

Bank Employees Family Pension to be increased to 30% of last pay drawn

Banks' contribution to NPS Corpus of PSU Bank employees to be enhanced to 14%

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In a bid to provide relief to families of bank employees, the Government has approved the Indian Banks' Association's (IBA) proposal to increase the family pension to 30% of last salary drawn. This move would make family pension go up to as much as Rs 30,000 to Rs 35,000 per family of bank employees. This was announced by the Secretary, Department of Financial Services, Ministry of Finance, at a press meet addressed by Finance Minister Smt. Nirmala Sitharaman in Mumbai today.



Secretary, DFS informed that, in continuation of the 11th bi-partite settlement on wage revision of public sector bank employees, which was signed by the IBA with the unions on November 11, 2020, there was a proposal for enhancement of family pension and also the employers' contribution under the NPS. This has been approved by the Finance Minister, he said. Shri Panda further said that "earlier the scheme had slabs of 15, 20 and 30 percent of the pay that a pensioner drew at that point of time. It was capped subject to a maximum of Rs 9,284/-. That was a very paltry sum and Finance Minister Smt. Sitharaman was concerned and wanted that to be revised so that family members of bank employees get a decent amount to survive and sustain".

The Government has also approved the proposal to increase employers contribution under the NPS to 14% from the existing 10%.

Thousands of families of PSU bank employees will be benefited by the enhanced Family Pension, while increase in employers contribution will provide increased financial security to the bank employees under the NPS.

Finance Minister, as part of her two day visit to Mumbai reviewed the performance of the public sector banks and launched EASE 4.0 reform agenda for smart banking.

(Also see [PIB Mumbai Release on Launch of EASE 4.0](#) by Finance Minister)

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