 6.60 |
| 26 | 18.34 | 49 | 13.54 | 72 | 6.30 |
| 27 | 18.21 | 50 | 13.25 | 73 | 6.01 |
| 28 | 18.07 | 51 | 12.95 | 74 | 5.72 |
| 29 | 17.93 | 52 | 12.66 | 75 | 5.44 |
| 30 | 17.78 | 53 | 12.35 | 76 | 5.17 |
| 31 | 17.62 | 54 | 12.05 | 77 | 4.90 |
| 32 | 17.46 | 55 | 11.73 | 78 | 4.65 |
| 33 | 17.29 | 56 | 11.42 | 79 | 4.40 |
| 34 | 17.11 | 57 | 11.10 | 80 | 4.17 |
| 35 | 16.92 | 58 | 10.78 | 81 | 3.94 |
| 36 | 16.72 | 59 | 10.46 | 82 | 3.72 |
| 37 | 16.52 | 60 | 10.13 | 83 | 3.52 |
| 38 | 16.31 | 61 | 9.81 | 84 | 3.32 |
| 39 | 16.09 | 62 | 9.48 | 85 | 3.13 |

IndiaCode

**NOTE** : The table above indicates the commuted value of pension expressed as number of year's purchase with reference to the age of pensioner or his next birthday. The commuted value in case of an employee retiring at the age of 58 years is 10.46 year's purchase and, therefore, if he commutes ₹100/- from his pension within one year of retirement; the lumpsum amount payable to him works out to ₹100 x 10.46 x 12 = ₹12,552/-.

*(The principal regulations were published vide notification No. 44 dated the 29th October, 1994, subsequently amended vide notification No. 20 dated the 26th March 2009 and further amended vide notification No. 52 dated the 18th December 2014.)*