

RETIRAL BENEFITS DEPARTMENT
(HUMAN CAPITAL MANAGEMENT DEPARTMENT)

4TH FLOOR, MMO BUILDING, M G ROAD, FORT, MUMBAI -400023

CO:HCM:RBD:2023-24:1036

Date: 28.03.2024

ALL OFFICES

IMPORTANT

REG PAYMENT OF PENSION / FAMILY PENSION TO RETIRED STAFF OF OUR BANK ON LAST WORKING DAY OF THE MONTH W.E.F MARCH 2024

With reference to above, it is to inform that presently monthly pension / family pension are paid to retired staff of our Bank on the first day of the following month. As such, March 2024 Pension was scheduled to be paid on 01.04.2024.

In order to synchronize the Financial Year of pension payment, i.e. April to March, the competent authority has now approved following modification in monthly pension payment schedule for staff pensioners / family pensioners.

Present Pension Payment Schedule	Proposed Pension Payment Schedule
First day of the following month	Last working day of the month, w.e.f March 2024

In view of above modification, **March 2024** Pension is now scheduled to be paid on **31.03.2024** and henceforth pension for the successive month will be paid on the last working day of the calendar month.

Ex-Gratia - In terms of provision incorporated in 12th BPS / 9th Joint Note dated 08.03.2024, wherein Ex-Gratia amount is considered for payment for the current Bi-Partite period i.e. from 01.11.2022 to 31.10.2027 for pensioners and family pensioners, who became eligible to draw pension on or before 31st October 2022 including those who retired on 31.10.2022. The eligible monthly Ex-Gratia amount will be paid along with Pension / Family Pension to eligible pensioners w.e.f March 2024 along with arrears for the period 01.11.22 to 29.02.24

Tax Consultant Opinion Dt. 27.03.2024 on applicability of TDS on Ex-Gratia

We have received representation from various pensioners seeking clarification on applicability of TDS on Ex-Gratia amount as approved in terms of 12th BPS / 9th Joint Note dated 08.03.2024. In this connection, we have taken up the matter with our Bank's empanelled Tax Consultant – CA R.J.Soni & Associates, wherein they have confirmed that **Ex-Gratia amount will be taxable in the hands of Pensioner under provisions of Section 192 of Income Tax Act. However provisions of Section 192 do not apply if the payments are made to the family pensioners. Accordingly, Ex-Gratia amount will be included in pension amount to arrive at TDS liability of the staff pensioners.**

Please bring the contents of this letter to the notice of all staff pensioners and display the copy of this letter on the Branch notice board for information, invariably.

(MOHAMMAD DANISH KHAN)
ASSISTANT GENERAL MANAGER