

## Supreme Court Upholds Pension as Fundamental Constitutional Right



The Supreme Court of India has unequivocally declared that pension is a constitutional right, asserting that it cannot be reduced or arbitrarily denied to retired employees without strict adherence to proper legal procedures. This significant ruling, issued by a bench of Justices P.S. Narasimha and Joymalya Bagchi, provides substantial relief to pensioners and reinforces the legal safeguards protecting their post-retirement benefits. The judgment underscores that a pension is not a discretionary gratuity but a vested property right, guaranteed under Article 300A of the Constitution.

The landmark decision arose from a case involving a retired employee of the Central Bank of India, whose pension was unilaterally reduced by one-third following a disciplinary proceeding. The bank had taken this action without first consulting its Board of Directors, a mandatory procedural requirement stipulated under Regulation 33 of the Central Bank of India (Employees') Pension Regulations, 1995. The former employee challenged this reduction, arguing that it violated established legal protocols and his fundamental rights.

During the proceedings, the Supreme Court meticulously examined the bank's actions against the backdrop of its own pension regulations. The Court highlighted that Regulation 33 explicitly requires prior consultation with the Board of Directors before any decision to grant less than the full pension is finalized. The bench firmly stated that "such prior consultation with the highest authority of the bank, the Board of Directors, must be understood as a valuable mandatory safeguard before an employee's constitutional right to pension is curtailed."

The Court rejected the notion that a post-facto approval could legitimize an action taken without initial due process. "In these circumstances, a post facto approval cannot be a substitute for prior consultation with the Board before the decision is made," the judgment clarified. This underscores the judiciary's commitment to procedural fairness and the rule of law, ensuring that even internal departmental actions must conform to broader constitutional protections.

This ruling holds far-reaching implications, solidifying the legal standing of pensioners across various public and semi-public institutions. It serves as a stern reminder to employers that pension entitlements, once granted, are protected assets that cannot be tampered with on a whim, even in cases of compulsory retirement due to alleged misconduct. The Supreme Court set aside the High Court's decision that had upheld the bank's action and directed the Central Bank of India to reconsider the matter within two months, providing the appellant a fresh opportunity to be heard and securing the mandatory prior approval from its Board of Directors. This judgment strengthens the legal framework safeguarding the financial dignity and security of retired individuals nationwide.