



# 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

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Circular No. 61/17.

07.11.2017.

(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,

- Sub : 1) CBPRO apprises Chairman, IBA about all pending issues of bank pensioners and retirees on 03.11.2017,  
2) CBPRO apprises membership about latest position of 100% DA neutralization case in Supreme Court on 05.11.2017,  
3) CBPRO represents before Chief Executive of IBA on irregular and unauthorized debit in Bank employees pension fund account on 06.11.2017.

We are reproducing hereunder the full set of correspondence on the above referred issues for information and perusal of members.

With best wishes,

( SUPRITA SARKAR )  
ACTING GENERAL SECRETARY

QUOTE :

Dated 03.11.2017

Shri Jatinder Bir Singh, IAS  
Chairman, IBA  
Chairman & Managing Director  
Punjab & Sind Bank  
Rajendra Place  
Pusa Road  
New Delhi 110 008

Respected Sir,

### Pending issues of Bank Pensioners & Retirees

We wish to introduce ourselves as a Coordinating Body of Major Organisations of Retired Bank Employees and Officers including that of State Bank of India, representing more than 400,000 members. We have taken up the following issues with the Government and IBA and request your Good Self to help us by resolving these issues at the earliest. We believe that with your rich and vast administrative experience and also the experience in the banking industry, you will empathise with the cause and grievances of senior bank men by taking proactive steps in this regard.

**1.Update of Pension:** Pension scheme in the Banks was finalised in the year 1993, for which the Pension Regulations were formulated in September 1995. Pension Regulation 35(1) dealt with Update 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 354(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. But the Banks have been denying the benefit of updation to the eligible pensioners who retired after 1.11.1987 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.

**2. 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. Such a meagre amount like Rs.4000/- is to make the mockery of the concept of Family Pension which is nowhere near the minimum amount determined by the Govt. for sustenance. 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 and it calls for a favourable consideration to rationalise family pension rate.

**3. 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 to only those who retired on or after 01.11.2002 despite there being no mention in the bipartite settlement about such artificial and unconstitutional classification based on the date of retirement.

**4. 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 through their nose. This discriminatory treatment has robbed the retired employees of Banking Industry by a large sum as Rs.40,804/- for the renewal of their medical insurance due on 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 our demand for similar medical facilities to rest of the retired Bank Employees.

It is intriguing that the premium for a cover of Rs. 4 lacs was Rs. 7500/- in 2015 with OPD facility, it was enhanced to Rs. 20010/- in 2016 and this year it has been enhanced to Rs.36998/-. With the facility of super top up policy of Rs.5.00 lacs, the total premium comes to Rs.40804/-. We are at a loss to understand as to who negotiates the premium for such a large group of bank retirees or the insurance company is allowed full freedom to exploit the retirees. The penetrating pricing in 2015 and arbitrary steep rise in subsequent years is nothing but exploiting a helpless community of bank retirees. Hence the request for the premium to be borne by the banks in case of retirees too in terms of Government communication which was devoid of any advice about the premium to be paid by the retirees.

**5. 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 should also be extended similar benefit as a good gesture. We request that the Government/IBA as good employer should accept our request as it has been upheld by the highest court in case of similarly placed officers especially when the number of such deprived officers is hardly 1,200 only for the entire banking industry.

**6. Pension for Resignees:** IBA advised the bank 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 service in other banks. We feel that the other helpless resignees should be compelled to litigate on the legality of an issue which is already settled by the Hon'ble Supreme Court. There are about 4000 resignees in the entire banking industry and the cost implications are insignificant.

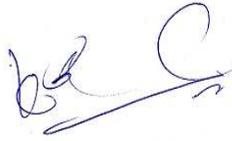
**7. Reckoning of Special Allowance component for Pension:** A Special Allowance was introduced as a part of pay in the last Bi-Partite settlement. This allowance was attracting Dearness Allowance but was excluded for the purpose of computing pension and calculating gratuity. It is important to note 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.

In view of these facts that special allowance components of Bank Employees & Officers should also be treated as a part of pay for the purpose computing pension and calculating gratuity.

We shall be grateful to you for early resolution of these long pending issues of the Pensioners/Retirees.

With respectful regards,

Yours faithfully,



**A.Ramesh Babu**

**K.V. Acharya**

**Joint Conveners**

**Circular No. 017/2017**

**Dated: 05.11.2017**

**Dear Comrades,**

**100% DA NEUTRALISATION CASE IN SUPREME COURT**

We have been receiving anxious enquirers from across the country and also through various posts in social media speculating as to when the Hon'ble Supreme Court will pronounce the judgement reserved in respect of the above. We are of the firm belief that speculations do not help in such cases and hence we do not want to counter speculate any date regarding the pronouncement of the judgement by the Hon'ble Supreme Court. We sincerely hope and pray for an early and favourable judgement.

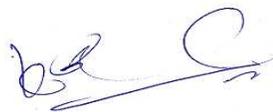
Dear Comrades, as a responsible organisation we have carried out our responsibility as a coordinating Body of Bank Retirees Organisations by coordinating the efforts put in by the individual Retiree petitioners and Retirees organisations where the Apex bodies of Retirees organisations have also impleaded. For us the interest of the Retirees is supreme and hence we proactively and unhesitatingly coordinated with every organisation unmindful of otherwise stated position of some individuals/organisations. We on our part took care to see that the respective Senior Counsels engaged by different organisations were approached by us giving proper and crucial inputs regarding 100% D.A. case. We are happy to share that the inputs given by us were useful to the Senior Advocates while articulating and advancing their arguments in the court.

Even at a later stage while preparing the written submissions to be filed in the court as per the directions of the Hon'ble Court, we succeeded in co-coordinating very well with the Senior Advocates including the lawyers of RBONC, Bank of Baroda Retired Officers Association and ARISE, affiliate of AIBPARC. We also tried to talk to the respective leaders of IOB and Canara Bank requesting them to ensure filing of the written submissions in sync with each other. The objective of entire exercise was to ensure that a strong case is made out without giving any scope to contradictions and conflicts in the contents of written submissions before the Hon'ble Court.

CBPRO was formed by various Apex level Retiree organisations only in the year 2015 but the momentum gained in respect of the issues concerning the Retirees has got a great fillip since then. We do not want to indulge in hyping the issue or mentioning much about the proceedings at this stage. It is neither proper nor appropriate to speculate on the issue when the matter is subjudice. We wish to say that we have put in our very sincere and best efforts and we pray & hope for an early resolution of the issue of 100% D.A to pre-2002 retirees. We have waited for long many years and now we may have to wait for some more time. We request you not to get influenced by any speculation of dates. We shall keep you posted of the developments regarding the likely date of pronouncement of the judgement as soon as we come to know from the official diary of the Hon'ble Supreme Court.

With Regards

Yours comradely,



**A Ramesh Babu**

**K V Acharya,**

**Joint Conveners (CBPRO)**

**Dated: 06.11.2017**

**Shri V G Kannan**  
**Chief Executive**

Dear Sir,

**Irregular and Unauthorised debit in Bank Employees Pension Fund Account**

Consequent to introduction of Pension Scheme for Bank Employees & Officers, every bank has constituted Employees Pension Fund in terms of Pension Regulations. These Regulations governs the operations of the Pension Fund. In terms of Pension Regulations the debit in Pension Fund account are permitted for the purposes of enabling the bank to meet the liabilities of Pensionary benefits to the Retired Employees & Officers. The investments out of pension funds are to be made in accordance with the rules framed under the Pension Regulations. The debits other than for the disbursement of Pensionary benefits are permitted only for the purposes of making investments in authorised securities. The shortfall in the fund is made good by the bank after obtaining actuary's certificate.

It is reported that some banks have been resorting to unauthorised debit to Pension Fund leading to weakening of the fund and impairing its capacity to meet the commitments to their Retired Employees & Officers on account of payment of Pension and other related benefits. It is pertinent to mention that a nationalised bank wrote back Rs2026.26 crores from Pension/Gratuity Fund and appropriated the amount towards provision for Non Performing Assets eventually soaring up the profit of the bank in an unauthorised manner. Similarly another Nationalised bank has defaulted in making adequate provision to the Pension Fund in accordance with the last wage settlement which provided for amortization of the liability. These irregularities were widely reported in media / social media recently. We had also taken up with the Government and IBA to initiate necessary steps for rectification and also for guarding against such misappropriations out of Employees fund which are held in trust. We have not heard anything from Govt/IBA in this regard.

Even when we have been struggling for getting justice to the Bank Pensioners on above counts, another shocking incidents has come to our notice where in a huge amount from the Pension

Fund of the Bank was invested in Non Convertible secured debentures of a Private company which also happened to be the borrower to the extent of Rs14000 crores from the entire banking system. The incident would have gone unnoticed if the company had not been identified by RBI among 12 major accounts for the purpose of filing insolvency petition before National Company Law Tribunal. The pension fund of the bank was asked by Insolvency Resolution Professional to submit its claim as a creditor. As we have experienced in the case of another company before NCLT, hardly 6 % of the total dues were realisable. With such an experience, it could be anybody's guess as to how much amount would be realised through NCLT even in the said case. While the lending bank will take the hit in the form of haircut, it would be atrocious to expect employees pension fund to lose substantial amount on account of such imprudent and impermissible deployment of amount out of Employees Pension Fund.

It is likely that similar or different type of unauthorised transactions would have taken place in other banks too. It therefore assumes greater and more serious significance. To put it simply, these would amount to criminal breach of trust and criminal misappropriation of Employees Funds held in Trust by the Banks.

We as a Coordinating body of more than 400,000 Bank Pensioners & Retirees deem it our bounden duty to ensure safety and security of the funds which belong to our members. With this objective in view, we suggest the following measures to be initiated by the Government and IBA to ensure and protect the interest of Bank Pensioners & Retirees:

1, An immediate independent audit must be ordered for the Funds which are constituted and maintained by the banks to meet different liabilities arising out of retirement of bank Employees & Officers. The present practice of Auditing the Funds immediately after auditing the annual account of the Banks should be substituted by audit of the Employees Funds before audit of annual accounts of the Banks. This will obviate the mall practices in the banks to dress up their Balance Sheets at the cost of Retirees/Employees.

2. The independent auditor must be changed every year with a cooling period of 3 years to ensure that they do not yield to impermissible and manipulative demands by Banks.

3. A copy of independent auditors report should be mandatorily given to Association of Pensioners & Retirees of the concerned Bank for necessary scrutiny.

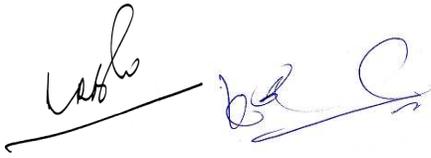
4. The loss if any sustained by the Funds on account of unauthorised transactions in any bank should be ordered to be made good by the bank forthwith along with interest.

5. A Representative of the Retired employees should be appointed on Pension & Other Funds where the interests of the Retirees are involved.

We shall be grateful if you could bestow your personal attention to look into such serious malpractices in management of Pensioners & Retirees Funds.

Thanking you,

Yours faithfully,

The image shows two handwritten signatures in blue ink. The signature on the left is for A Ramesh Babu, and the signature on the right is for K V Acharya. Both signatures are written in a cursive style and are positioned above their respective names.

**A Ramesh Babu**

**K V Acharya**

**Joint Convenors**

**Another very important information :**

The Joint Convenors of CBPRO by its letter dated 02.11.2017 represented before the Union Finance Minister who happens to be the Chairman of Goods & Services Tax Council to kindly exempt from GST on medical insurance for senior citizens of the banking sector. By citing specific examples, it has been shown how difficult it is to pay the over-inflated premium of group medical insurance by individual retiree many of whom draw a very meager monthly pension. With a view to partially mitigating the hardship and reducing the financial burden, CBPRO earnestly requested Hon'ble Union Finance Minister to exempt the premium from GST as a very special gesture to the senior citizens. The representation has been signed by Com. A. Ramesh Babu and Com. K.V. Acharya.