



BANGIYA GRAMIN VIKASH BANK

Head Office: Berhampore, Murshidabad

CIRCULAR NO: P&A/21/2019-20

Date: 30.05.2019

**All Branches / Offices
All Departments at H.O & PMO**

**Re: Introduction of Soft Loan Scheme for retired Employees of the Bank
eligible for drawing pension under Bangiya Gramin Vikash Bank
Pension Regulation 2018 for refund of Employer's Contribution for Pension**

In terms of Gazette Notification dated 10th December 2018, Bangiya Gramin Vikash Bank (Employees') Pension Regulation 2018 has come into force on and from 1st April 2018. As per the Pension Regulation, the retired eligible employees are to refund the share of Employer's contribution of Provident Fund with interest as received from EPFO to the Bangiya Gramin Vikash Bank (Employees') Pension Fund Trust to avail the pension.

To ease the financial hardship of the retired employees of our Bank due to refund of the Employer's share of Provident Fund to the Trust, Bank has decided to extend advance to the retired employees through a new loan scheme namely "**BGVB Pensioners Soft Loan Scheme**" for retired employees who have decided to opt for Bank's Pension Scheme under Bangiya Gramin Vikash Bank (Employees') Pension Regulation 2018.

The eligible retired employees opting for joining the Pension Scheme as per the Bangiya Gramin Vikash Bank Pension Regulation 2018 are required to refund entire Employer's contribution of Provident Fund received from EPFO to the Bank along with interest upto the date of receipt of the refund by the retiree. As substantial amount is to be refunded to the Bank, the retired employees may avail of the scheme.

The detailed guidelines of the Scheme are enumerated below for information and guidance.

Sl.No.	Particulars	Guidelines
1	Target Groups	Retired employee of the Bank eligible for drawing pension under Bangiya Gramin Vikash Bank Pension Regulation 2018. Family members of the deceased employees are not eligible for Soft Loan Scheme.
2	Purpose	Refund of Bank's contribution along with interest for the purpose of direct deposit in newly constituted pension fund for becoming eligible for pension. The proceeds of the loan should exclusively be utilised in refunding the required Employer's Contribution of Provident Fund received from EPFO along with interest upto the date of receipt of refund by the retiree through Demand Draft payable in favour of favouring "Bangiya Gramin Vikash Bank (Employees') Pension Fund Trust" drawn on Berhampur in terms of Circular No.BGVB/P&A/07/2019-20 dated 09.04.2019. Under no circumstances the proceeds of the loan should be allowed to be utilised for the purpose other than for refunding Employer's Contribution of Provident Fund received from EPFO through Demand Draft.

Contd...2

Sl.No.	Particulars	Guidelines
3	Maximum quantum of loan cadre-wise or actual amount refundable or amount of arrear from 01.04.2018 together with the amount of commutation of pension whichever is least.	<p>a) Officer : Rs.5,00,000/- b) Office Assistant (Multipurpose) : Rs.4,00,000/- c) Office Attendant (Multipurpose) : Rs.3,00,000/-</p> <p>NB: The quantum of loan, as above, at no point of time should exceed the amount of arrear of pension with effect from 01.04.2018 together with amount of commutation of pension or actual amount refundable being the share of Employer's contribution of Provident Fund with interest as received from RPFO to Bangiya Gramin Vikash bank (Employees') Pension Fund Trust.</p>
4	Security	100% of loan amount should be backed by Bank's FDR as security (to be kept under Lien to the Bank) in the name of the eligible pensioner to be created out of arrear (payable w.e.f. 01.04.2018) and / or commutation amount after disbursement of the loan. Till such time the Fixed Deposits are created and kept under Lien to the Bank, the loanee retiree must execute irrevocable assignment of his claim on the arrear of pension payable with effect from 01.04.2018 and the amount of commutation of pension in favour of the Bank.
5	Guarantee	<p>a) Personal guarantee of spouse eligible to receive family pension in the event of death of pensioner. b) In case of spouse is pre-deceased, personal guarantee of son / daughters or a third party guarantee having sufficient worth acceptable to Bank is to be obtained.</p>
6	Rate of Interest	MCLR-Y i.e. at present 9% p.a. (with monthly rest subject to revision to be made by the Bank from time to time at its sole discretion).
7	Pre-sanction scrutiny and post sanction follow up	<p>a) After deduction of the proposed EMI, minimum 40% of pension amount should be available to meet the monthly family expenses of the pensioner. b) Keeping in view the age and general health of the pensioner, Branch should conduct pre-sanction verification. c) At post sanction stage, Branch should closely monitor the loan account. d) Survival certificate should be obtained periodically without fail. e) In the event of the death of the borrower, Branch should take immediate action for transferring the liability to the spouse who would receive family pension after the death of the borrower and obtain appropriate documents covering the liability.</p>
8	Repayment period	The loan together with accrued interest thereon may be repaid in 48 EMIs or till the borrower attains 72 years of age, whichever is earlier. Repayment will commence from one month after disbursement.
9	Sanctioning Authority	<p>1) Concerned Regional Office where retired employees / Officers have retired. Regional Office should obtain pension details, net of commutation from Head Office for processing loan proposal and furnish the loan details after sanction to Head Office for information. 2) For Employees / Officers retiring from Head Office, Chief Manager (P&A) will be the Sanctioning Authority.</p>

SI.No.	Particulars	Guidelines
10	Documentation	<ol style="list-style-type: none"> 1) D.P. Note 2) Letter of Lien 3) Irrevocable assignment of claim by the eligible loanee retirees and their spouse of arrear pension with effect from 01.04.2018 together with amount of commutation of pension in favour of the Bank. 4) Term Loan Agreement 5) Application Form (as per format enclosed) 6) Sanction Advice (in triplicate) – one copy should be sent to Head Office Pension Cell 7) Irrevocable Authority for deduction of instalment form Pension Amount 8) Declaration for creation of FDR after release of arrear / commutation.

It should be ensured that that the EMI of the loan is to be realised from the monthly pension and an irrevocable undertaking to that effect is to be obtained from the concerned Retired Employees and the nominee for family pension. In no case the loan amount should exceed the amount required to be refunded to the Pension Fund and the value of security in the form of Term Deposit is to be created out of arrear pension amount and/or commutation value of pension.

Strict adherence is to be ensured.


 GENERAL MANAGER

Encl: As stated.



BANGIYA GRAMIN VIKASH BANK

Head Office: Berhampore, Murshidabad

APPLICATION FOR LOAN FACILITY TO RETIRED EMPLOYEE

1. Name of the Employee : _____
(in Block Letter)
2. Name of Spouse : _____
3. Father's Name / Husband's Name : _____
4. Residential Address : _____
: _____
: _____
5. Place of Retirement & Position : _____
6. Date of birth of the Retiree : _____
7. Date of Retirement : _____
8. Name of the Nominee : _____
9. Address of the Nominee : _____
: _____
: _____
10. Relation with the Applicant : _____
11. P.P.O. Number : _____
12. Pension Amount : _____

(SIGNATURE)

Date:

Place:

LETTER OF ASSIGNMENT AND DECLARATION FOR CREATING FIXED DEPOSITS

To
The Branch Manager
Bangiya Gramin Vikash Bank
.....Branch
.....Region

Dear Sir,

I hereby irrevocably undertake to assign all my claims on arrear of pension with effect from 01.04.2018 and the amount of commutation of pension which I am eligible under Bangiya Gramin Vikash Bank (Employees') Pension Regulation 2018, in favour of Bangiya Gramin Vikash Bank against the "BGVB Pensioners Soft Loan Scheme" extended to me.

I hereby irrevocably authorise Bangiya Gramin Vikash Bank to realise all the dues payable by me to the Bank under the said "BGVB Pensioners Soft Loan Scheme" extended to me out of proceeds of arrear of pension with effect from 01.04.2018 and the amount of commutation of pension which I am eligible under Bangiya Gramin Vikash Bank (Employees') Pension Regulation 2018 without any reference to me at any point of time.

I also irrevocably authorise Bangiya Gramin Vikash Bank to create Fixed Deposits in my name for an amount not less than the amount of loan extended to me under "BGVB Pensioners Soft Loan Scheme" out of the proceeds of arrear of pension with effect from 01.04.2018 and the amount of commutation of pension which I am eligible under Bangiya Gramin Vikash Bank (Employees') Pension Regulation 2018 and keep the same deposits under lien against "BGVB Pensioners Soft Loan Scheme" extended to me till liquidation of the loan.

Yours faithfully

Signature:

Name of Retired employee:

Date:

Place: