



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



**C/O BANK OF INDIA OFFICERS' ASSOCIATION  
(EASTERN INDIA BRANCHES)  
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**Circular No. 58/18**

20.07.2018

**(For circulation among all the members of the Managing Committee as well as  
the Governing Council of AIBPARC, Special Invitees,  
State Secretaries and Advisors of AIBPARC.)**

Dear Comrade,

**Pending issues of Bank Pensioners & Retirees**

We reproduce hereunder circular no. 13/2018 dt. 16.07.18 addressed to all affiliates of CBPRO for favour of information of our members.

With best wishes,

( SUPRITA SARKAR )  
GENERAL SECRETARY

Circular No. 013/2018

Dated: 16.07.2018

To:  
All General Secretaries,  
Constituents of CBPRO

Dear Comrades,

We have been following up the pending issues of Bank Pensioners and Retirees among others with the Department of Financial Services, Government of India on a regular basis. Accordingly, we had a meeting with the senior officials of Department of Financial Services on 11.07.2018 and discussed the following issues:

Negotiation Rights with IBA  
Updation of Pension  
Uniform 30% Family Pension without ceiling  
Uniform 100% DA Neutralization  
Medical Insurance  
Pension to left out Compulsorily Retired Officers  
Pension for Resignees  
Reckoning of Special Allowance Component for Pension and Gratuity

We furnish below the brief details of our representation to the Department of Financial Services during the said meeting:

**QUOTE:**

**Negotiation Rights with IBA:** We request you to provide us a formal structured machinery to negotiate the issues of Bank Pensioners and Retirees with Indian Bank Association (IBA).

**Updation of Pension:** Pension Regulation 35(1) dealt with Updation of Basic & Additional Pension in respect of employees who retired between the 1st Day of January 1986 but before the 31st Day of October 1987, as per formula given in appendix 1. The provision of updation of basic and additional Pension - Regulation 35(1) was therefore implemented at the time of introduction of Pension scheme in the Banks.

The Govt. of India amended Regulation 35(1) vide notification in Government Gazette (No.9) dated 1st March 2003 as under:

“Basic pension and additional pension, wherever applicable, shall be updated as per the formulae given in appendix-1”.

A perusal of original Regulation 35(1) vis a vis amended Regulation 35(1) would show that the restricted application of Updation of Pension in respect of those who retired between 01.01.1986 and 31.10.1987 has been extended to cover all retirees wherever applicable. IBA and Banks

have been denying the benefit of updation to the eligible pensioners who retired after 01.11.1987 for unjustifiable reasons. This has resulted in creating a huge difference as some retired General Managers are drawing lesser pension than that of a senior clerical staff retired recently.

Sir, you will appreciate that our Pension Regulations being the subordinate legislation assume greater significance and amended Regulation 35(1) provides an accrued right to the pensioners who have retired after 01.11.1987. We therefore request your Goodself to consider our request for revision/ updation of pension favourably.

**Uniform 30% Family Pension without ceiling:** Family Pension in Banks is payable at 30%, 20% and 15% of last drawn pay of the deceased Employee/Pensioner with lower percentage being assigned to higher pay. It in effect meant that Family Pensioners of those who retired as officers would get the lowest 15% of last drawn pay that too with a specified ceiling on the amount of Basic Pension which effectively translated into a mere 7% to 10% of last drawn pay. This distortion was corrected by the Govt. and RBI by fixing Family Pension uniformly at 30% of Pay. Regulation 56 of the Banks Pension Regulations provides for the similar treatment to Bank Family Pensioners. We also understand that IBA is engaged on this issue which was minuted in the form of a record note at the time of signing of 10<sup>th</sup> Bipartite Settlement. We request you to help us in getting this very passionate demand resolved at the earliest.

**Uniform 100% DA Neutralization:** After the introduction of 100% DA neutralization in lieu of tapering DA by the Central Govt. during the revision under 5th Pay Commission (1996), Banks too introduced uniform 100% DA neutralization from 2005 but made it applicable only to those who retired on or after 01.11.2002 despite there being no mention in the bipartite settlement about such artificial classification based on the date of retirement.

**Medical Insurance:** After prolonged representations, the Government vide F.NO. 14/7/92-IR(Vol-II) Dated 24th February 2012 advised IBA to formulate a uniform Medical Insurance Scheme for both serving and retired employees. The IBA in the last (10th) Bipartite Settlement introduced Medical Insurance Schemes for both serving and retired employees but created discrimination with regard to payment of insurance premium by bearing it in case of serving employees and forcing the retired employees to pay the premium. This discriminatory treatment has robbed the retired employees of Banking Industry by as large a sum as Rs. 40,804/- for the renewal of their medical insurance w.e.f. 01.11.2017. It is in contrast to free Medical Facilities extended to senior level bankers viz., CMD/MD/CEO/EDs after retirement and hence we request for extension of similar medical facilities to rest of the retired Bank Employees.

Sir, you will appreciate that the need for medical care is no lesser important in case of Bank Pensioners and Retirees than the full time Board level employees of the Bank. Extending similar benefit to Bank Pensioners and Retirees would uphold the fair principles of equity. We request you to consider the same at the time of ensuing renewal of IBA arranged/negotiated medical insurance policy for Bank Pensioners and Retirees which is due on 01.11.2018.

**Pension to left out Compulsorily Retired Officers:** The Hon'ble Supreme Court in case of compulsorily retired officers of Andhra Bank has allowed second pension option. Since the Hon'ble Supreme Court has its jurisdiction all over the country, the compulsorily retired officers in other banks too be extended similar benefit as a good gesture. We request that the Government as Good Employer should accept the same for all the Banks as it has been upheld by the highest court in case of similarly placed officers. Some of the Banks are yet to implement the pension to left out compulsorily retired officers, despite IBA having issued the communication to all the member banks as early as March 2018.

**Pension for Resignees:** IBA advised the banks to extend second option to the petitioners only in case of Vijaya Bank instead of giving benefits to similarly placed resignees who have put in more than 20 years of service. Such an extension of second option to similarly placed Officers in Vijaya Bank and also in other Banks as advised by IBA in case of left out compulsorily retired officers.

**Reckoning of Special Allowance Component for Pension and Gratuity:** A Special Allowance was introduced as a part of Pay in the Xth Bi-Partite settlement. This allowance was attracting Dearness Allowance but was excluded for the purpose of computing Pension and calculating Gratuity. It is important to note that in the case of LIC of India, the similar Special Allowance is treated at par with the grade pay of government employees and the same is also reckoned for terminal benefits including Pension & Gratuity. The payment of Gratuity Act defines Wages as emoluments with Dearness Allowance excluding HRA, Overtime and any other Allowance. It is pertinent to submit that the Special Allowance component payable to Bank employees and Officers attracts DA at same rate as on Basic Pay. Hence Special Allowance and DA thereon form an integral component of Wages. It is therefore required to be taken into consideration while calculating Gratuity/Pension at the time of retirement. Exclusion of Special Allowance and DA thereon is violative of the provisions of the Payment of Gratuity Act 1972, its exclusion in Xth Bi-Partite notwithstanding. We request you to make necessary arrangements with IBA to rectify the anomaly at the earliest.

**UNQUOTE**

We are alive to the anxiety and concern of the Bank Pensioners and Retirees and hence are committed to continue our endeavours for bringing about improvements in the conditions of Bank Retirees.

With Regards

Yours Comradely



A.Ramesh Babu



K.V. Acharya

Joint Conveners