



**ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION
(A.I.B.P.A.R.C.)**

**C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)**

**BANK OF INDIA, KOLKATA MAIN BRANCH
23A, NETAJI SUBHAS ROAD, KOLKATA – 700 001
Mobile : 9674188524, E-mail : aibparc@gmail.com**

=====
Date: 17.11.2020.

Circular no 108--20.

For circulation among members of Governing Council, Special Invitees, State Secretaries and Advisors.

Dear Comrade,

SUB: UPDATION OF PENSION & OTHER PENDING ISSUES OF BANK RETIREES.

We are reproducing hereunder the text of two letters addressed to Chairman, IBA and Secretary, DOFS written by us on above subject on 16.11.20 for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Quote: 2 Quotes

Quote: 1

Dated 16.11.2020

The Chairman
Indian Banks 'Association
Mumbai

Dear Sir,

Updation and other pending issues of Bank Retirees

We wish to invite your kind attention to the recent conclusion of XI Bipartite and Joint Note for Revision of Salary of Bank Employees and Officers signed on 11.11.2020. We sincerely thank you for the efforts on your part to arrive at the finality in the matter. We also hope that under your dynamic leadership at IBA, the long pending issues of the Bank Pensioners and Retirees will gain your personal and kind attention. Since ours is a group of senior and super senior citizens of the Banking Industry treading into the evening of our life, the pending issues call for urgent resolution more so when the Hon'ble Finance Minister, on behalf of the Government, has taken an open position to help our cause. Her advice to your Goodself to treat the Bank Retirees and Pensioners as a part of the family like serving employees and Officers has come as a sweetener to us and has raised the hopes and aspirations of our rank and file. In as much as you are the Industry Leader, we fondly look towards you for favourable resolution of our following issues urgently, so as to help us also to get our arrears alongwith the serving employees and Officers:

FAMILY PENSION:

We wish to express our sincere gratitude to your Goodself for resolving our long pending issue of improvements in our Family Pension Scheme. It was heartening to note that the improvements in the family pension scheme @ 30% of pay drawn by the employee without any ceiling has been agreed and the same has been incorporated in the XI Bipartite Settlement and Joint Note signed between IBA and the Trade Unions as under:

Subject to approval by the Government, it is agreed that the family pension shall be payable at the uniform rate of 30% of the pay of the deceased employee and that there shall be no ceiling on family pension. It is agreed that these provisions, when approved by the Government, shall apply to SBI also.

It is also pertinent to submit that IBA's recommendation to DFS for improvement in Family Pension has been under consideration of DFS for about one and half years and yet again the agreement dated 11.11.2020 makes it subject to approval by the Government. It is quite intriguing. We therefore request you intervene personally to get the long-awaited approval of the Government so as to get the family pension improvements implemented along with salary revision including payment of arrears to the beneficiaries of the improvements in Family pension.

It was our long pending demand and emotionally close to our heart as it has a direct impact on the life and well-being of the spouses of the deceased employees and the beneficiaries are mostly the widows who are living in penury.

We take this opportunity to once again thank you for being kind and generous.

UPDATION OF PENSION:

Sir, you will appreciate that our demand for the updation of pension which has been impacting the life of every pensioner including the family pensioners but has not been settled yet. Even at the cost of repetition, we wish to mention that despite several rulings by the Apex Court that the Salary Revision and Pension Revision are inseparable; Pension is not a bounty; Pension is a deferred

wage etc, our Pension has not been revised despite Six Salary Revision Settlements after 1987. It has created such an anomalous and unfair situation that a Top Executive Grade General Manager who retired after 1.11.1987, draws lesser pension than a senior clerk who retires currently. We had expected this also to be set right in the Salary Revision Settlement which was signed by the concerned parties on 11.11.2020 immediately after the inspiring address by the Hon'ble MoS (Finance) and the Hon'ble Finance Minister to the 73rd AGM of IBA. But its exclusion from the settlement has left more than 4,00,000 pensioners disappointed. In this connection we wish to once again submit the following for your kind and sympathetic consideration:

Our request for updation of pension is not a demand to grant a fresh benefit as it is already provided in the Pension Settlement of 1993 and incorporated in Bank Pension Regulations 1995 vide Regulation 35(1) as under:

Basic Pension and Additional Pension, wherever applicable, shall be updated as per the formulae given in Appendix - I (Government Gazette Notification No.9 dated 1.3.2003)

It is inexplicable and beyond human comprehension as to why the benefit of a legal and pre-existing provision is being denied in a completely brazen and arbitrary manner. What has hurt the senior and super senior citizens of the banking industry more is that despite our repeated requests, the procrastination continues on some pretext or the other.

We on our part as a responsible organisation have been writing to Hon'ble FM, MoS, DFS and IBA for several years duly furnishing the detailed working reiterating that the annual increase in the pension for all the banks including SBI comes to Rs. 5,322 crores, which does not involve any additional provision at this juncture as illustrated below:

- a) The amount of regular pension and family pension paid during the year 2018- 19 was Rs.17,415.16 crores**
- b) The interest income and regular annual contribution to the Pension fund was Rs. 32,023.00 crores**
- c) Undisbursed/unutilised surplus in the Pension Fund for the year 2018-19 was Rs.14,607.84 crores**
- d) Additional liability towards pension updation using RBI updation factors comes to Rs.5,322.87 crores**

(The cost of updation has been calculated for all the 4,41,000 pensioners who have retired upto 31.10.2017 and are eligible for updation of their pension as per the salary revision settled on 11.11.2020).

From the above details it is clear that even after grant of updation of pension there will remain an annual surplus of Rs. 9,284.97 crores thereby obviating the need for any additional immediate provision and thus protecting the balance sheets of the banks. If any bank has not followed the provisioning norms as per Pension Regulations or misutilised the Fund, that alone would be required to provide if their annual actuarial estimate in terms of Regulation 11 so warranted.

It is humbly submitted that the Public Sector Banks are the State within the meaning of Article 12 of the Constitution and Bank Pension Regulations are made in exercise of the powers conferred by clause (f) of sub-section (2) of Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 by the Boards of the Banks in consultation with RBI and with the previous sanction of the Central Government. Hence it is the statutory obligation on the part of the banks to implement these regulations including Regulation 35(1) which provides for the updation of the pension. While the guidelines from the Banking Regulators to provide for NPAs are followed without blinking, it is beyond common comprehension as to why statutory provisions are not being implemented perpetually with impunity.

Sir, the address and reiteration by Hon'ble FM to the 73rd AGM of IBA have truly raised the hopes and aspirations of the rank and file of our membership who contributed to the nation building during their active service and continue to chip in even after retirement whenever the occasions demanded like PMJDY campaign, Demonetization etc. You as one from within the industry are well aware of the financial hardship of the pensioners which is aggravated by non-revision of their pension. This benefit will help all the pensioners from Subordinate Staff to General Manager including those who were fortunate to move to Board Level assignments.

We humbly request you to settle this long pending issue urgently so that this hitherto neglected section of the pensioners could get the benefit of revision of pension alongwith the revision of salary for the serving employees. Meanwhile, we request for grant of interim relief based on the RBI Pension Updation Formulae.

100% DA NEUTRALISATION TO PRE- NOVEMBER 2002 RETIREES:

We also request you to be kind enough to resolve the issue of 100% DA neutralisation to Pre-November 2002 retirees who continue to be a discriminated unfortunate lot. It may be appreciated that price rise affects all retirees in equal measure and discriminating against senior retirees who retired before 1.11.2002, is not only illegal but also against the principles of equity and fairness while being violative of Article 14 of the Constitution.

DISCRIMINATORY MEDICAL SCHEME:

The pensioners and retirees have been discriminated in the matter of Medical Insurance Scheme which was introduced in the year 2015 in accordance with the guidelines issued by DFS to IBA vide letter dated 24.02.2012 to evolve a medical insurance scheme for both the serving employees and retired employees. While implementing the same IBA advised the banks to bear the Medical Insurance Premium for serving employees and left the retirees to fend for themselves if they wished to join the scheme. The introductory premium which was Rs.7,500 in the first year was successively increased to more than Rs.90,000 for the year 2019-20 thus making it unaffordable out of meager pension drawn. It has driven many out of the scheme on the grounds of unaffordability. It will not be out of place to mention here that the IBA & Government were kind enough to ensure that the Board Level Retirees - ED/MD/CEO/CMD are provided free medical facility as they were enjoying during their service. The serving employees are also provided free medical facility. It therefore becomes very brazen to discriminate against other retirees alone against the spirit of Government Communication dated 24.02.2012.

In view of the forgoing submissions, we humbly request you to settle these issues also forthwith without further loss of time and provide much awaited relief to those warriors who are in the twilight of their life.

We shall always remain grateful to you for rendering justice to us at this stage of our life.

With Regards,

Yours faithfully,



**(K.V. ACHARYA)
PRESIDENT,
AIBPARC &
Joint Convener, CBPRO**



**(SUPRITA SARKAR)
GENERAL SECRETARY,
AIBPARC**

The Secretary
Department of Financial Services
Ministry of Finance
Government of India
New Delhi 110 001

Dear Sir,

Updation and other pending issues of Bank Retirees

We wish to invite your kind attention to the recent conclusion of XI Bipartite and Joint Note for Revision of Salary of Bank Employees and Officers signed on 11.11.2020. We sincerely thank you for the same. We also hope that under your guidance, the long pending issues of the Bank Pensioners and Retirees will gain your personal and kind attention. Since ours is a group of senior and super senior citizens of the Banking Industry treading into the evening of our life, the pending issues call for urgent resolution more so when the Hon'ble Finance Minister, on behalf of the Government, has taken an open position to help our cause. Her advice to your Goodself and IBA to treat the Bank Retirees and Pensioners as a part of the family like serving Employees and Officers, has come as a sweetener to us and has raised the hopes and aspirations of our rank and file. In as much as you are the key functionary of the Government of India in the Ministry of Finance, we fondly look towards you for favourable resolution of our following issues urgently, so as to help us also to get our arrears along with the serving employees and Officers in the spirit of the message given by the Hon'ble Finance Minister:

FAMILY PENSION:

We wish to express our sincere gratitude to your Good self for guiding IBA in resolving our long pending issue of improvements in our Family Pension Scheme. It was heartening to note that the improvements in the family pension scheme @ 30% of pay drawn by the employee without any ceiling has been agreed and the same has been incorporated in the XI Bipartite Settlement and Joint Note signed between IBA and the Trade Unions as under:

Subject to approval by the Government, it is agreed that the family pension shall be payable at the uniform rate of 30% of the pay of the deceased employee and that there shall be no ceiling on family pension. It is agreed that these provisions, when approved by the Government, shall apply to SBI also.

It is also pertinent to submit that IBA's recommendation to DFS for improvement in Family Pension has been under consideration of DFS for about one and half years and yet again the agreement dated 11.11.2020 makes it subject to approval by the Government. It is quite intriguing. We therefore request you to intervene personally to grant the long-awaited approval of the Government so as to get the family pension improvements implemented along with salary revision including payment of arrears to the beneficiaries of the improvements in Family pension.

It was our long pending demand and has been emotionally close to our heart as it has a direct impact on the life and well-being of the spouses of the deceased employees and these beneficiaries are mostly the widows who are living in penury.

We take this opportunity to once again thank you for being kind and generous.

UPDATION OF PENSION:

Sir, you will appreciate that our demand for the updation of pension which has been impacting the life of every pensioner including the family pensioners but has not been settled yet. Even at the cost

of repetition, we wish to mention that despite several rulings by the Apex Court that the Salary Revision and Pension Revision are inseparable; Pension is not a bounty; Pension is a deferred wage etc, our Pension has not been revised despite Six Salary Revision Settlements after 1987. It has created such an anomalous and unfair situation that a Top Executive Grade General Manager who retired after 1.11.1987, draws lesser pension than a senior clerk who retires currently . Sir you will appreciate that when the wages are revised, the deferred wages cannot be allowed to be kept static. We had expected this also to be set right in the Salary Revision Settlement which was signed by the concerned parties on 11.11.2020 immediately after the inspiring address by the Hon'ble MoS (Finance) and the Hon'ble Finance Minister to the 73rd AGM of IBA. But it's exclusion from the settlement has left more than 4,00,000 pensioners disappointed. In this connection we wish to once again submit the following for your kind and sympathetic consideration:

Our request for updation of pension is not a demand to grant a fresh benefit as it is already provided in the Clause 12 of the Pension Settlement of 1993 and incorporated in Bank Pension Regulations 1995 vide Regulation 35(1) as under:

"Basic Pension and Additional Pension, wherever applicable, shall be updated as per the formulae given in Appendix - I (Government Gazette Notification No.9 dated 01.03.2003)"

It is inexplicable and beyond human comprehension as to why the benefit of a legal and pre-existing provision is being denied in a completely brazen and arbitrary manner. What has hurt the senior and super senior citizens of the banking industry more is that despite our repeated requests, the procrastination continues on some pretext or the other.

We on our part as a responsible organisation have been writing to Hon'ble FM, MoS, DFS and IBA for several years duly furnishing the detailed working reiterating that the annual increase in the pension for all the banks including SBI comes to Rs. 5,322 crores, which does not involve any additional provision at this juncture as illustrated below:

a) The amount of regular pension and family pension paid during the year 2018-19 was Rs.17,415.16 crores

b) The interest income and regular annual contribution to the Pension fund was Rs. 32,023.00 crores

c) Undisbursed/unutilised surplus in the Pension Fund for the year 2018-19 was Rs.14,607.84 crores

d) Additional liability towards pension updation using RBI updation factors comes to Rs.5,322.87 crores

(The cost of updation has been calculated for all the 4,41,000 pensioners who have retired upto 31.10.2017 and are eligible for updation of their pension as per the salary revision settled on 11.11.2020).

From the above details it is clear that even after grant of updation of pension there will remain an annual surplus of Rs. 9,284.97 crores thereby obviating the need for any additional immediate provision and thus protecting the balance sheets of the banks. If any bank has not followed the provisioning norms as per Pension Regulations or misutilised the Fund, that alone would be required to provide if their annual actuarial estimate in terms of Regulation 11 so warranted.

It is humbly submitted that the Public Sector Banks are the State within the meaning of Article 12 of the Constitution and Bank Pension Regulations are made in exercise of the powers conferred by clause (f) of sub-section (2) of Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 by the Boards of the Banks in consultation **with RBI and with the previous sanction of the Central Government. Hence it is the statutory obligation on the part of the banks to implement these regulations including Regulation 35(1) which provides for the updation of the pension. While the guidelines from the Banking Regulators to provide for NPAs are followed without blinking, it is beyond common comprehension as to why statutory provisions are not being implemented perpetually with impunity.**

Sir, the address and reiteration by Hon'ble FM to the 73rd AGM of IBA have truly raised the hopes and aspirations of the rank and file of our membership who contributed to the nation building during their active service and continue to chip in even after retirement whenever the occasions demanded like PMJDY campaign, Demonetization etc. The financial hardship of the pensioners which is aggravated by non-revision of their pension is not hidden from your Goodself too. This benefit will help all the pensioners from Subordinate Staff to General Manager including those who were fortunate to move to Board Level assignments.

We humbly request you to settle this long pending issue urgently so that this hitherto neglected section of the pensioners could get the benefit of revision of pension alongwith the revision of salary for the serving employees. Meanwhile, we request for grant of interim relief based on the RBI Pension Updation Formulae.

100% DA NEUTRALISATION TO PRE- NOVEMBER 2002 RETIREES:

We also request you to be kind enough to resolve the issue of 100% DA neutralisation to Pre-November 2002 retirees who continue to be a discriminated unfortunate lot. It may be appreciated that price rise affects all retirees in equal measure and discriminating against senior retirees who retired before 1.11.2002, is not only illegal but also against the principles of equity and fairness while being violative of Article 14 of the Constitution.

DISCRIMINATORY MEDICAL SCHEME:

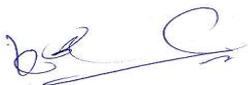
The pensioners and retirees have been discriminated in the matter of Medical Insurance Scheme which was introduced in the year 2015 in accordance with the guidelines issued by DFS to IBA vide letter dated 24.02.2012 to evolve a medical insurance scheme for both the serving employees and retired employees. While implementing the same IBA advised the banks to bear the Medical Insurance Premium for serving employees and left the retirees to fend for themselves if they wished to join the scheme. The introductory premium which was Rs.7,500 in the first year was successively increased to more than Rs.90,000 for the year 2019-20 thus making it unaffordable out of meager pension drawn. It has driven many out of the scheme on the grounds of unaffordability. It will not be out of place to mention here that the IBA & Government were kind enough to ensure that the Board Level Retirees - ED/MD/CEO/CMD are provided free medical facility as they were enjoying during their service. The serving employees are also provided free medical facility. It therefore becomes very brazen to discriminate against other retirees alone against the spirit of Government Communication dated 24.02.2012

In view of the forgoing submissions, we humbly request you to settle these issues also forthwith without further loss of time and provide much awaited relief to those warriors who are in the twilight of their life.

We shall always remain grateful to you for rendering justice to us at this stage of our life.

With Best Regards,

Yours Sincerely,



**(K.V. ACHARYA)
PRESIDENT,
AIBPARC &
Joint Convener, CBPRO**



**(SUPRITA SARKAR)
GENERAL SECRETARY,
AIBPARC**