



**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](mailto:aibparc@gmail.com)**

=====  
Date : 27.09.20.

Circular no 85--20.

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

Dear Comrade,

**Sub.: Pending Issues of Bank Pensioners and Retirees.**

Our organization has written a letter on date to Shri Anurag Singh Thakur, Hon'ble Minister of State for Finance on the above-mentioned subject.

The letter is being reproduced hereunder for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar  
General Secretary

**Quote:**

AIBPARC/GOI/Email/2020

Shri Anurag Singh Thakur  
Hon'ble Minister of State for Finance  
Ministry of Finance  
North Block  
NEW Delhi

Respected Sir,

## **PENDING ISSUES OF BANK PENSIONERS & RETIREES**

We recall our meeting with your goodself on 25.07.2020 at your office in connection with the handing over of our members humble contribution of Rs.2.12 crores towards donation to PM-CARES FUND. We on 04.09.2020 also deposited in PM-CARES FUND account with Indian Overseas Bank, Parliament Street Branch New Delhi Rs.20 lakhs by means of bank drafts for Rs.9.00 lakhs, Rs. 2.00 lakhs and Rs 9.00 lakhs thus making our members total contribution to Rs.2.32 crores, which we believe is the largest contribution by any organisation of Retirees in the country for helping the people in distress due to outbreak of Covid 19.

Sir, it was nice and heartening that your goodself lent your ears to listen to the grievances of the Bank Pensioners and Retirees and assured us of all possible help in resolving the long pending issues of Bank Pensioners and Retirees. We wish to mention here that all the issues, which we discussed with you were included in the Charter of Demands for Wage Revision. Fortunately, the IBA and UFBU have signed an MoU on 22.07.2020 regarding wage revision for serving Employees and Officers but the issues of the Pensioners and retirees found no mention in the said MoU. However We are happy to know that Shri Rajneesh Kumar, Chairman IBA made an announcement that the Family Pension would be improved at Par with Govt & RBI Pensioners. But so far as other main issues like Pension Updation, 100% DA Neutralisation, Medical Insurance scheme and Reckoning of Spl Allowance for terminal benefits, the MOU is silent. We therefore humbly request your goodself to help us in resolving the following very important long pending issues alongwith the Final Bipartite Settlement which is likely to be concluded soon.

### **1. Updation of Pension:**

We are very keen that the Updation of Pension which is clearly and unambiguously provided under Banks Pension Regulation 35 (1) may be necessarily resolved at least now as the same is due for more that 25 years. The rigidity and irrationality in respect of Updation of Pension is unfortunate and exhibits a complete oblivion to the above mentioned Regulation which is a Subordinate Legislation and provides that the Basic Pension and Additional Pension, wherever applicable, shall be updated as per the formulae given in Appendix I.

Non-updation of the Pension also reflects a disregard to various judgments of the Hon'ble Supreme Court which ruled -

- (a) that Pension is not a bounty
- (b) that pension is a deferred wage
- (c) that pension is a social security measure
- (d) that pension should not be less than 50% of the corresponding stage in the revised pay scale, which underscores the need for periodical updation of pension.
- (e) that the Salary Revision and Pension Revision are inseparable

It is also submitted that Pension Fund was created in terms of Bank Pension Regulations by transferring the Contributory Provident Fund amounts from PF to PENSION FUND. Since the Pension in Banks was introduced in lieu of CPF, the banks have a statutory obligation to make regular contributions to Pension Fund and shortfall if any be made good on the basis of Actuarial Estimate on an annual basis. This methodology prescribed in the Pension Regulations has ensured adequacy of funds. Sir, you will be happy to note that the present outlay towards Pension and Family Pension is hardly 52% of the annual yield and contributions to Pension Fund leaving a whopping amount of 48% unspent and can be part utilised for grant of Pension Updation. Contentions of IBA to the contrary like it is a Funded Scheme, Banks do not have enough Profitability etc are diversionary. It may be recalled that Pension in the Banks was introduced in the year 1993 when due to sudden implementation of Prudential Accounting Norms, many banks were in loss but it was not considered as a deterrent.

In as much as **Updation of Pension is granted** in RBI recently, we are only asking for the resolution of this most important issue as per RBI formula of Updation. It is repeatedly stated both in Pension agreements and in Pension Regulations that the Pension Scheme is on the lines of the Central Government and RBI Pension scheme. Hence, we request you to consider our request for Updation of Pension very sympathetically and advise DFS & IBA to settle this issue alongwith impending Bipartite Settlement to be soon.

## **2. 100% DA Neutralisation to Pre-2002 Retirees:**

The 8<sup>th</sup> Bipartite Settlement extended 100% DA neutralization to the Officers but after a month of signing the settlement, IBA arbitrarily withheld its implementation to those who retired prior to 1.11.2002. It was a very unkind blow to the Super Senior Citizens of the Banking Industry who were already suffering due to continuous non-updating of their Basic Pension. The 8<sup>th</sup> BPS only improved the DA compensation formula as already prevailing for the Government Retirees and later on extended to RBI retirees also without any discrimination in respect of date of retirement. **There cannot be artificial classifications of Retirees based on the date of their retirement as they belong to one homogeneous group and hence the 8<sup>th</sup> BPS did not bar the Pre-2002 retirees from getting the benefit of 100% DA neutralization. Unfortunately, at the time of implementation the IBA unilaterally made Pre-2002 retirees ineligible to get the benefit of 100% DA neutralization though universally it is accepted that the price rise hits equally harsh all retirees irrespective of their date of retirement.** Hence, we request you to render justice for the Pre-2002 retirees in respect of 100% DA neutralization whose number is dwindling very fast due to their very advanced age. This issue requires humanitarian consideration.

## **3. Medical Relief to Pensioners and Retirees:**

The Dept of Financial Services, Govt of India vide their letter dated 24.2.2012 advised IBA to evolve a Medical Insurance Scheme for both Serving and Retired Bank Employees and Officers. As per their directive, the IBA evolved the scheme in the last settlement in 2015. While introducing the same for the serving employees and Officers it was decided that the premium would be borne by the Banks whereas for the Retirees it was thrust on them. Medical Relief is the entitlement of Serving and Retired Employees and it is extended to Government Retirees by collecting a one time contribution at the time of retirement so that they can get unlimited Medical Relief at their old age as a recognition of their Past services. In the Banking Industry, it is extended to Board level functionaries like Executive Directors, Managing Directors and Chairmen of the Banks as per their entitlement while in service. But unfortunately the Bank retirees alone have been singled out and are deprived of the Medical Relief as the Medical Insurance Premium is neither borne by the Banks nor Subsidized. The galloping premium amount is causing big financial burden specially for the Award Staff Retirees, Very aged Retirees and Family Pensioners/Single Persons, forcing many of them to opt out from the scheme itself for the reason of unaffordability, exposing them to no medical relief whatsoever at the critical stage of their life. Though the Present Renewal has contained the Premium giving solace to the Retirees, still it is a sizable amount. Hence it is necessary that the issue of Medical Relief should be rationalised to help all the Retirees providing Proper Medical relief / Medical Insurance Coverage without unduly burdening them.

#### 4. Reckoning of Special allowance for terminal benefits:

The concept of Special Allowance which attracts DA was introduced in the last Bipartite Settlement and was given to every Employee and Officer irrespective of their grade and position and not dependent on discharging any special duty/assignment. But it was expressly excluded from being reckoned for terminal benefits viz., Pension and Gratuity which is neither proper nor legally tenable. The Hon'ble Supreme Court has held that any Allowance which is paid to all the employees without being assigned to the performance of any specific job and is also paid for the period of employee being on leave, has to be treated as a part of Basic Pay. In view of this, we request you to advise DFS & IBA to ensure that Special Allowance is reckoned for the purpose of Pension and Gratuity for those who retired from 1.11.2012 onwards.

Honourable Sir, We earnestly request Your Goodself to consider the above issues very sympathetically and advise DFS & IBA to resolve the same alongwith the impending Bipartite Settlement to be concluded soon.

With Warm Regards,

Comradely yours,



( K.V. ACHARYA )  
PRESIDENT



( SUPRITA SARKAR )  
GENERAL SECRETARY