

**UNION BANK OF INDIA**

**EMPLOYEES' PROVIDENT FUND RULES**  
**(with Amendments upto 2018)**

**Human Resources Department**  
**Employee Benefits Division (EBD), Central Office, Mumbai**



**UNION BANK OF INDIA  
EMPLOYEES' PROVIDENT FUND RULES**

1. The Fund shall be called "Union Bank of India Employees' Provident Fund".
2. In **these Rules unless** there is something repugnant to the subject or context:

"Bank" means Union Bank of India

"Board of Directors" means the Board of Directors of Union Bank of India

"Salary" means Basic Pay, Special Allowance and Officiating Allowances, if any, and shall not include any Personal Allowance, Bonus or any other remuneration.

"Trustees" mean the trustees of the Union Bank of India Employees' Provident Fund.

"Member" means any person in the service of the Bank, who is a subscriber to the Fund.

3. The Trustees of the Fund shall be two Directors of the Bank (Hereinafter called "Director Trustee") two nominees from the Bank's Management (Hereinafter called "Management Trustee") and two other members of the Fund (Hereinafter called the "Member Trustee") all of them to be nominated by the Board of Directors of the bank. Such nomination by the Board of Directors will be for a fixed period from time to time notwithstanding the above, the Board of Directors of the Bank may be giving 7 days notice in writing remove any Trustee at any time. Furthermore, a Director Trustee shall cease to be a Trustee if he ceases to be a member of the Board of Directors of the Bank or on expiry of two years from the date of appointment as a Trustee, whichever is earlier. A Management Trustee shall cease to be a Trustee if he ceases to be an employee of the Bank or on expiry of two years from the date of appointment as a Trustee, whichever is earlier. A Member Trustee shall also cease to be a Trustee on expiry of two years from the date of his appointment as a Trustee or on the date he ceases to be in the employment of the Bank, whichever is earlier. The Board of Directors of the Bank may without any notice remove any Trustee in the event such a Trustee fails to attend three consecutive meetings of the Trustees without grant of leave of absence by the Chairman & Managing Director of the Bank. The Board of Directors of the Bank shall be entitled to fill in vacancies that may arise from time to time in the Board of Trustees of the Provident Fund by fresh nomination.



4. At every meeting of the Trustees one of their members shall be elected Chairman of the meeting. The presence of at least three Trustees with at least one Director Trustee other than Chairman shall be necessary to form a quorum. Questions arising at a meeting of Trustees shall be decided by a majority of votes and in case of equality of votes the Chairman of the meeting shall have a casting vote.
5. The Trustees may appoint a Committee from their number of whom at least one shall be a Member Trustee to carry on the ordinary business of the Fund, including payments to members. The Trustees shall from time to time fix the quorum of the Committee. 6. The accounts of the Fund shall be made up yearly as at 31st March and an audited statement of affairs as at that date shall be submitted to a meeting of the Trustees to be held not later than last day of April every year and a copy of such statements shall be forwarded annually to each member.
7. **"Membership" Award staff and promote Officer:** Every Employee on the permanent staff of the Bank shall be eligible for membership of the Fund.

**Directly Recruited Officers:** Every Directly Recruited officer of the Bank shall be eligible for membership of the fund from his/her date of joining the Bank with effect from 01.01.1988.

8. Subscription to the Fund shall be compulsory for all employees of the Bank who are on Permanent basis.
9. Every employee who shall be or become a Member, shall be subject to these Rules and shall sign an Agreement in the form annexed to these Rules.
10. (a) **"Compulsory Subscription"** Each member shall subscribe monthly to the Fund a sum as under :-
  - (1) 10% of 80% of pay form 01.11.1987 to 31.12.1988.
  - (2) 10% of 90% of pay from 01.01.1989 to 31.12.1989.
  - (3) 10% of full pay from 01.01.1990 onwards.



(b) **"Voluntary Subscription"** : A Member may at his option, voluntarily subscribe to the Fund (hereinafter referred to as 'Voluntary Subscription') a sum inclusive of the compulsory subscription any amount up to 100% of the salary payable to him for the month. However, Income-tax rebate on such contribution will be subject to Section 88- sub-section (1), (2) (vi) and (6)(ii) of the Income-tax Act, 1961 as amended from time to time.

Note : For the purpose of this Rule, 'Salary' means and includes Basic Pay and Dearness Allowance drawn by the Member.

(c) A Member desirous of making a **"Voluntary Subscription"** shall inform the Bank in writing, quantum of such Voluntary Subscription, that he desires to make, and shall authorize the Bank to make the necessary deductions from his salary **PROVIDED ALWAYS** that such authority to the Bank shall not be cancelled or varied in amount for a period of six months from the date of such authority.

11. The Bank shall be entitled to deduct each month out of the salary payable by the Bank to a Member :-

(a) The amount of Compulsory Subscription as mentioned in the Rule No.10 (a) above; and

(b) Voluntary Subscription, if any as authorized by a member.

The Total Amount so deducted by the Bank shall be credited to **"Trustees' Account"** referred to in Rule 14.

If the amount of subscription of any Member to the Fund shall not have been deducted by the Bank as aforesaid at the end of any month, such Member shall forthwith pay the amount of the subscription to the **"Trustees' Account"** mentioned in Rule 14.

12. (a) The Bank shall contribute to the Fund, a sum equal to the aggregate amount of monthly compulsory subscription in respect of those Members who have not opted for the **"Pension Scheme"** and the same shall be credited to the Trustees' Account referred to in Rule No.14.

(b) The Bank shall not contribute any sum in respect of Voluntary Subscriptions of the Members.



(c) The Rules relating to Bank's Contribution and interest on Bank's Contribution shall not be applicable to:-

(i) Employees opting for Pension Scheme in place of Bank's Contribution to Provident Fund Scheme of the Bank and have applied for transfer of their accumulated balance standing to their credit representing Bank's Contribution along with accumulated interest on Bank's contribution.

(ii) Employees below the age of 35 years joining the Bank on or after 29.09.1995.

(iii) Employees joining the Bank on or after 29.09.1995 at the age of 35 years or more and opt for Pension in lieu of Bank's Contribution to Provident Fund.

(d) On receipt of the application from the Members who have opted for the Pension Scheme in place of Employer's Contribution to Provident Fund of the Bank, the Trustees shall transfer within 60 days, the accumulated balance standing to the credit of Member representing Bank's Contribution alongwith accumulated interest on Bank's Contribution up to the date of transfer of Fund to the Pension Fund Trust of the Bank.

13. The sum subscribed from time to time by each Member (hereinafter referred to as the "**Member's Contribution**", comprising of the aforesaid Compulsory Contribution as well as Voluntary Contribution, if any, which expression shall include all interest accrued on the same) as well as all sums contributed by the Bank for each member (hereinafter referred to as the Bank's Contribution, which expression shall include all interest accrued on the same) shall be credited in a special ledger kept by the Trustees at the Central Office of the Bank at Mumbai.
14. (1) The Fund shall consist of contribution made by the Members and the Bank as above specified as also of interest credited in respect of such contributions and of Securities purchased therewith and of any capital gains arising from the transfer of Capital Assets together with any amount transferred from the individual account of an ex-employee



in any recognized Provident Fund maintained by his former employer and the interest in respect thereof, if any, and such other sums as may be received by the Trustees.

(2) All monies contributed to the Fund (whether by the Bank or by the Member) or received or accruing by way of interest or otherwise to the Fund shall either:

(a) be deposited :

(i) In the account opened with the Bank and styled "THE TRUSTEES OF UNION BANK OF INDIA EMPLOYEES' PROVIDENT FUND TRUST" and interest thereon will be paid by the Bank half yearly at such rate as the Bank may from time to time fix. **and/or**

(ii) In any account or accounts opened with the Bank and /or the State Bank of India and/or any other Scheduled Bank and/or Post Office Saving Bank Account.

**Or**

(b) be invested in the name of **UNION BANK OF INDIA EMPLOYEES' PROVIDENT FUND** in Securities as mentioned in Rule 67 of the Income-Tax Rules, 1962, as amended from time to time, and such Securities be deposited with the Bank for safe Custody in the name of the Fund. All accounts of the Fund shall be operated upon or otherwise be dealt with by any TWO Trustees.

15. The account of each Member shall be credited with interest every half-year at such rate as the Trustees might fix from time to time having regard to the interest earned on investment from the Fund and the Market value of investments and the redemption period of investments and on the monies deposited with the Bank. The member shall not be entitled to interest on the amount to credit of his/her PF account on expiry of three months following cessation of service, Provided, the Trustees, however, in their absolute discretion may pay the interest in Member's individual account till the date of payment. Provided further that in case, the member dies in harness, the interest on the amount, of PF will be paid to the persons entitled till the date of settlement. (Amended as per SC 6034 of 29.11.2013)

16. **Deleted.**

17. Any Contributor who is dismissed for insubordination, misconduct, fraud or any other cause of like nature or retires from the Bank in consequence thereof he/she shall be



entitled of his own contribution with interest accrued thereon at the rate and in the manner aforesaid and in respect of Banks contribution there shall be no forfeiture, excepting in the case where he is dismissed for misconduct causing financial loss to the Bank and in such case forfeiture shall be limited only to the extent of financial loss caused.

18. If a Contributor is dismissed for fraud or misconduct, the Bank shall be entitled to recover from the contribution made by the Bank to the individual account of the Contributor and the interest (simple and compound ) credited in respect of such contributions, any loss or damage so resulting to the Bank, from the cause entailing such dismissal. The Chairman & Managing Director and Executive Director of the Bank shall be entitled to declare the amount of loss or damage so resulting and their declaration in that behalf shall be final and conclusive and the amount so declared shall be paid to the Bank.
19. Subject to the above Rules the amount standing to the credit of a Member shall be payable to him/her on his or her cessation of services from the Bank and there shall be no forfeiture whatsoever of the Bank's Contribution to the Fund in respect of the said Member including interest thereon.
20. (a) & (b) **Deleted.**  
  
(c) Notwithstanding anything contained hereinbefore, if a Member ceases to serve the Bank and obtains employment with any other Employer, the amount standing to the credit of his/her account shall at his or her option be either paid to him/her or transferred to his/her individual account in any other Recognized Provident Fund maintained by such other Employer, provided always that such request for transfer is received from such Recognized Provident Fund.
21. **Deleted.**
22. **Deleted.**
23. Each member may nominate any person or persons to whom the amount standing at the credit of such Member shall be paid in the event of his death while in the service of the Bank or before his claim on the Fund shall have been discharged. Such nomination shall be made in the prescribed Form. If a Member nominates more than one person, he shall, in his nomination, specify the amount or share payable to each



of the nominees in such manner as to cover the whole of the amount that may stand to his credit in the Provident Fund. Where a Member has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his family. Any nomination made by a Member in favour of person or persons not belonging to this family shall be invalid. If at the time of making a nomination a Member has no family, the nomination may be in favour of any person or persons, but if the Member subsequently acquires a family such nomination shall forthwith be deemed to be invalid and the Member may be allowed to make a fresh nomination in favour of one or more persons belonging to his family. A nomination made by a Member, at any time, may be modified by giving a written notice to the Trustees of his intention of doing so in the prescribed Form. If a nominee predeceases the Member, the interest of the nominee shall revert to the member, who may thereupon make a fresh nomination in respect of such interest. A nomination or its modification shall take effect to the extent that it is valid on the date on which it is received by the Trustees.

**EXPLANATION :-** For the purpose of this rule, "Family" means the Member's spouse, legitimate children, step children, deceased son's widow, deceased son's legitimate children, deceased son's step children and dependent parents, sister & minor brothers.

23. In the event of the death of the nominee prior to death of the Member and no other person having in the interval been nominated by the member, the amount standing at credit of the member shall be dealt with in Rule 27.
24. On the death of a Member who shall have made a Nomination in accordance with Rule 23, the full amount payable to him according to these Rules shall be paid to Member's nominee irrespective of the period for which the member may have served and such payment shall be a good discharge to the Trustees against all claims, whatsoever, in respect of the said Fund by any one whomsoever claiming through the said Member or otherwise.
25. If the nominee is a minor the member shall, at the time of nomination state the age of the nominee and shall also appoint a person of full age to whom the amount standing at the Member's credit is to be paid on behalf of the minor nominee, in the event of the member dying before the minor nominee attains the age of majority. If any person so appointed predeceases the member before the minor nominee attains his majority,



the member shall forthwith appoint another person of full age to receive the amount on behalf of the minor nominee and from time to time forthwith make a fresh appointment when this is necessitated by the death of the person appointed to receive payment on behalf of the nominee.

26. The nomination made as aforesaid shall be and remain in full force and effect until the nominee's death or until his nomination or appointment has been revoked as herein mentioned.
27. On the death of a Member not survived by a nominee under Rule 23 the full amount due to the Member according to the Rules shall be paid without deduction to his executors or administrators, or at the absolute discretion of the Trustees. The amount or any part or parts thereof may be paid to the widow, child or children of his/her or their guardian or custodian or other near relative or relatives of a deceased Member or any other person or persons appearing to them to be proper parties to receive the amount without any representation to the estate of such deceased Member or any Succession Certificate being obtained and in such proportion as the Director may think fit irrespective of the period for which the member may have served and such payment shall be a good discharge of the Trustees against all claims whatsoever in respect of the said Fund by any one whomsoever claiming through the said deceased Member or otherwise.
28. Except as is expressly provided by these Rules, no Member or any person or persons claiming under or through him shall be entitled to claim any payment of money which may be standing to his credit in the books of the Fund.
29. Save as herein provided with regard to Nomination , no member shall be entitled in any way to deal with or transfer by way of security or otherwise his interest or any part thereof in the Fund and any such transaction or transfer shall be invalid, and the Trustees shall not recognize or be bound by any notice to them of any such transaction or transfer and all monies standing in the books of the Fund to the credit of the Member, so purporting to deal with or transfer his interest therein, as aforesaid shall forthwith be transferred as from the date of such transaction or transfer to the Lapsed Fund and be dealt with accordingly. Further, if any prohibitory order or attachment or process of a Civil Court be served upon the Trustees by which any monies standing to the credit of the Member shall be attached or ordered to be paid into a Civil Court ordered to be withheld from such Member and such attachment or order is not raised



to be rescinded by the Court or should such member be adjudged an insolvent or files his Petition in insolvency or make any composition or arrangement with his creditors, such monies shall forthwith be transferred to the Lapsed Fund and be dealt with accordingly, provided always that the Trustees (without being under any legal obligation to do so ) may in their absolute discretion if they think fit at any time or times hereafter give or apply such monies or any part thereof to or for the benefit of such Member or his wife, children or relatives.

30. A Contributor shall not be entitled to withdraw any sum from the amount standing to his credit but the Trustees may allow in their discretion a withdrawal on grounds and under circumstances and within the limits and subject to all the conditions pertaining to repayment of loan and rate of interest payable thereon specified by rules made by the Government of India or any Local Government in that behalf and for the time being in force.
31. (I) Withdrawals by employees shall not be allowed by the Trustees except on special grounds in the following circumstance or circumstances of a similar nature:-
- (a) To pay expenses incurred in connection with the illness of a Subscriber or a member of his family
    - (aa) Meeting the cost of higher education including where necessary, the travelling expenses of any child of the employee actually dependent on him in the following cases namely:
      - (i) Education outside India for Academic, Technical Professional or Vocational Courses beyond High School stage and;
      - (ii) Any Medical or Engineering or other Technical or Specialised course in India beyond the High School stage provided that the Course of study is for a period of not less than three years.
  - (b) To pay for the passage over the sea of a Subscriber or any member of his family.
  - (c) To pay expenses in connection with marriages, funerals or ceremonies which by the religion of the subscriber, it is incumbent upon him to perform and in connection with which it is obligatory that the expenditure should be incurred.



- d) To meet the expenditure of building or purchasing a house or site for a house PROVIDED that the employee furnishes an undertaking to the Trustees not to encumber or alienate, such house or site as the case may be for a period of ten years from the date of such Withdrawal or till he ceases to be a Member of the Fund whichever is early. However, the Trustees have the power to reduce the period of ten years in deserving cases and for genuine reasons upto five years.
- (dd) To meet expenditure of marriage of employee's sons/or daughters.
- (e) To pay premia on policies of insurance on the life of the Subscriber or of wife provided that the employee furnishes an undertaking to the Trustees not to foreclose, encumber or raise a loan on such policy for a period of five years from the date of such Withdrawal or till he ceases to be a Member of the fund whichever is early.
- (f) To meet the cost of legal proceedings instituted by the employee for vindicating his position in regard to any allegations made against him in respect of any act done or purporting to be done by him in discharge of his official duty or to meet the cost of his defence when he is prosecuted by the employer in any Court of Law in respect of any official misconduct on his part. Provided that the advance under this clause shall not be admissible to an employee who institutes legal proceedings in any court of Law either in respect of any matter unconnected with his official duty or against the employer in respect of any condition of service or penalty imposed on him.
- (g) To meet the expenses of the damage caused to the movable or immovable property of the employee as a direct result of flood, cyclone, earthquake or other convulsions of nature.
- (h) Extra-Ordinary cases of medical requirement involving huge expenditure for self and dependents of employee. (Amended as per SC 5956 of 25.02.2013)
- (II) For the purpose of sub-rule (1) "family" means any of the following persons who reside with and / or wholly dependent on the employee, namely, the employee's wife, legitimate children and step children, parents, sisters and minor brothers.



(III) (A) The loan/withdrawal in connection with expenses on marriages as specified in clause (c) of sub-rule (1) of Rule 31 shall not exceed six months salary ( as per clause 2 of P.F. rules) or the total of the accumulation of employees contribution including interest accrued on the same, whichever is less.

(B) The Withdrawal for the purpose specified in Clause (d) of sub-rule (i) of Rule 31 shall be subject to the following conditions :-

(i) The amount of withdrawal shall not exceed the amount standing to the credit of employees' own contribution including VPF or actual cost of the house and or of the site whichever is less. (Amended as per SC 5288 dated 15.07.2006)

(ii) The employee should have completed Ten years of service or is due to retire within the next ten years.

(iii) The construction of the house should be commenced within six months of the withdrawal and should be completed within one year from the date of the commencement of construction.

(iv) In case of Non Refundable Withdrawal instead of the present practice of reducing the eligible amount by outstanding in refundable loan, total eligible amount should be sanctioned and after adjusting present loan outstanding balance should be paid to the member.

(v) If the Withdrawal is made for the purchase of house and/or site for a house the purchase should be made within six months of the withdrawal.

(vi) If the Withdrawal is made for the repayment of loan previously raised for the purpose of construction or purchase of a house the repayment of loan should be made within three months of withdrawal.

(vii) (a) The Withdrawal/s shall be permitted only if the house or/site is free from encumbrances. Provided that the house or site shall not be treated as encumbered if the same is mortgaged/encumbered for obtaining housing loan from any bank/financial institution.



b. No withdrawal/s shall be permitted for purchasing a share in a joint property or building or house or land whose ownership is undivided, except where a site is owned jointly with the spouse.

viii) If the amount withdrawn exceeds the actual cost of the purchase or construction of the house and or site or if the amount is not utilized for the purpose for which it is withdrawn, the excess of the whole amount as the case may be shall be refunded to the Trustees forthwith in one lump sum together with interest from the month of such withdrawal at the rate prescribed in sub-rule (vi) of Rule 31. The amount refunded shall be credited to the employee's account in Provident Fund.

ix) If the Withdrawal is made for Son's/Daughter's marriage, then the wedding invitation card as well as the Photostat copy of the marriage certificate duly attested should be submitted to the Trustees, as a proof of having solemnized the marriage for which the withdrawal is availed.

(C) No loans/withdrawals except those mentioned in Rule 31 (iii) A and B shall exceed the salary of the employee for 12 months (Amended as per SC 6866 dated 22.10.2018)

(IV) A second Withdrawal shall not be permitted until the sum first withdrawn has been fully repaid. Where an Employee ceases to be in the service of the Bank, the Trustees, at their discretion may adjust the loan outstanding against the balance of the Member's Provident Fund contribution standing to the credit of his account.

(V) (1) When a withdrawal is allowed for a purpose specified in clause (d) or (dd) or clause (e) of sub-rule(I) of Rule 31, the amount withdrawn need not be repaid. A second withdrawal may be permitted for the purpose specified in clause (d) or (dd) or clause (e) of Sub-rule (i) of Rule No.31, the amount withdrawn need not be repaid.

(2) Loan sanctioned and withdrawn shall be repaid is not more than 84 equal monthly installments and shall bear interest in accordance with sub-rule (vi) and no further withdrawal shall be permitted until repayment has been effected in full. Notwithstanding anything contained herein in case of premature adjustment of loan the employee shall not be entitled to avail fresh loan unless a period of six months has



elapsed from the date of availment of previous loan. (Amended as per SC 6866 dated 22.10.2018)

- (VI) In respect of withdrawals which are repaid in not more than twelve monthly instalments, an additional instalment of four percent of the amount withdrawn shall be paid on account of interest and in respect of withdrawals which are repaid in more than 12 monthly instalments, two such instalments of four percent of the amount withdrawn shall be paid on account of interest provided, however, that at the discretion of the Trustees of the Fund, interest may be recovered on the amount withdrawn or the balance thereof outstanding from time to time at one percent, above the rate which is payable for the time being on the balance in the Fund at the credit of the Member.
- (VII) The employer shall deduct such installment from the employee's salary and pay them to the trustees. The deduction shall commence from the second monthly payment made after the withdrawal or in the case of an Employee on leave without pay from the second monthly payment made after his return to duty. In case the employee ceases to be in service for any reason whatsoever, the entire loan together with - interest would become immediately due and payable and accordingly the amount standing to the credit of his account shall stand forthwith debited to that extent and employer shall be liable only for the balance to the employee's credit. (Amended as per SC 6034 of 29.11.2013)
- (VIII) In the case of default of repayment of installments under sub-rules (V) and (VI), the Commissioner of Income-Tax may at his discretion order that the amount of the withdrawal or the amount outstanding shall be added to the total income of the Employee for the year in which the default occurs and the Income-Tax Officer shall assess the Employee accordingly.
- (IX) (1) Employee can avail NRW (100% of balance as of end of previous Financial Year) twice during the entire service as per the existing Rules. (Amended in terms of SC 5956 dated 25.02.2013)
- (2) There will be 2 options for availment of NRW for the 3<sup>rd</sup> time as under:



(a) If employee avails it during last 12 months of his retirement, he will be eligible for 90% of eligible amount (PF balance as of end of the previous financial year);

OR

(b) If he avails it anytime before 12 months prior to retirement, he will be eligible for 50% of eligible amount, after adjusting the PF loan outstanding, if any, (PF balance as of end of the previous financial year), and will not be eligible for any withdrawal during the last year of his service.

32. No Trustee shall be responsible or chargeable, save and except for monies actually received by him, notwithstanding his having signed any receipt for the sake of conformity or otherwise nor shall he be responsible or chargeable for acts, defaults or neglects of the Bank with whom the monies of the Fund are deposited not for any loss unless the same happens through his own willful act or omission.
33. The Board of Directors shall have power to close the Fund at any time if they shall consider that course advisable or necessary in which event the Fund shall be divided among the members by payment to each member of such sum as may be payable to him according to Rule 34.
34. Any appreciation or depreciation in any investments of the Fund shall be for the benefit of and at the risk of the Member and at the closing of the Fund the cash in hand and the realization from the investment shall be divided rateably among the members in proportion to the respective amount standing to their credit.
35. Every Trustee shall be at liberty to retire by notice in writing in that behalf addressed to the Board of Directors.
36. Every vacancy in the Office of the Trustees shall be filled up by the continuing or remaining Trustees subject to the conditions of Rule 3.
37. The decision of the Trustees shall be final and binding upon members in all respects and upon all matters, questions and disputes relating to or connected with these Rules or with the Fund or the administration thereof or the rights and obligations of the members including all disputes or differences which may arise between any member of



executors, administrators, nominee or representative and the Trustee as the meaning or effect of any rule or any matter relating to or arising out of the same.

38. The Board of Trustees shall have power to add to, vary, alter or annual any of the provisions of these Rules, except Rule Nos.3 and 4 with the sanction of the Commissioner of Income-Tax, Mumbai but so long as the main purpose of the Fund shall not thereby be effected.
39. These Rules shall be deemed to have come into operation on the 1st day of April 1932 in supersession to the rules of the Fund which might have been in force since the inception of the Fund and the Fund shall be deemed to have vested in the Trustees from the 1st of April 1930 subject to and upon the Trust herein contained.
40. Every employee when joining the Fund shall subscribe an agreement in the following Form :-

**"I hereby declare that I have read the foregoing Rules of Union Bank of India Employee's Provident Fund and that I hereby subscribe and agree to bound by the said Rules."**

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