



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPRC)

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Ref. No. GS:110/ 2017

30th August , 2017

Shri Raj Kiran Sethi,
Managing Director & Chief Executive Officer,
Union Bank of India,
Union Bank Bhavan,
239, Vidhan Bhavan Marg,
Nariman Point, Mumbai - 400 021

Respected Sir,

Sub: Staff Circular No. 5690 dated 27/08/2010 issued by the Department of Personnel - Another option to join Pension Scheme in terms of Bipartite Settlement a with Workmen and Joint Note with Officers' Organisations

We invite your kind attention to Staff Circular No. 5690 dated 27/08/2010 whereby the Bank had extended another option to join the Pension Scheme to serving employees/retirees. This facility has benefitted scores of Bank employees and Retirees to lead a happy retired life with less financial worries. Some of the relevant salient features of this scheme are reproduced for your ready reference:

(i) Existing Employees/Officers or Retired on or after 27/04/2010 (date of effect of Settlement/Joint Note)

To contribute from their arrears on account of wage revision towards 30% of the estimated funding gap amounting to at 2.8 times of the revised pay for the month of November, 2007 for individual employee/Officer

(ii) Retired Employees/Officers prior to 27/04/2010

Employees/Officers who were in service of the Bank prior to 29th September, 1995 and retired after that date and prior to the date of Settlement/ Joint Note

To refund within 30 days after expiry of the said period of 60 days, the entire amount of the Bank's contribution to the Provident Fund and interest accrued thereon received by the employee/Officer on retirement together with his share in contribution towards meeting 30% of the funding gap amounting to 56% of the Bank's contribution to the Provident Fund and interest accrued as per the terms and conditions set out in the Settlement/Joint Note dated 27/04/2010

In terms of the above directions, employees/Officers contributed/ refunded the specified amounts and thus became eligible for Pension with effect from 27/11/2009. While doing so, the Bank had deducted Income Tax at Source (TDS). The Employees/ Officers of the Bank were aggrieved by the action of the Bank for the reason that the contribution/refund made them were funds received as Provident Fund contribution plus interest thereon. Therefore, Writ Petitions were filed by All India Bank Officers' Association (AIBOA) in the High Court of Madras (WP No. 8102 of 2011), All India Union Bank Officers' Federation (AIUBOF) (WP 10070 of 2011) and All India Union Bank Employees' Federation (AIUBEF) in the High Court of Kerala (WP 10071 of 2011).

In connection with the above Writ Petitions, the Department of Personnel of the Bank had issued Staff Circular No. 5747 dated 05/04/2011. We are also attaching a copy of this Circular for your immediate reference.

The operative part of the Court orders are reproduced:

High Court of Madras - WP No. 8102 of 2011

The Court 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.

High Court of Kerala - WP No. 10070 of 2011 and 10071 of 2011

The Court passed 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 was made clear that, however the amount equivalent to the tax element shall not be disbursed to the employees out of the arrears of salary.

From the Website of High Court of Madras, we note that the Writ Petition is shown as "Pending". It is inferred that the interim stay granted for a period of 8 weeks had been vacated and the main petition is pending disposal. As for Writ Petitions filed in the High Court of Kerala, the Website reveals that the Writ Petitions had been disposed off by the Hon'ble Court.

It has come to our notice that the Income Tax Department at various centres have issued appropriate notices under the Income Tax Act and called upon the serving Employees/Officers and Retirees to pay the TDs deducted by the Bank and the Department has also claimed penalty on such amount for the delayed period.

It has further come to our notice that in some of the individual cases, the Terminal Benefits Division at Central Office or some of the Regional Offices have taken a letter from the individual employee/Officer and refunded TDS held in Sundry Deposit account as per orders of the High Court of Madras/Kerala and such actions were totally against the orders of the respective Courts.

If the interim stay granted by the High Court of Madras had been vacated, which in all probability remains so, the Bank should have remitted /instructed all its Offices to remit TDS on the date the stay was vacated. We reliably gather that the amount of TDS is still held in Sundry Deposit account of the Bank and in all probability all such deductions may be held in Central Office account for the reason that standing instructions are in force that the

Branches/Offices cannot keep amounts in Sundry Deposit account beyond a stipulated period.

In view of the sensitiveness of the issue on hand, we request your personal intervention in the matter and help serving employees/retirees to face the department concerned and free them from the demands of penalty for delayed remittance of TDS. In case the interim stay granted by the High Court of Madras was already vacated, it is incumbent on the part of the Bank to meet the claims of individual assessee for payment of penalty demanded by Income Tax Department.

We look forward to your early action in this important matter.

Thanking you,

Yours faithfully,



(N. GOVINDARAJULU)
GENERAL SECRETARY