

**Gratuity under the 10th BP Settlement signed**

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References are being made to us regarding Gratuity under the 10th BP Settlement signed recently on 25-5-2015. Gratuity in the Banks is payable to employees and officers both under the Gratuity Act, 1972 as well as under the provisions of our Bipartite Settlement for employees and as per OSR for officers whichever is higher. (other than in SBI where Gratuity is paid only under the Act with a ceiling of Rs. 10 lacs).

<b>Eligibility :</b>	<b>As per Bipartite Settlement</b>	<b>As per Gratuity Act</b>
superannuation	On retirement on superannuation	On retirement on
On resignation after 5 years service	On resignation after 10 years service	On termination of service
On disablement of an employee	On becoming incapacitated	On death
	On the death of an employee	
<b>Eligible Amount:</b>	<b>As per Bipartite Settlement</b>	<b>As per Gratuity Act</b>
<b>Gratuity Act</b>	One month Pay for each completed year of service (Max. 15 months)	Pay means Basic pay, Spl. Pay, Offg. Pay, PQP, increment portion of FPP.
plus half month Pay for each year beyond 30 years service ( <b>No maximum</b> )		15 Days wage x No. of years of service ( <b>Max. Rs. 10 lacs</b> )
Wage means Basic Pay, Spl. Pay, Spl. Allowance, PQP, Offg. Pay, DA, Increment portion of FPP.		
1 day = monthly wage/26 days		

**PAYMENT OF GRATUITY FROM 1.11.2012** In terms of Section 4 (5) of the Payment of Gratuity Act, 1972, Gratuity under Gratuity Act or BPS provisions **whichever is higher is payable.** Hence for every retiring employee, Gratuity has to be calculated both under the Act and under BPS and **higher of the two will be paid.** For those employees who have retired from November, 2012, **Gratuity will be re-calculated** both under the Act and as per 10th BPS and arrears/difference if any will be paid to them. **Example:** a) A Special Assistant (Graduate and CAIIB) with 8 Stagnation Increments and retiring in July, 2015 after 40 years service

<b>per the Act</b>	<b>Eligibility as per BPS</b>	<b>Paid/ Payable</b>
13,46,353	Under 9th BPS	58,342/ 26 x 15 x 40 =
Max. Rs. 10 lacs	28110 x 20 =	Rs. 5,62,000
<b>10 lacs</b>		Under 10th BPS
62,758 / 26 x 15 x 40 =	14,48,260	47270 x 20
Rs. 9,45,400	<b>10 lacs</b>	

<b>Eligibility as per the Act</b>	<b>Eligibility as per the BPS</b>	<b>Difference of</b>
<b>Payable</b>	Under 9th BPS	
713,770	14890 x 20 = 2,97,800	30,930/ 26 x 15 x 40 =
		<b>713,770</b>
	Under 10th BPS	
25000 x 20 = 5,00,000	33,204 /26 x 15 x 40 = 766,250	
<b>Rs. 52,480 will be paid service</b>	<b>766,250</b>	

<b>Eligibility as per the Act</b>	<b>Eligibility as per BPS</b>
<b>Paid/Payable</b>	Previous
40 = 12,49,615 Max. Rs. 10 lacs	54,150 / 26 x 15 x 40 =
<b>10 lacs</b>	Rs 5,14,000
26 x 15 x 40 = 12,96,460 Max Rs. 10 lacs	Revised
<b>10 lacs</b>	42020 x 20 =
	Rs 8,40,400

<b>Eligibility as per the Act</b>	<b>Eligibility as per BPS</b>
<b>Paid/Payable</b>	Previous
	85,123/ 26 x 15 x 40

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= 19,64,377 Max. Rs. 10 lacs	40,400 x 20 =	Rs 8,08,000	Â Â
Â Â 10 lacs	Â Revised	88335 / 26 x 15 x	
40 = 20,38,500 Max Rs. 10 lacs	85020 x 20 =	Rs 13,21,400	
Â Â 13,21,400	Â	<b>Difference of Rs.</b>	
<b>3,21,400 will be paid</b>	<b>Â Â e)Â An Officer retiring in July, 2015 after 40 yearsâ€™ service</b>	<b>Â (</b>	
with Old Basic pay Rs. 52000 and revised Basic pay Rs. 85000 )		Â	
<b>Eligibility as per the Act</b>	<b>Eligibility as per</b>	<b>BPS</b>	