



Indian Banks' Association

HR & INDUSTRIAL RELATIONS

No.HR&IR/MBR/G2/0533

October 16, 2023

MD / CEO of Member Banks party to Pension Settlement

Dear Sir / Madam,

Sub : Dearness Relief (DR) Neutralization for pre- 01.11.2002 Retirees and Family pensioners

In terms of the provisions of Bank Employees' Pension Regulations 1995, pensioners and family pensioners are entitled to draw Dearness Relief (DR) on their pension.

2. The Unions / Associations and the employees retired prior to 1st November 2002 were requesting for payment of uniform DR at lowest slab of Basic Pension in the existing DR framework.
3. The issue was discussed in Managing Committee of IBA and now the Department of Financial Services, Government of India has provided their no objection to advise the Public Sector Banks to implement the 100% DR neutralization to pre-November 2002 retirees and family pensioners.
4. It is to be noted that, with effect from 1st October 2023
 - a. DR to be paid at a uniform rate applicable to lowest slab of Basic Pension in the existing DR frame work to all pensioners / family pensioners retired prior to 01.11.2002 under various settlement period.
 - b. ₹.800 and ₹.450 per month to be paid as ex-gratia amount as a standalone benefit, which will not attract DR, to pensioners / family pensioners falling under 1st slab of Basic Pension and drawing highest DR, and 2nd slab of Basic pension attracting second highest DR in the present framework, respectively. The ex-gratia amount shall be absorbed in future changes in pension structure, if any.
 - c. No arrears shall be payable for the periods falling prior to 01.10.2023.
5. We are also sharing DR rate chart applicable from 01.10.2023, for pre 01.11.2002 Pensioners and Family pensioners.

Yours faithfully,

(Brajeshwar Sharma)

Senior Advisor (HR & IR)



Indian Banks' Association

DR rate chart applicable from 01.10.2023 to January 2024 for Pensioners retired during the period from 01.01.1986 and prior to 01.11.2002 and their Family Pensioners

Sl. No	Retirement Date	Basic Pension	Existing Dearness Relief Structure (Aug-23 to Jan -24)	Revised Dearness Relief Structure w.e.f. 01.10.2023 to January 2024	Ex-Gratia over and above Basic Pension and DR thereon
			Dearness relief for the months August to January 2024 Average Index		
(1)	(2)	(3)	(4)	(5)	(6)
1	For pensioners / Family Pensioners of the period from 01.01.1986 to 31.10.1992 / 30.06.1993	Upto Rs. 1250	1386.90 %	1386.90 % (DR shall be at the uniform rate of 0.67% per slab over 600 Points)	₹. 800/-
		Rs. 1251 to Rs. 2000	Rs. 17336.25 plus 1138.50% of basis pension in excess of Rs. 1250		₹. 450/-
		Rs. 2001 to Rs. 2130	Rs. 25875 plus 683.1% of basic pension in excess of Rs. 2000		₹. 0/-
		Above Rs. 2130	Rs. 26763.03 plus 351.90% of basic pension in excess of Rs. 2130		₹. 0/-
2	For pensioners / Family Pensioners of the period from 01.11.1992 / 01.07.1993 to 31.03.1998	Upto Rs. 2400	676.55 %	676.55 % (DR shall be at the uniform rate of 0.35% per slab over 1148 Points)	₹. 800/-
		Rs. 2401 to Rs. 3850	Rs. 16237.20 plus 560.57% of basis pension in excess of Rs. 2400		₹. 450/-
		Rs. 3851 to Rs. 4100	Rs. 24365.46 plus 328.61% of basic pension in excess of Rs. 3850		₹. 0/-
		Above Rs. 4100	Rs. 25186.98 plus 173.97% of basic pension in excess of Rs.4100		₹. 0/-
3	For pensioners / Family Pensioners of the period from 01.04.1998 to 31.10.2002	Upto Rs. 3550	431.76 %	431.76 % (DR shall be at the uniform rate of 0.24% per slab over 1684 Points)	₹. 800/-
		Rs. 3551 to Rs.5650	Rs. 15327.48 plus 359.80% of basis pension in excess of Rs. 3550		₹. 450/-
		Rs. 5651 to Rs. 6010	Rs. 22883.28 plus 215.88% of basic pension in excess of Rs. 5650		₹. 0/-
		Above Rs. 6010	Rs. 23660.44 plus 107.94% of basic pension in excess of Rs.6010		₹. 0/-

- A.** Please note that the Ex-gratia amount mentioned above is a standalone benefit which will not attract any DR and the same shall be absorbed in future changes in pension structure, if any.
- B.** Total Pension w.e.f 01.10.2023 will be Total of Basic Pension + DR as per Column (5) on the Basic Pension.
- C.** In addition to total pension mentioned in (B), Ex-gratia amount will be paid as per Column (6).
- D.** No arrears for the period prior to 01.10.2023 to be paid.