



# ALL INDIA BANK EMPLOYEES' ASSOCIATION

Central Office: "PRABHAT NIVAS" Regn. No. 2037  
Singapore Plaza, 164, Linghi Chetty Street, Chennai-600 001  
Phone: 2535 1522 Web: www.aibea.in  
e mail : chv.aibea@gmail.com & aibeahq@gmail.com

**CIRCULAR NO. 28/435/2022/6**

**20-1-2022**

**TO ALL UNIONS AND MEMBERS:**

Dear Comrades,

## **Clarification on Family Pension**

Recently we have received queries from few family pensions on the following issues and we deem it necessary to clarify as under:

### **1. Calculation of Family Pension based on last month Pay – Not of average of last 10 months:**

Basic Pension of the retirees is calculated based on the Pay based on the average of the last months preceding the retirement.

Example: Basic Pay at the time of retirement : Rs. 50,000  
Average of Basic Pay last 10 months : Rs. 48,000  
Basic Pension at 50 % : Rs. 24,000 (not 25,000)  
Basic Pension after Commutation(2/3): Rs. 16,000

**But**, when an employee dies at the basic Pay of Rs. 50,000 Family Pension will be at 30% of 50,000 that is Rs. 15,000 (normal rate) and not based on average of last 10 months.

### **2. Pension Regulations 39(3): Enhanced Family Pension upto next 7 years or until age of 65 of the deceased employee:**

When an employee dies while in service or when a pensioner dies, Family Pension is payable at 50% of Pay last drawn or twice the normal rate of family pension whichever is less **upto next 7 years or until age of 65** of the deceased employee.

**From 1-4-2021**, normal rate of Family Pension is 30% of Pay and hence, enhanced family pension will be payable at 50% of Pay. (30 x 2 or 50% whichever is less)

(Example: If the employee dies at the age of 54, it will be upto 61 years. If the employee dies at the age of 48, it will be for next 7 years. If a pensioner dies at the age of 63, it will be for next 2 years).

Example: Basic Pay at the time of retirement : Rs. 50,000  
Average of Basic Pay last 10 months : Rs. 48,000  
Basic Pension at 50 % : Rs. 24,000 (not 25,000)  
Basic Pension after Commutation : Rs. 16,000  
Enhanced Family Pension for 7 years : Rs. 25,000  
Family Pension after 7 years : Rs. 15,000

Units are requested to take note of the above and accordingly guide the family pensioners.

Yours comradely,

**C.H. VENKATACHALAM  
GENERAL SECRETARY**