

MAIN: ADV- 278 / 2021-22



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SUB : CRMKTG - 33

C.O.: RETAIL ASSETS  
DEPARTMENT

FILE M- 2 S- 204

### **Master Circular on IB Pension Loan Scheme (IBPLS)**

Our Banks Scheme for extending Loan to Pensioners to meet their financial requirements is in force, and is commonly known as IB Pension Loan Scheme (IBPLS). The Scheme has served the financial need of pensioners, whose pension accounts are maintained with us.

It has been felt from the feedback received from field functionaries that the scheme needs to be modified and relaxed to better suit the growing needs of Pensioners.

In view of the above, it has been decided to revise IBPLS which is appended herewith, for the information and further action of field functionaries.

S. No.	Parameter	Norms	
1.	Target Group	Central & State Government Pensioners, Family Pensioners, Re-employed Pensioners, IB Retirees (both under VRS & superannuation) <b>whose pension accounts are maintained with our branches.</b> CRS retirees and EPF Pensioners are not eligible for Pension Loan	
2.	Purpose	To meet the expenses like Marriage, Family & Domestic functions, Education, Medical or any other bankable purpose, but not for speculative purposes.	
3.	Age limit	<b>For Regular Pensioners:</b>	<b>For Family Pensioners:</b>
		Maximum Entry Age: 75 years Maximum Exit Age: 78 years	Maximum Entry Age: 72 years Maximum Exit Age: 75 years
		No specific minimum entry age	
4.	Eligible amount	<b>For Regular Pensioners:</b> ➤ Maximum 18 times of monthly pension credit ➤ No cap on minimum loan amount	<b>For Family Pensioners:</b> ➤ Maximum 12 times of monthly pension credit ➤ No cap on minimum loan amount
		<b>Caution:</b> In case of family pensioners, branches need to ascertain the following information to properly decide on the quantum of loan and the EMI / repayment term: ⇒ The date of start of family pension ⇒ Whether any downward revision of pension is applicable and if so, when it is due ⇒ In case of such downward revision, what is the level / quantum of pension expected	

		Even in case of regular pensioners, any likely reduction in quantum of pension envisaged - on account of commutation, recovery of excess pension by PPA etc shall be duly considered while fixing the loan amount / EMI. <b>Note: 40% NTHP to be maintained after deducting the EMI for the proposed pension loan.</b>															
5.	Margin	NIL															
6.	Repayment	<b>For Regular Pensioners:</b> Maximum repayment period up to 10 years or upto exit age of 78 years, whichever is earlier.  <b>For Family Pensioners:</b> Maximum repayment period up to 10 years or upto exit age of 75 years, whichever is earlier.															
7.	Rate of Interest	<table><thead><tr><th>Classification</th><th>Repo Rate</th><th>Prime Spread</th><th>Spread</th><th>Effective</th></tr></thead><tbody><tr><td>Repayment period upto 60 months</td><td>4.00%</td><td>2.80%</td><td>1.95%</td><td>8.75%</td></tr><tr><td>Repayment period from 61 months to 120 months</td><td>4.00%</td><td>2.80%</td><td>2.20%</td><td>9.00%</td></tr></tbody></table> <ul style="list-style-type: none"><li>For Loans fully covered by Our Bank's Deposits (irrespective of Repayment Period), Rate of interest will be charged at REPO+PS, i.e., 6.80% at present <b>or</b> 0.50% over the Deposit Rate, whichever is higher.</li></ul>	Classification	Repo Rate	Prime Spread	Spread	Effective	Repayment period upto 60 months	4.00%	2.80%	1.95%	8.75%	Repayment period from 61 months to 120 months	4.00%	2.80%	2.20%	9.00%
Classification	Repo Rate	Prime Spread	Spread	Effective													
Repayment period upto 60 months	4.00%	2.80%	1.95%	8.75%													
Repayment period from 61 months to 120 months	4.00%	2.80%	2.20%	9.00%													
8.	Security/ Documents required	<div>⇒ Original Pensioner's Portion of PPO</div> <div>⇒ Intimation to PPA (Pension Payment Authority)</div> <div>⇒ Authorization to recover monthly loan instalment from the SB account where pension is credited.</div> <div>⇒ <b>In case of Regular Pensioners:</b></div> <div><input type="checkbox"/> Guarantee of spouse/ legal heir 'eligible for family pension' to be obtained. If spouse/ legal heir 'eligible for family pension' is not available, guarantee of other legal heir or a family member with sufficient income (i.e., not less than the pensioner's income) should be obtained along with proof of income i.e Latest salary certificate or latest Form 16 or latest IT assessment order.</div> <div><input type="checkbox"/> If both (spouse / legal heir or family member) are not available, a suitable third party guarantee (preferably a relative) may be obtained (whose networth should be at least equivalent to the loan amount) and in such cases, the loan quantum shall be restricted to the level applicable for family pensioners.</div> <div>⇒ <b>In case of Family Pensioners –</b></div> <div><div>✓ Guarantee of one legal heir or a family member with sufficient income (i.e., not less than the pensioner's income) should be obtained along with proof of income i.e., Latest salary certificate or latest Form 16 or latest IT assessment order.</div><div>✓ If both (legal heir or family member) are not available, a suitable third party guarantee (preferably a relative) may be obtained (whose net-worth should be at least equivalent to the</div></div>															

		<p>loan amount)</p> <p>⇒ Loan Documents to be obtained: D1, D126, D57, F198 and F199</p> <p>⇒ Pre-sanction verification to be carried out as advised by CO:O&amp;M Division circular <a href="#">ADV- 55/2015-16</a> dated 22.07.2015</p> <p>⇒ All other existing terms of the scheme shall continue to be applicable.</p> <p>⇒ An irrevocable undertaking that pensioner will not amend his/her mandate to the Treasury / Pension disbursement authority to pay his/her pension from our Bank / Branch during the tenure of our pension loan.</p>
9.	<b>Sanctioning Authority</b>	Please refer to Booklet on Credit and Credit Related Administrative Powers and Modification Circulars
10.	<b>Rollover of limit</b>	Rollover of limit permitted after successful completion of 12 months. However, ZLCC may permit the same after 6 months on a selective basis.
11.	<b>Service Charges</b>	<ul style="list-style-type: none"> <li>• No Charges for Loan amount up to Rs.25000/-</li> <li>• For Loan amount more than Rs.25000/-, Rs.250/- + GST of 18% as lump sum</li> <li>• For IB retirees – exempted from the purview of the above service charges.</li> </ul>
12.	<b>Documentation Charges</b>	NIL
13.	<b>Others</b>	Branch should intimate the Pension Disbursement Authority concerned not to transfer / change the pension payment to any other Bank / Branch without obtaining our Bank's NOC – along with a copy of the pensioner's undertaking to this effect (irrespective of whether such request is accepted by them or not).
14.	<b>Deviations/ Relaxations</b>	<b>Any Deviations / Relaxations in the norms as stipulated above including ROI may be permitted / approved by COLCC(ED) on a case to case basis, based on merits of the proposal.</b>

**For retired IB employees drawing pension from our Bank, guidelines issued as per the Circular No. HRMD – 83 /2019- 20 dated 25.09.2019 and subsequent amendments if any, are to be followed.**

All Branches, Zonal Offices, Marketing Officers and other field functionaries are requested to note the contents herein above for meticulous compliance and updation of knowledge, which shall lead to quicker and healthier build-up of our Bank's Pension Loan Portfolio.

**The guidelines in this Master Circular are effective from the date of issue, and shall remain in force till further revision.**

**(Vikas Kumar)**  
General Manager



### Changes in IBPLS norms effected in the current Master Circular

Parameter	Previous Norms						Revised Norms					
Age limit	For Regular Pensioners:			For Family Pensioners:			For Regular Pensioners:			For Family Pensioners:		
	Maximum Entry Age: 75 years Maximum Exit Age: 78 years			Maximum Entry Age: 70 years Maximum Exit Age: 73 years			Maximum Entry Age: 75 years Maximum Exit Age: 78 years			Maximum Entry Age: 72 years Maximum Exit Age: 75 years		
	No specific minimum entry age						No change					
Eligible amount	➤ Maximum 15 times of monthly pension credit with <b>no maximum cap</b> ➤ No cap on minimum loan amount			➤ Maximum 12 times of monthly pension credit subject to maximum Loan amount of Rs.2 lakhs ➤ No cap on minimum loan amount			➤ Maximum 18 times of monthly pension credit ➤ No cap on minimum loan amount			➤ Maximum 12 times of monthly pension credit ➤ No cap on minimum loan amount		
Repayment	Maximum repayment period up to 10 years or maximum exit age of 78 years for Regular pensioner and maximum exit age of 73 years for family pensioner whichever is earlier						Maximum repayment period up to 10 years or maximum exit age of 78 years for Regular pensioner and maximum exit age of 75 years for family pensioner whichever is earlier					
Rate of Interest	Rate of interest as communicated by Corporate Office from time to time will be applicable											
	Classification	Repo rate	Prime Spread	Women		General Public		Classification	Repo rate	Prime Spread	Spread	Effective
				Spread	Effective	Spread	Effective					
	Repayment of 12 months	4.00%	2.80%	3.80%	10.60%	3.95%	10.75%	Repayment upto 60 months	4.00%	2.80%	1.95%	8.75%
	Repayment above 12 months upto 36 months	4.00%	2.80%	4.55%	11.35%	4.70%	11.50%	Repayment from 61 months upto 120 months	4.00%	2.80%	2.20%	9.00%
	Repayment above 36 months upto 120 months	4.00%	2.80%	4.80%	11.60%	4.95%	11.75%					