



UNION BANK OF INDIA
DEPARTMENT OF PERSONNEL
TERMINAL BENEFIT DIVISION - SALARY SECTION

239, VIDHAN BHAVAN MARG, UNION BANK BHAVAN, MUMBAI - 400 021.

STAFF CIRCULAR NO.:5747

DATE: 05.04.2011

To,
All Branches/Offices,

**Injunction Orders of Kerala & Madras High Courts
On deduction of TDS on Pension Fund contribution**

This is to inform that, in WP No. 8102/11 filed by ABOA in Madras High Court, the court has passed an interim order dated 29.03.2011 "restraining the Bank from deducting tax at source, in respect of the optees of the pension scheme, under the joint note dated 27.04.2010, entered into between the Indian Banks' Association and others, for a period of 8 weeks. However it is made clear that the amount equivalent to the tax element shall not be disbursed to such optees of the pension scheme, until further orders".

Similarly Kerala High Court in WP no. 10070/2011 and 10071/2011 dated 30.03.2011 filed by AIUBOF and AIUBEF passed the interim stay order "from deducting TDS amount which is being appropriated to the corpus of pension fund under the joint note dated 27.04.2010, entered into between the Indian Banks' Association and others, for a period of 3 months. It is made clear that, however the amount equivalent to the tax element shall not be disbursed to the employees out of the arrears of salary".

In view of the aforesaid, in terms of e-mail dated 31.03.2011 all concerned were advised not to remit the tax until further instructions, if not already remitted.

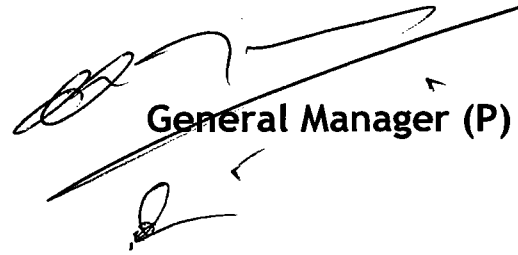
It is now advised that to include contribution to pension fund which being the part of salary arrears into total salary income, if not included already and arrive at TDS to be deducted.

However, those branches / offices who have deducted TDS during March'2011, on calculation of final tax liability from salary income including salary arrears and contribution to pension fund corpus, but have not yet remitted the same to Income Tax Authorities are instructed "not to remit the TDS amount equivalent to tax element on contribution to Pension Fund of the new pension optees or actual TDS deducted during March'2011 whichever is less on an individual basis and the same is be controlled in Sundry Deposit Account. It is also instructed not to refund

the same to such optees of pension scheme”, in view of the interim directions of the Hon’ble High Court as aforesaid.

The amount is to be controlled in Sundry for a period of 3 months from 30.03.2011 as per the stay order issued by Kerala High Court and the Form -16 is to be issued should duly display in a footnote “the amount held in sundry deposit account on account of Kerala High Court stay order in WP no.10070/2011 & 10071/2011 dated 30.03.2011”.

All Branches/offices are advised to take careful note of the above and ensure compliance.



General Manager (P)