

## GRATUITY

(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 1-7-1993 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 1.4.1998 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.

The Payment of Gratuity Act 1972 was amended w.e.f. 24.05.2010 as per Government Notification and IBA Circular No.HR & IR / CIR / 76G (iii) 417 dated 28.05.2010.

In terms of this amendment, the ceiling on the amount of gratuity payable Under Section 4 of Payment of Gratuity Act 1972 was raised from Rs.3,50,000/- to Rs.10,00,000/- w.e.f. 24.05.2010. Accordingly, Central Board of Direct Taxes, on 11.06.2010, approved notification of Rs.10.00 lakh (Rupees Ten Lakh only) as the maximum amount of Gratuity entitled to exemption under sub-clause (iii) of clause (10) of section 10 of the Income Tax Act 1961. (Staff Circular No. 5680 dated.07.07.2010)

Gratuity payable under Section 4 of payment of gratuity act 1972 has been raised from Rs. 3.50 lacs to Rs.10.00 lacs w.e.f. 24.05.2010 as per SC 5680 dated 07.07.2010

10 YEARS SERVICE MUST: One month pay for every completed year of service subject to maximum of 15 months pay. If completed more than 30 years services than additional amount @ one half of a month's pay for each completed year of service beyond 30 years. If fraction of service beyond completed years of service is 6 months or more than gratuity will be paid prorate for the period.

9 YEARS 6 MONTHS OR MORE AND LESS THAN 10 YEARS ARE NOT ELIGIBLE FOR GRATUITY.

AS PER ACT GRATUITY- (BASIC+DA+FPP(increment portion)+PQP+PLP)  
(BASIC+DA) X 15 / 26 X NO.OF COMPLETE YEARS OF SERVICE

AS PER RULE GRATUITY - (BASIC+FPP(increment portion)+PQP+PLP)  
(BASIC X NO.OF COMPLETE YEARS OF SERVICE/2

ONE MONTH PAY FOR EACH COMPLETED YEAR OF SERVICE - MAX. 15 MONTHS PAY PLUS-  
½ MONTH PAY FOR EACH YEAR BEYOND 30 YEARS OF SERVICE - PAY MEANS- AVERAGE  
BASIC PAY+ OFFICIATING PAY + PQP + INCREMENT PORTION OF FPP OF LAST 12 MONTHS:

EX: 10 YEARS = 10 MONTHS PAY, 15 YEARS 15 MONTHS PAY 20 YRS. /30 YRS. =15  
15 + % + y2 = 16 MONTHS PAY 40 YEARS = 15 + 1/2X10= 20 MONTHS PAY 32 YEARS MONTHS  
PAY

SERVICE OF 6 MONTHS AND ABOVE WILL BE RECKONED AS ONE YEAR EMPLOYEE HAS RIGHT TO RECEIVE GRATUITY UNDER THE ACT OR UNDER ANY AWARD / SETTLEMENT WHICH IS HIGHER

As per BPS: pay gratuity for 10 years = 10 months pay 15 years = 15 months pay 20 years = 15 months pay

30 years = 15 months pay 32 years =  $15 + (2 \times 1/2) = 16$  34 yrs =  $15 + (10 \times 1/2) = 20$  6 months + add 1 year please

@ @ @ @ @