

FEDERAL BANK

YOUR PERFECT BANKING PARTNER



GOLDEN YEARS GUIDE

Retiree Handbook

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(Published in January 2024)


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MESSAGE

etirement marks a significant milestone in one's life, and it is not just a culmination of a career; it is a transition into a new and exciting chapter as it offers the gift of time—the most precious and irreplaceable resource. It allows individuals to rediscover passions, explore new interests, and deepen connections with the loved ones. The beauty lies in the freedom to shape each day according to one's personal desires, unburdened by the constraints of a structured work routine. It is a time to savour the small joys, relish leisurely pursuits, and embark on journeys of self-discovery. The rejuvenation that the next innings would bring is not just physical but extends to the spirit and soul. It is an opportunity to nurture one's well-being, prioritize self-care, and embrace a lifestyle that aligns with personal values and aspirations. As we navigate the pages of this handbook dedicated to the retirees of our Bank, I would also like to draw attention to the crucial aspects of health and financial planning.

We cannot underscore the importance of proper financial planning enough; retirement often comes with changes in income streams, and managing personal finances becomes paramount. This handbook will serve a guide on strategies for effective budgeting, investment options, and potential sources of income that can empower you to make informed decisions, ensuring financial stability throughout the retirement years.

Let us celebrate the beauty of retirement as a golden period where we have the chance to bloom anew. May this chapter be filled with joy, fulfilment, and the endless possibilities that come with the gift of time. Wishing you continued health and happiness always,

Regards,

Ajith Kumar K K

Chief Human Resources Officer



01

Know Your Retirement and Benefits

Retirement is a major life event that requires careful planning and preparation. It is a time when you can enjoy the fruits of your labor, pursue your hobbies and interests, and spend more time with your loved ones. However, retirement also comes with many challenges and uncertainties, such as how to manage your finances, health, and lifestyle in the long term. That is why it is important to understand your retirement options and goals, and to make informed decisions that suit your needs and preferences.

1.1 PF/Pension/NPS

CPF Opted Employees

On retirement, the employees will receive both Employee's as well as Bank's Contribution to Provident Fund with interest accumulated thereon.

Pension Opted Employees

On retirement, the employees will receive Employees Contribution to PF with accumulated interest and Monthly Pension.

NPS Opted Employees

When an employee under Corporate Sector, who has opted for the National Pension System (NPS) reaches superannuation, he/she has several options regarding his/her NPS account and the accumulated corpus.

- **Lump Sum Withdrawal:** At the time of superannuation, an employee can withdraw upto 60% of the accumulated corpus in lump sum. This lump sum withdrawal is tax-exempted. The remaining 40% of the corpus must be utilized to purchase an annuity from an Insurance Regulatory and Development Authority (IRDA) regulated Annuity Service Provider. In case the total corpus in the NPS account is less than or equal to Rs. 5.00 lakh, Retiree can avail the option of complete (100 %) withdrawal.
 - **Annuity Purchase:** With the remaining 40% of the corpus, the Retiree must purchase an annuity plan. An annuity is a financial product that provides a regular stream of income for the rest of the Retiree's life. The annuity income is taxable as per the Retiree's income tax slab.
- **Continuation of NPS Account:** Subscriber can continue to contribute to NPS account beyond superannuation (upto 75 years of age) and avail additional tax benefit on the contributions. A Retiree has the option to exit anytime during such period, if he/she so wishes.
- **Deferment of NPS Account:** Instead of purchasing annuity at the time of retire-

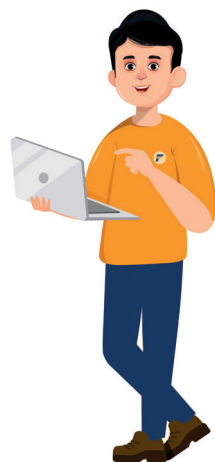
ment, the Retiree can defer its purchase. During the deferment period, the Retiree can withdraw a portion of the corpus in a phased manner. The remaining corpus will be used to buy the annuity at a later date.

Note: However, under Corporate Sector, after 90 days of superannuation, if the subscriber does not opt for Deferment/Continuation or Exit, account will get auto shifted to All Citizens of India Sector under mapped Points Of Presence (POP) and continued under NPS till 75 years of age (as per PFRDA regulations). Retiree has the option to exit anytime during such continuation, if he/she wishes to exit.

It is important for the employee to carefully evaluate these options based on their financial needs and retirement plans. The choice of Annuity Service Provider, Annuity Type, and other factors may be considered after seeking professional financial advice.

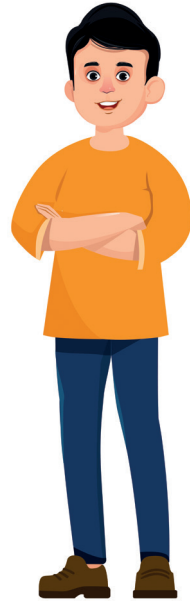
1.2 Know Your Benefits

- Additional interest of 1% over and above the normal rate for deposits, as applicable to members of staff.
- Service charges / collection charges / commission on cheques for collection are exempted.
- No security deposit for hiring the locker on superannuation.
- Concession in rent on locker cubicles, as applicable to members of staff.
- Advance Against Deposits/Easy Cash/Fed Rise OD - Interest charged at the respective rates as applicable to members of staff.



Additional interest of 1% over and above the normal rate for deposits, as applicable to members of staff.

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- Coverage under Group Medical Insurance Scheme.
 - Pension opted Retiree is eligible to draw pension till the date of his/her death.
 - Spouse of the deceased employee/ retiree (Pension opted) will be eligible for Family Pension till the death or re-marriage.
 - Pensioners are permitted to continue certain Staff Loans beyond retirement at concessional rate.*
 - Pension crediting Account can be opened/maintained jointly in the names of Pensioner and his/her spouse permitting “Joint / Either or Survivor” operations in the Pension Account.
 - One-time Compassionate Payment of Rs 20,000/- provided to the family or beneficiaries of a deceased Retiree.
 - A Special Personal Loan Scheme has been provided by the Bank in respect of employees* who have retired from the services of the Bank.



A Special Personal Loan Scheme has been provided by the Bank in respect of Employees who have retired from the services of the Bank.

** Eligible for the employees who have retired from the bank on attaining the age of superannuation and those who have retired at the age of 55 or above under VRS/VSS*



02

Financial Planning after Retirement

2.1 Budgeting and Expenses

Budgeting and expense handling are crucial to ensure a comfortable and financially secure retirement. Here are some tips to manage finances effectively:

- **Create a Retirement Budget:** Start by understanding your sources of income, including pensions, savings, and any other investments. Create a detailed budget that outlines your essential expenses, such as housing, utilities, groceries, healthcare, transportation and any debts or loans.
- **Prioritize Healthcare:** Healthcare expenses tend to increase with age, so it's essential to allocate a significant portion of your budget to medical requirements. Consider enrolling into Federal Bank Retired Employees' Medical Insurance Scheme or purchasing health insurance to cover unexpected medical expenses.
- **Downsize and Simplify:** If your current living arrangements are too expensive or require a lot of maintenance, consider downsizing to a smaller, more affordable home or apartment. This can free up some funds for other expenses and reduce the burden of maintenance.
- **Review and Adjust Investments:** Work with a financial advisor to review your investment portfolio regularly. Ensure that your investments align with your risk tolerance and retirement goals. Diversify your investments to reduce risk and increase potential returns.
- **Avoid New Debts:** During retirement, try to



Work with a financial advisor to review your investment portfolio regularly

avoid taking on new debts as much as possible. It's best to be debt-free or have minimal debts to minimize financial stress.

- **Take Advantage of Senior Citizen Benefits:** India offers various benefits and discounts for senior citizens on transportation/travel, medical expenses and certain goods and services. Stay informed about these benefits and utilize them to save money.
- **Consider Generating Passive Income:** If possible, explore options to generate passive income streams from investments or rental properties. This extra income can help supplement your retirement savings.
- **Emergency Fund:** Maintain an emergency fund that covers at least six to twelve months of living expenses. This fund can provide a safety net in case of unexpected expenses or emergencies.
- **Keep Learning:** Stay updated about financial matters and economic trends. Attend financial workshops, read books on personal finance, and stay informed about investment opportunities to make well-informed decisions.

Remember, every individual's financial situation is unique, so it's essential to tailor these tips to your specific circumstances. Consulting with a financial advisor can provide personalized guidance and support in creating a retirement plan that suits your needs and goals.

2.2 Investments and Wealth Management

Handling investments and managing wealth require careful planning and consideration to ensure financial security and a comfortable retirement. Here are some tips to manage your investments and wealth effectively:

- **Set Clear Financial Goals:** Begin by defining your financial goals for retirement. Consider factors like lifestyle expenses, healthcare costs, travel plans and legacy planning. Having clear objectives will guide your investment decisions.
- **Diversify Your Portfolio:** Diversification is crucial to manage risk. Spread your

investments across various asset classes such as equities, fixed deposits, bonds, mutual funds and real estate. Diversification helps reduce the impact of market volatility on your overall portfolio.

- **Risk Tolerance Assessment:** Assess your risk tolerance to understand how much risk you can comfortably bear. As a Retiree, you may have a lower risk appetite, so focus on conservative investments that provide stability and steady income.
- **Income-Generating Investments:** Consider investments that provide regular income, such as dividend-paying stocks, fixed deposits, Annuity Linked Deposit Scheme of the Bank (Principal components are paid by the Bank along with interest on a Monthly/Quarterly/Half yearly/Annual basis) and rental properties. A stable income stream is essential to cover your day-to-day expenses during retirement.
- **Avoid Over-Exposure to Equities:** While equities can provide higher returns, they also carry higher risks. As retirees, it's essential to strike a balance between equity exposure and more stable assets. Avoid over-investing in high-risk assets that can negatively impact your portfolio during market downturns.
- **Long-Term Perspective:** Retirement can span several decades, so take a long-term perspective with your investments. Avoid making impulsive decisions based on short-term market fluctuations.



Retirement can span several decades, so take a long-term perspective with your investments

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- **Review and Rebalance:** Regularly review your investment portfolio and rebalance it, if necessary. As market conditions change, your asset allocation may need adjustments to align with your goals and risk tolerance.
 - **Consult with Financial Advisors:** Seek advice from qualified financial advisors or wealth managers who specialize in retirement planning. They can provide personalized strategies based on your unique financial situation and goals.
 - **Stay Informed:** Keep yourself updated on financial news and trends that may impact on your investments. Being informed will help you make well-informed decisions.

Remember, each retiree's situation is unique, and there is no one-size-fits-all approach. It's essential to tailor your investment strategy according to your specific needs, risk tolerance, and financial goals. Additionally, always exercise caution and avoid investments that promise unrealistic returns or are too good to be true.

2.3 Tax Planning

- **Understand Tax Regimes & Slabs:** Familiarize yourself with the income tax slabs applicable to senior citizens (age 60 and above) and super senior citizens (age 80 and above). The tax rates may vary depending on the age group and income levels.
- **Submit Form 15H/15G:** If your total income falls below the taxable threshold, you can submit Form 15H (for senior citizens) or Form 15G (for non-senior citizens) to the bank or financial institution to avoid tax deduction on interest income.
- **Choose Tax-Exempt Investments:** Explore tax-saving investment options that offer deductions under Section 80C, such as Public Provident Fund (PPF), Senior Citizens' Savings Scheme (SCSS), National Savings Certificate (NSC), Tax-saving Fixed Deposits (FDs) etc.
- **Senior Citizen Savings Scheme (SCSS):** SCSS is a government-backed savings scheme specifically designed for senior citizens. It offers higher interest rates and



Be aware of the gift tax provisions while receiving gifts from family members or friends



tax benefits under Section 80C.

- **Health Insurance Deduction:** Avail tax deductions for health insurance premiums paid for yourself and your spouse under Section 80D. Additionally, claim deductions for premiums paid for your dependent children. When the Retiree pays premiums for Group Health Insurance policies (wholly or partially) for themselves and their families, these will also be considered as tax deductibles.
- **Interest Income Deduction:** Under Section 80TTB, senior citizens can claim deductions up to Rs. 50,000 on interest income from deposits with banks, post offices and co-operative societies.
- **Rental Income Deduction:** If you earn rental income, you can claim deductions for property taxes, maintenance charges, and home loan interest under Section 24 and Section 80C.
- **Gift Tax Implications:** Be aware of the gift tax provisions while receiving gifts from family members or friends. Certain gifts from specific relatives are exempt from tax.
- **Capital Gains Tax:** If you plan to sell assets like property or stocks, understand the capital gains tax implications and consider using exemptions like investing in capital gains bonds or a new property to save on taxes.
- **File Tax Returns Timely:** Even if your income is below the taxable limit, consider filing income tax returns to avoid penalties and for easy

documentation of your financial affairs.

Tax Deducted at Source (TDS) on Pension

Remember that tax planning should align with your overall financial goals and aim at minimizing your tax liability. It is advisable to consult with a financial advisor or tax consultant to develop a personalized tax plan based on your specific financial situation.

2.4. Managing Income Tax for Pensioners

TDS on pension refers to the practice of deducting income tax from the pension payments made to a retired individual. TDS on pension is effected to ensure that taxes are collected at the source and to prevent tax evasion. TDS on pension is governed by the Income Tax Act, 1961. According to the Act, if the pension amount exceeds the basic tax exemption limit, the paying authority (e.g., the bank or the employer) is required to collect TDS before making the pension payment to the retired individual.

- The rate of TDS on pension varies based on the total income of the pensioner and the applicable tax slab rates. If the pensioner submits valid deductions, then TDS shall not be deducted.
- It is important for pensioners to be aware of the TDS provisions and to file their income tax returns appropriately to claim any tax refunds or adjustments, if applicable.
- Please note that tax laws and regulations may change over time, so it's always a good idea to consult with a tax professional or refer to the latest government guidelines for up-to-date information.



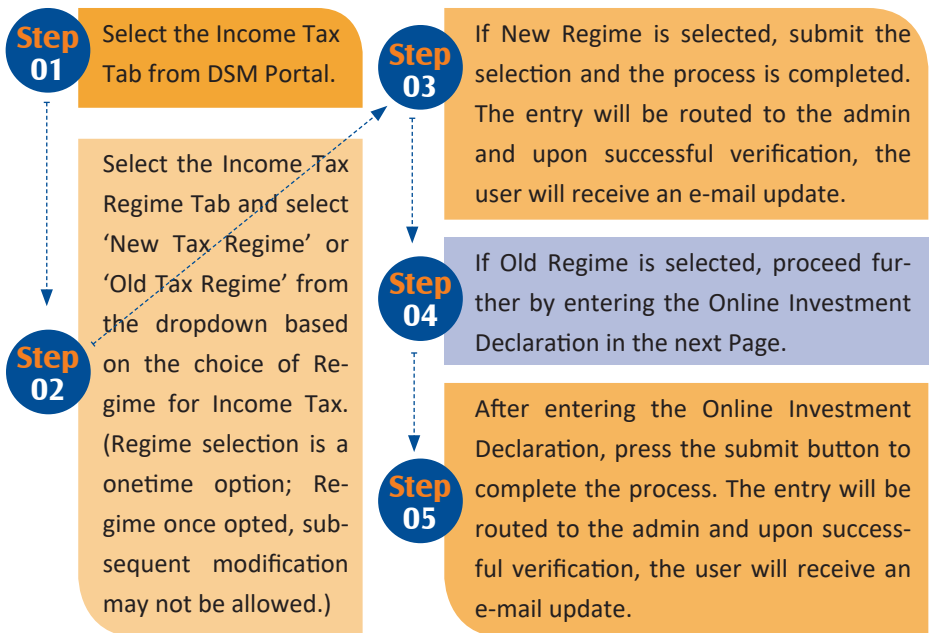
The rate of TDS on pension varies based on the total income of the pensioner and the applicable tax slab rates

Submission of Investment Declaration and Uploading Proof of Investments

Pensioners who draw a yearly pension above applicable basic income exemption are required to select a Tax Regime (Old/New). Online investment declaration data for the retirement year will be taken from the HRMS pension application filled out by the employee. Thereafter, the pensioner shall select the Tax Regime every year through the Online Portal – Digital Service Memoir (DSM Portal) within the stipulated time (usually in May). In case of non-selection by cutoff date, the New Income Tax Regime will be selected by default (from FY 2023-24 onwards, as notified by Finance Ministry) and the tax liability for the financial year will be ascertained accordingly.

The DSM Portal can be accessed through Retirees’ Space available in Bank’s Website and the Investment Declaration can be submitted using the Navigation **DSM Portal > Income Tax > Income Tax Regime**.

Steps for Investment Declarations



Proof upload facility will be available in DSM Portal in the month of January for the pensioners who have declared Investment/ Deductions.

Steps for Proof Upload



1

Select the Proof Upload Tab from Income Tax Portal.

2

Details entered in Online Investment Declaration will be automatically displayed here.

3

For Staff Housing Loans, the Principal Repayment amount and Interest details will be automatically generated from MIS and displayed. The user must confirm the value. In case there is difference in the amount entered initially (while submitting Online Investment Declaration) and the amount fetched from MIS value, the entered amount should be corrected to match MIS value before confirming. Proof need not be uploaded for these items.

4

For other Housing Loans, the principal repayment amount entered in Online Investment Declaration page will be displayed. The user has to confirm/modify the amount and upload proof supporting the amount entered.

5

The value entered in the Online Investment Declaration corresponding to other Investments will be displayed. The user has to upload proof corresponding to the values entered.

6

After entering and uploading proof for various investments, press the submit button to complete the process. The entry will be routed to the admin and upon successful verification, the user will receive an E-mail update.

2.5. Special Personal Loan Scheme to Pensioners and continuing Staff Loans

Special Personal Loan Scheme to Pensioners

A Special Personal Loan Scheme has been provided by the Bank in respect of Employees who have retired from the services of the Bank on attaining the age of superannuation and those who have retired at the age of 55 or above under VRS/VSS. The details of Special Personal Loan Scheme to the Pensioners of the Bank are made available in Retirees' Space. For more info: www.federalbank.co.in > Useful Links > Retirees' Space > Special Personal Loan Scheme to Pensioners of the Bank.

Staff Loans permitted to be continued beyond retirement at concessional rates.

- **Housing Loan to Staff:** In cases where the instalment of the loan is less than or equal to 75% of the monthly pension amount payable, deposit need not be kept. If the instalment exceeds 75% of the monthly pension, the retiring employee has to deposit with the Bank an adequate amount which would earn interest at least equal to the portion of instalment by which the instalment exceeds 75% of the monthly pension amount.
- **Vehicle Loan to Staff:** In cases where the instalment of the loan is less than or equal to 75% of the monthly pension amount payable, deposit need not be kept. If the instalment exceeds 75% of the monthly pension, the retiring employee has to deposit with the Bank an adequate amount which would earn interest at least equal to the portion of instalment by which the instalment exceeds 75% of the monthly pension amount.
- **Federal Vidya /Career Solutions Loan :** If the instalment exceeds 75% of the monthly pension, the employee has to deposit with the Bank at the time of superannuation, either an adequate amount not less than 100% of the amount outstanding in the Federal Vidya / Career Solutions Loan including the undisbursed portion of the loan, if any Or an adequate amount which would earn interest at least equal to the portion of instalment by which the instalment exceeds 75% of the monthly pension amount, whichever is less.
- **Special Deepti Loan:** Retiring employees will be permitted to continue the interest free Deepti Loan beyond the date of retirement, by maintaining security deposit equivalent to 100% of the amount outstanding in loan account.



03

**Health
and
Wellness**

3.1. Staying Active and Fit

Staying active and fit during retirement is crucial for maintaining physical health, mental well-being and overall quality of life. Here are some tips to stay active and fit:



Limit prolonged periods of sitting or lying down. Break up sedentary time with short walks or light exercises



- **Regular Exercise:** Incorporate regular exercise into your daily routine. Activities like walking, swimming, cycling, yoga, or low-impact aerobics can be beneficial for overall fitness. Start with moderate exercises and gradually increase the intensity as you feel more comfortable.
- **Stay Socially Engaged:** Participate in social activities and group exercises. Join clubs or organizations that align with your interests. Social interaction can boost your mood and motivation to stay active.
- **Balance and Flexibility:** Include exercises that focus on balance and flexibility, such as yoga or stretching routines. These can help improve mobility and reduce the risk of falls.
- **Volunteer Work:** Engage in volunteer activities or community service. It not only keeps you active but also gives you a sense of purpose and fulfillment.
- **Outdoor Activities:** Spend time outdoors in nature. Activities like gardening can provide both physical activity and a refreshing change of scenery.
- **Regular Health Checkups:** Schedule regular health checkups to monitor your health and address any health concerns proactively.
- **Proper Nutrition:** Maintain a balanced and

healthy diet. Include fruits, vegetables, whole grains, lean proteins and healthy fats in your meals.

- **Avoid Sedentary Lifestyle:** Limit prolonged periods of sitting or lying down. Break up sedentary time with short walks or light exercises.
- **Stay Positive:** Maintain a positive outlook on life. Surround yourself with supportive and positive people.

Remember, staying active and fit doesn't have to be overly strenuous. Find activities that you enjoy and make them a part of your daily routine. Always consult with your healthcare provider before starting any new exercise program, especially if you have any pre-existing health conditions. With a proactive approach to health and fitness, retirees can enjoy a fulfilling and active retirement lifestyle.

3.2. Mental Health and Stress Management

As you are embarking on a new phase of life, maintaining good mental health and effectively managing stress become essential. Here are some helpful tips for retirees to promote mental well-being and stress management:

- **Pursue Hobbies and Interests:** Explore new hobbies or rediscover old passions that bring joy and fulfillment. Engaging in activities that interest you can provide a sense of purpose and satisfaction.
- **Practise Mindfulness and Meditation:** Mindfulness and meditation techniques can help reduce stress and promote a sense of calm and focus. Consider trying meditation or mindfulness exercises to stay present and manage stress effectively.
- **Limit News Consumption:** Stay informed but avoid excessive exposure to negative news or media, as it can contribute to stress and anxiety. Choose trusted sources and limit the time spent on consuming news.
- **Set Realistic Goals:** Establish achievable and meaningful goals for yourself during retirement. Having a sense of purpose and direction can enhance mental well-being.
- **Get Quality Sleep:** Ensure you get enough restful sleep as it plays a vital role in

Stay informed but avoid excessive exposure to negative news or media, as it can contribute to stress and anxiety. Choose trusted sources and limit the time spent on consuming news.

mental health and stress management. Develop healthy sleep habits and maintain a consistent sleep schedule.

- **Seek Support:** If you find yourself struggling with mental health or stress-related issues, don't hesitate to seek professional help from a counselor, therapist or mental health specialist.
- **Practise Gratitude:** Cultivate a practice of gratitude by regularly acknowledging and appreciating the positive aspects of your life. Gratitude can improve overall happiness and well-being.

3.3. Group Medical Insurance Scheme

As per the industrial level settlements, a Medical Insurance Scheme at IBA level for active and retired employees has been introduced by the Bank. Employees retired from the services of the Bank (Superannuation/VRS) are eligible to join the Group Medclaim Policy under IBA Medical Insurance Scheme. The IBA Medical Insurance Policy is renewable on a yearly basis; presently the policy commences from 1st of November every year.

The details of the Insurance Company & Third Party Administrators (TPA) who services the policy, available options of the policy (Domiciliary, Without Domiciliary, Super Top Up, etc.) along with the important guidelines for the joining /renewal of the policy will be communicated to the retired employees before the commencement of each year policy through Retiree's Space available in the Bank's Website.

It may be noted that only the Retired Employee and his/her spouse shall be covered under the Scheme. Spouse of the deceased retired employee and spouse of the employee who died while in the service of the Bank are also eligible to join the Scheme.

Procedure to be followed in connection with renewal/joining of Policy

In order to join/renew the Policy covering a specific period, all beneficiaries, irrespec-

tive of their Option/Category (Single or Family/with or without Domiciliary/Super Top– Up/Sum Insured), are required to submit the application, within the stipulated time (usually October). Pensioners can submit the application online, through Digital Service Memoir (DSM) Portal. After the successful submission of application, the beneficiary will receive a confirmation mail in their registered mail ID. In case the online application is found successfully submitted, there is no need for submitting a hard copy of the application to HR Department.

Other beneficiaries i.e. Family Pensioners/CPF Optees/ any other beneficiaries shall invariably send the hardcopy of the application, so as to reach HR Department, within the cutoff date.

If the application for joining/ renewing the Scheme is not received from the beneficiary within the prescribed timeline, the coverage will not be renewed/ extended under any Option/Category for the period. It may also be noted that the Membership in the Scheme is a onetime option; those who once opt out/do not join/do not renew the Policy, may not be allowed to join the Scheme at a later stage.

Upon exercising the option for availing the coverage under the Scheme, as applicable to retired employees, the amount of premium payable will be appropriated from the Savings Account of the beneficiary. It shall be noted that remittance of premium is a pre-requisite for availing the Policy benefits under the Scheme and hence beneficiaries shall ensure to maintain sufficient balance in their Bank Accounts.



The IBA Medical Insurance Policy is renewable on a yearly basis; presently the policy commences from 1st of November every year





04

Post Retirement Career Options

4.1. Pursuing Your Passions

Pursuing your passion after retirement can be an incredibly fulfilling and enriching experience. Retirement offers you the time and freedom to explore and engage in activities that truly bring you joy and satisfaction. Here are some benefits and tips for pursuing your passion after retirement.

Benefits of Pursuing Passion after Retirement:

- **Sense of Fulfillment:** Engaging in activities you are passionate about can bring a deep sense of fulfillment and purpose to your life.
- **Mental Well-being:** Pursuing your passion can boost your mental health, reduce stress, and enhance overall well-being.
- **Increased Social Interaction:** Pursuing your interests often involves connecting with like-minded individuals, leading to increased social interactions and a sense of community.
- **Continual Growth:** Learning and exploring new things can promote ongoing personal growth and development.
- **Enhanced Creativity:** Engaging in creative pursuits can stimulate your imagination and creativity.

4.2. Learning New Skills and Hobbies

Learning new skills and hobbies after retirement can be a rewarding and enriching experience. Retirement offers a unique opportunity to explore interests and passions that might not have been possible during your working years.

Tips for Learning New Skills and Hobbies in Retirement:

- **Explore Your Interests:** Reflect on activities or subjects you have always wanted to try but didn't have the time during your working life. Start exploring those interests now.
- **Join Classes or Workshops:** Enroll in classes or workshops offered in your community or online to learn new skills or hobbies. Many local community centers, colleges and online platforms offer a wide range of courses.

-
- **Join Clubs or Groups:** Join local clubs or hobby groups related to your interests. It's a great way to meet like-minded individuals and share experiences.
 - **Start Small:** If you are trying something entirely new, start with beginner-level courses or introductory classes to build a solid foundation.

• **Embrace Trial and Error: Don't be afraid of mistakes or experience challenges when learning new skills. Embrace the learning process and be patient with yourself.**

- **Set Goals:** Set realistic goals for what you want to achieve in your new skill or hobby. Having specific objectives can keep you motivated and focused.
- **Practise Regularly:** Dedicate regular time to practise and refine your new skills. Consistent practice is key to improvement and mastery.
- **Be Open-Minded:** Be open to trying various hobbies and activities. You might discover unexpected passions along the way.
- **Learn Online:** Take advantage of the vast array of online resources, tutorials, and courses available to learn new skills from the comfort of your home.

4.3. Permission for taking up Commercial Employment (for Pensioners)

If a pensioner under Officer category wishes to accept any commercial employment at any time before the expiry of two years from the date of retirement, he/she shall obtain prior permission from the Bank before taking up such assignment. Along with the request in the prescribed format, he/she shall also submit the copy of the appointment order duly issued by the new employer. Bank does not issue blanket permission to the pensioner to take up commercial employment elsewhere.

The format for application can be downloaded from **Retirees' Space > Application for Commercial Employment.**



05

Estate Planning and Legal Considerations

Estate planning is a vital aspect of retirement, allowing you to ensure that your assets are distributed according to your wishes while minimizing the impact of taxes and legal complexities. It is an essential step to ensure your peace of mind and your loved ones' well-being. By planning ahead, you can avoid potential conflicts, complications, and costs that may arise subsequent to your death or incapacity. You can also make sure that your values, preferences, and legacy are honored and respected.

5.1. Useful Tips to make the Succession Planning simple

- **Preserve Important Documents**
 - Keep records of bank lockers, account numbers and investment details.
 - Safely store cheque books, share certificates, delivery instruction slips, life insurance policies, health policies, pension papers etc.
 - Keep track of money owed or payable to friends and relatives.
 - Preserve property title deeds and the original will (if executed) in a secure place.
- **Password Management**
 - Maintain a list of passwords for Email IDs, ATM and credit cards, bank accounts, online profiles, net banking, insurance policies etc.
 - Store such information securely, either as hard copies or digitally with access known to trusted family members or the next of kin.
- **Nomination for Investments and Assets**
 - Ensure that nominations are registered for all investment accounts, lockers and insurance policies.
 - Consider holding investments in joint names with your spouse to facilitate smoother transfer of assets.



Maintain a list of passwords for Email IDs, ATM and credit cards, bank accounts, online profiles, net banking, insurance policies etc.

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- Keep documentary evidence of registered nominations.
 - **Nomination for Social Media and Digital Assets**
 - With the rise of digital assets and social media accounts, consider nominating trusted individuals to access and manage these profiles after your lifetime.
 - Google’s Inactive Account Manager is an example of a service that allows you to designate someone to handle your digital assets.
 - **Execute a Will**
 - Nomination does not grant legal ownership; legal heirs can claim the money from the nominee.
 - To ensure that your wishes are fulfilled after your death, consider executing a registered or unregistered will, clearly stating how you want your assets distributed.
 - **Healthcare Directives**

Create healthcare directives that outline your medical preferences and appoint a trusted individual as your healthcare proxy. This helps ensure that your medical wishes are respected in case you cannot communicate them.
 - **Minimizing Taxes and Maximizing Inheritance**

Efficient estate planning also involves minimizing tax liabilities and maximizing the inheritance your heirs receive. Invest in tax-efficient instruments like tax-saving mutual funds and government-approved bonds. These investments offer tax benefits that can reduce your overall tax liability.
 - **Ongoing Review and Updating**
 - **Legal Changes:** Indian laws related to succession and taxation may change over time. Regular reviews ensure that your estate plan remains compliant with current regulations.
 - **Family Changes:** Life events such as marriages, births, divorces, or the death of family members can significantly impact your estate plan.

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- **Asset Updates:** Changes in your financial situation, such as acquiring new assets or changing investments, may necessitate adjustments to your estate plan.
 - **Legacy and Charity:** As your values evolve, you may want to update your estate plan to reflect your current priorities, including provisions for charity or philanthropic causes.

5.2. Family Must Know Register

It is better to maintain a register either as a soft copy or hard copy containing the following important particulars:

This is only illustrative, and one can improve, add or modify depending upon the need and convenience.

- Contact numbers of close relatives/friends
- Contact numbers of Doctors/ Hospitals, Laboratories, Ambulance etc.
- Contact numbers of Investment/Tax consultants
- Details of Investments
- Details of assets including movable/immovable properties
- Details of Life Insurance Policies
- Details of Health Insurance and General Insurance policies
- Details of Locker
- Details like Aadhaar Card, PAN Card, Voter ID, Driving License, Passport etc.
- Details of House Tax, Electricity Bill, Telephone Bill and Water Tax
- Liabilities and amount, if any, due to be paid or received with details

5.3. Compassionate Payment to beneficiaries

On death of a Retiree (retired on superannuation/VRS/VSS), spouse / Immediate family members of the deceased is eligible for compassionate payment of Rs.20,000/- (one-time payment). The spouse of the deceased

retiree would be eligible to receive compassionate payment by default.

- If the spouse's account details are available, the compassionate payment will be credited to his/her Federal Bank account upon receiving the intimation from the branch.

If the spouse is also deceased, the immediate family members (i.e Parents/ Children) of the deceased retiree will be eligible to receive the compassionate payment. In such cases, if the Principal Officer of the Branch can confirm the genuinity, the compassionate amount will be credited to the branch COMS account for making cash payment to the family. Otherwise, the legal heirs must provide:

- Application cum Declaration
- Authorization (Indemnity Bond) from all the legal heirs of the deceased employee, to credit the amount to any one of the legal heirs of the deceased.

5.4. Entitlements for the Spouse / Legal heirs after the lifetime of the Retiree

- **Additional Interest:** 1% over and above the normal rate for deposits, i.e. as applicable to members of staff (for spouse only).
- **Locker Rental Concession:** Concession in rent on locker cubicles as applicable to members of staff (for spouse only).
- **Medical Insurance Scheme:** Coverage under



If the spouse's account details are available, the compassionate payment will be credited to his/her Federal Bank account upon receiving the intimation from the branch.

Medical Insurance Scheme (for Spouse only) as applicable to Retirees.

- **Stock Options:** Stock Options granted while in service of the deceased retiree under Employee Stock Options Scheme will vest in the name of the nominee / legal heir.

5.5. Family Pension

Family Pension: Family pension will be paid to the spouse of the deceased from the date following the death of the pensioner.

Extra- Family Pension : Extra Family pension shall be paid at 50% of last drawn salary- or twice the ordinary rate of family pension, whichever is less, for a period of 7 years or till the deceased employee/retiree attains the age of 65 years had he/she survived.

The period for which the family pension is payable is:

- A. In case of widow/widower, up to the demise or re-marriage.
- B. In case of son / daughter, until he/she attains the age of 25 or until he/she gets married, whichever is earlier.
- C. The total income of the children should not exceed Rs. 12,000/- per month and for the parents wholly dependent on him/her, income should not exceed Rs. 12,000/- provided he/she has left no widow/widower or child after him/her. (Updated from time to time).
- D. However, a son or daughter shall continue to get family pension if he or she suffers from any mental or physical disability irrespective of attaining 25 years of age.

Family Pensioner ID Card: Photo ID Cards will be issued to Family Pension beneficiaries of the Bank, after sanctioning the Family Pension, as part of welfare measure and continued care, which will help them avail hassle free services from Branches with eased identification process.



06

Empowering Retirees in the Digital Age

In the ever-evolving landscape of modern banking, we stand by a motto that encapsulates our commitment: “Digital at the Fore, Human at the Core.” We recognize the incredible potential of digital technology to enhance the experience for all our retirees. Simultaneously, we deeply value the timeless importance of human connection, especially when it comes to serving our retiree senior citizens.

Our journey into the digital realm is driven by a profound belief in the power of technology to simplify and enrich lives. However, we acknowledge that the world of digital platforms can seem daunting, especially for seniors who may not have grown up in the digital age. This is where our commitment to being “Human at the Core” shines brightest.

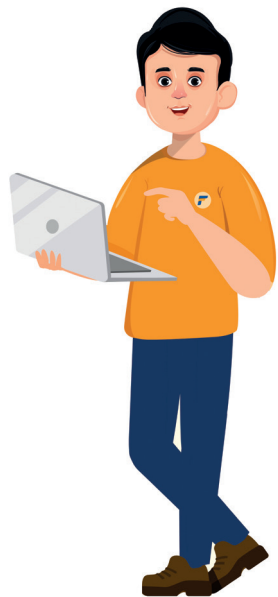
6.1. Navigating the Digital World Safely

In today’s interconnected world, the digital landscape offers endless opportunities for retirees to stay connected, informed and engaged. While digital platforms provide a gateway to a wealth of information and social interactions, they also come with certain risks, particularly in the realms of cyber security and social media. A few pointers to navigate the digital world safely and securely are given below:

Protecting Your Digital Fortress

As we are embracing the digital age, it is essential to be vigilant and proactive in safeguarding your online presence. Cyber security threats can affect anyone, regardless of age, and awareness is your first line of defence. Here are some essential tips for retirees to maintain a secure online presence:

- **Password Management:** Maintain strong, unique passwords for your online accounts. Use strong and unique passwords for each online account. Avoid using easily guessable information like birth dates or names. Consider using a mix of letters (upper and lower case),



Cyber security threats can affect anyone, regardless of age, and awareness is your first line of defence

numbers and special characters.

- **Phishing Awareness:** Be cautious of unsolicited emails, messages, or calls asking for personal information. Cyber criminals often use deceptive tactics to steal sensitive data.
- **Secure Devices and Software Updates:** Keep your devices, including smartphones, tablets and computers, updated with the latest software and security patches. Software updates often include security patches that protect against known vulnerabilities. Use reliable antivirus and antimalware software.
- **Two-Factor Authentication (2FA):** Enable 2FA whenever possible. This adds an extra layer of security by requiring you to enter a secondary code sent to your mobile device.
- **Safe Browsing:** Exercise caution when clicking on links or downloading attachments, especially from unknown sources. Stick to reputable websites and apps.
- **Use Trusted Websites:** When making online transactions or purchases, ensure that you are using secure and reputable websites. Look for the padlock symbol and “https://” in the URL which indicates a secure connection.



Avoid sharing sensitive personal information, such as your full address, phone number or financial details publicly on social media platforms

Social Media Safety – “Sharing Wisely, Connecting Safely”

Social media platforms offer a wonderful way to stay in touch with friends and family, share experiences, and explore new interests. However, it is crucial to be mindful of the information you share and the connections you make.

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- **Be Cautious with Personal Information:** Avoid sharing sensitive personal information, such as your full address, phone number or financial details publicly on social media platforms.
 - **Privacy Settings:** Review and adjust your social media privacy settings to control who can see your posts and personal information. Limit the amount of personal data visible to the public.
 - **Accepting Friend Requests:** Be selective about accepting friend requests and cautious about accepting friend or connection requests from unknown individuals. Ensure you know and trust the individuals or groups you connect with online.
 - **Avoid Over-Sharing:** Be cautious about sharing personal information, such as your home address, phone number or financial details. Cyber criminals may use this information for malicious purposes. Be mindful of the information you share about your daily activities, vacations or upcoming travel plans, as it may make you vulnerable to potential security risks.
 - **Recognize Misinformation:** Be critical of information you encounter on social media. False or misleading content can spread rapidly. Verify the authenticity of information before sharing it online.
 - **Be Skeptical of Unsolicited Messages:** Be cautious about responding to unsolicited messages, especially those asking for personal information or offering financial opportunities that sound too good to be true.
 - **Online Etiquette:** Treat others with respect and kindness in online interactions. Remember that words can have a lasting impact.

Staying Informed – “Continuous Learning for Digital Literacy”

In the dynamic world of technology, learning never stops. Stay informed about the latest cybersecurity threats, social media trends, and best practices by:

- **Educating Yourself:** Stay informed about common online scams and cyber security threats that target retirees. Educating yourself is the first line of defence against potential risks.
- **Attending Workshops:** Seek out local workshops or online courses on cybersecu-

riety and digital literacy.

- **Following Reliable Sources:** Stay updated by following reputable sources, such as tech news websites and government cybersecurity advisories.
- **Engaging with Support:** Reach out to the digital support team of the Bank for guidance and information related to online safety.

By adopting these practices and maintaining a cautious yet curious approach to the digital world, you can fully enjoy the benefits of digital connectivity while minimizing the associated risks. Remember, knowledge is power, and with the right information and mindset, you can navigate the digital landscape confidently and safely.

6.2. Retirees' Space - 'Your Gateway to a Seamless Retirement Journey'

Retirees' Space

- Digital Service Memoir
- Medical Insurance Scheme
- Fed-e-Life
- Special Personal Loan Scheme
Pensioners of the Bank
- Identity Cards to Retired Employees
- Application for Commercial Employment
- ESOS
- Grievance Redressal

Retirees' Space is a website designed as a digital companion, a one-stop resource and a virtual support system.

Its purpose is simple yet profound: to empower with the tools, information and guidance needed to make your retirement journey as smooth and fulfilling as possible. The following array of resources can be discovered within Retirees' Space:

Information Hub

Access comprehensive information on retirement planning, healthcare, financial guidance, and more. Gain insights to help you make informed decisions.

Forms and Downloads

Find a repository of various forms and applications that streamline administrative tasks.

Digital Platforms

Seamlessly navigate links to various digital platforms. Submit Life Certificates, income tax-related processes, and explore other digital services with ease.

Updates

Stay informed with the latest updates that matter to Retirees.

6.3. Fed-e-Life - Digital Life Certificate for Pensioners/ Family Pensioners



Pension and Family Pension beneficiaries of the Bank are required to submit Life Certificate to the Trustees of The Federal Bank (Employees') Pension Fund, every year, to ascertain their life status so as to ensure uninterrupted receipt of Pension/Family Pension. Fed-e-Life has been introduced in order to facilitate our Pension/Family Pension beneficiaries to submit their Life Certificate digitally, without visiting Branch/Office. Any change in address, mobile number, e-mail ID etc. can also be updated while submitting the Digital Life Certificate.

Navigation: Website →

www.federalbank.co.in > Useful Links > Retirees' Space > Fed-e-Life

Link: <https://fblapp.federalbank.co.in:8443/LifeCertificate/>

Digital Life Certificate is based on AADHAAR validation and hence, only those beneficiaries having valid AADHAAR can submit the Life Certificate digitally. In the case of

other beneficiaries (not having valid AADHAAR), the hard copy of the Life Certificate can be submitted through any of our branches/offices.

6.4. Digital Service Memoir [DSM]

Digital Service Memoir is a portal intended exclusively for Pensioners of Federal Bank, which serves as a one stop single window and user-friendly interface for the following requirements:

- Service Memoir (Digital Pension Book)
- Income Tax Regime Selection & Online Investment Declaration
- Downloading of Form 16
- Pension Passbook
- Submission of Medical Insurance Application
- Downloading of Medical Insurance Premium Paid Certificate

The DSM portal can be accessed through Bank’s Website → www.federalbank.co.in
> Useful Links > Retirees’ Space > Digital Service Memoir.

6.5. ESOS Online Portal



The ESOS Online portal can be accessed by the retirees to exercise the Stock Options granted to them under the Employee Stock Option Schemes, while in service. Options

vested can be exercised during the open date of Exercise Window, i.e., every Wednesday (in case it happens to be a non-working day, exercise can be done on the very next working day). However, in the case of Stock Options which are due to lapse, employees would be permitted to exercise Stock Options on all the 15 days, prior to the date of lapse.

The amount in respect of Exercise Price and Perquisite Tax will be auto debited from the SB Account registered in ESOS Online, within 7 days (including holidays) from the date of exercise of Stock Options. An alert, specifying the balance to be maintained in the SB Account, will be sent to the E-mail ID (registered in ESOS Online) on the subsequent day of exercise of Stock Options.

Points to be noted:

- Exercise of Stock Options will be permitted only if an SB account (in single name) with Federal Bank is updated in ESOS Online.
- Addition/Modification to the account numbers can be made by contacting the Administrator at trust@federalbank.co.in.
- Sufficient funds shall be maintained in the SB account within 7 days (including holidays) from the date of Exercise of Stock Options, so as to facilitate Auto Debit.
- In case sufficient fund is not available, the exercise transaction would be treated as invalid and the status of Stock Options would be reverted to the earlier status- i.e. vested (if expiry date of Options is not over) or lapsed (if expiry date is over).

[Navigation Link: https://esos.federalbank.co.in/](https://esos.federalbank.co.in/)



07 Ready Reckoner

7.1. Important dates to remember

Income Tax Regime Selection / Online Investment Declaration	1 st May to 15 th May
Form 16 (Availability)	July (Approx.)
Life Certificate Submission	Before 30 th of September
Medical Insurance Application/Renewal	October (Approx.)
Proof Upload	1 st Jan to 15 th Jan

7.2. Contact details

Retiree Help Desk(Pension & General Queries)	0484 -2634263	trust@federalbank.co.in
ESOS Queries	0484 -2634087	trust@federalbank.co.in
Medical Insurance	0484 -2634138	medicare@federalbank.co.in
TPA (Medical Insurance Claim)	0484 -2634308	medicare@federalbank.co.in
Retiree Concessions	0484 -2634173	compensation@federalbank.co.in

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