

**To,
Shri Rahul Gandhi,
Vice-President,
All India Congress Committee,
New Delhi.**

Respected Sir,

Re: Problems faced by the Pensioners of the Banking Industry

Kindly permit us to encroach upon your valuable time over an issue which is vexing several lacs of pensioners and retirees in the Banking Industry in a manner unjustified. The background of the issues and the crux of the problems are being narrated hereunder in brief :

1. Sir, you might be aware of the fact that the employees and officers of the banking industry in the service tenure offered dedicated services to the nation and they served the people in far flung villages, cities, places on hills and around the sea. For several decades, there was no pension for the Bankers. It was as late as 1995, the benefit of pension came to the bankers in lieu of contributory provident fund. In other words, the employees and officers of the banking industry had to surrender the balance held in the contributory Provident Fund A/C to make themselves eligible as pensioners. In some cases, the employees had to pay back substantially in addition to refund of Contributory Provident Fund.

2. The introduction of Pension Scheme in the Banking sector was a sequel to bilateral negotiations between Indian Banks Association and trade unions of employees and officers. Based on the understanding bilaterally arrived at, Pension Regulations came into effect in the year 1995. In the said Regulation there had been repeated assertions that the scheme of pension for Bankers was modeled principally on central civil rules and that of Reserve Bank of India and whatever had not been clearly stated in the Banking Regulations would be guided by provisions of central civil rules.

3. This is a well known proposition that the quantum of pension allowed to a particular person at a relevant point of time is revised upwardly or technically speaking "updated" whenever the salary of existing employees are revised after acceptance of the recommendations of the Pay Commission by the Union Government or the various state governments. Such "updatation" of pension becomes an abject necessity to avoid aberration in the scheme itself. It is also done for ensuring justice and equity to older employees who retired few years or decades ago. This simple logic is yet to get a logical conclusion in the banking sector. As a result of this, certain unheard of things are happening every day. Any employee or officer or a senior Executive who retired ten years back or before or after that date are getting much lesser pension than his present counterpart who retired after him or will be retiring soon. It has a multiplier effect and with the signing of each bipartite settlement, the gap is widening both in number and quantum between a senior pensioner and his junior counterpart in the same scale or pay bracket. Negotiations for 10th Bipartite settlement (which takes place at an interval of 5 years) has

commenced between IBA and United forum of Bank Unions. Two sets of charter of demands – one for the award staff and the other for the officers have been submitted to IBA. Both the charters have highlighted this anomaly and demanded its correction through updation of pension of the older employees.

4. **Family Pension :**

In the Banking Sector, family pension is too meager. It is just 15% of basic pension. Family Pension in Banking Sector is modeled on RBI pattern. In RBI, it has been enhanced to 30% in consultation of Government of India. The same has been denied to the Banking Sector.

5. **100% DA neutralization to retirees prior to 01.11.2002.**

Dearness Relief, as per settlement is to be granted at such rates as in line with the DA formula which is in operation with RBI. Although RBI has implemented 100% neutralization to their pensioners who retired prior to 01.11.2002 with effect from 01.02.2005, the same has not been done in case of bank retirees who retired prior to 01.11.2002.

6. **Medical/Hospitalisation scheme of the retirees.**

This is known to everybody in the society that job in a Bank is not only strenuous but also it is risky as well as hazardous. As a result of this, most of the retirees suffer from chronic blood pressure, imbalance of sugar, cardiac ailments and other related diseases. There is no uniform medical hospitalisation scheme available for bank retirees. A government employee has the coverage under various schemes. SBI and RBI retirees have approved hospitals and registered clinics wherefrom medicine is distributed. For bank employees/officers the arrangement is too scanty. Our demand is that the annual medical assistance and the hospitalisation scheme which is available for working employees are also to be extended to bank retirees.

7. **Need for a forum for dialogue with IBA/Government :**

Bank retirees do not have a forum for dialogue where issues can be discussed with representatives of Bankers and Government officials. Our repeated requests have not evoked any response as yet. In a democratic society dialogue is the only solution to problems.

We have written to Chairman, IBA and officials of Ministry of Finance, Govt. of India on number of occasions. Our earnest request to you is : kindly consider our problems with sympathy and represent before the government the immediate need for its rectification through dialogue.

We await your favourable response.

Yours faithfully,

(S. R. SEN GUPTA)
GENERAL SECRETARY