

COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS

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Shri M.V. Tanksale,
Chief Executive Officer,
Indian Banks' Association,
World Trade Centre 6th Floor,
Centre 1 Building,
World Trade Centre Complex,
Cuff Parade, Mumbai 400005

Sir,

Sub: MEMORANDUM REGARDING PENSION UPDATION AND OTHER ISSUES RELATING TO BANK PENSIONERS' AND RETIREES.

We, the **Retired Bank Employees** are waiting for more than 25 years in our Indian Republic to get what has been agreed with us and what is being extended in Government and other Public Sector Organisations in the matter of Pension

The aging factor of the Bank Retirees is causing lot of anxiety to them when their justified issues are not redressed in spite of their knocking the doors of IBA and other Government authorities for a long time. The non resolution of their issues forced the Bank Pensioners' Organisations to hold Dharnas and Demonstrations in several centers including at Jantar Mantar, New Delhi and Azad Maidan, Mumbai. It must be in the knowledge of the IBA and the Government that as late as on 11th December, 2015 the most **Massive Dahrna** was held by Bank Pensioners' at Jantar Mantar where even leading news papers like The Statesmen and Nav Bharat Times reported the gathering well over five thousand, which was addressed by Political leaders, Central Trade Union leaders and Bank Industry Organisations. The said Dahrna was organized by **Coordination of Bank Pensioners' and Retirees Organisations (CBPRO)**, which consists of **SBI Pensioners Federation, All India Bank Retirees' Federation (AIBRF), All India Bank Pensioners and Retirees Confederation (AIBPARC), Retired Bank Officers' National Confederation (RBONC)**

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and **All India Retired Bank Employees Association (AIRBEA)** covering a membership of Three Lac Fifty thousand, in other words all most the entire Bank Retirees community.

This is with a fervent hope, we wish to once again place before you the most important issues concerning the Bank Pensioners and we are confident that the IBA will resolve the issues immediately and without any further delay.

BRIEF HISTORY OF PENSION FOR BANK EMPLOYEES.

Bank Employees and Officers wanted Pension as third benefit but the Government and IBA insisted that Pension Scheme would be introduced in the Banks exactly on the lines of Government Employees Pension Scheme. So when Pension settlement was signed in 1993 and Pension Regulations were framed in 1995 it came exactly as per the Central Government Employees Pension Scheme. The negative and punitive aspects of the Government Pension Scheme were also included in the Bank Employees Pension Scheme such as Pension subject to future good conduct, initiation of disciplinary proceedings even after retirement and Dearness Relief which used to be paid every three months is now made payable every six months quoting that for Government Employees it is payable only every six months.

When the Pension Scheme was introduced, it was stated to be strictly as obtaining in Central Government for its employees. As a result its introduction in banks was made conditional that those who would be recruited after 1995 would not be given the option of PF and they have to necessarily come under the Pension Scheme since Government Employees do not have any such option. So also, during IX Bipartite settlement, extension of second option for pension to existing retirees and employees was made conditional that those who also recruited after 2010 would be only under **Defined Contribution Pension Scheme** and not under **Defined Benefit Pension Scheme** because recent and future recruits in Central Government are brought under **Defined Contribution Pension Scheme**. As a result, all the recruits since 2010 in banks too are covered under the **New Pension Scheme** which is Defined Contribution Pension Scheme.

UPDATION OF BASIC PENSION AND ADDITIONAL PENSION.

In line with the Governments' stated position Bank Employees **Regulation 35** clearly states that **Pension Updation** (Revision) shall be made wherever applicable. It is also true that this Regulation was duly implemented for a batch of Officers and Employees retired between 01.01.1986 to 31.10.1987 along with the wage revision for serving Bank Employees and Officers at that time.

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Regulation 56 also clearly states that any doubt in the matter of application of these Regulations regard may be had to the corresponding provisions applicable to Central Government Employees. Further **Regulation 11** also states that quote **“BANK SHALL CAUSE AN INVESTIGATION TO BE MADE BY AN ACTUARY INTO THE FINANCIAL CONDITION OF THE FUND EVERY FINANCIAL YEAR ON THE 31ST DAY OF MARCH AND MAKE SUCH ADDITIONAL ANNUAL CONTRIBUTIONS TO THE FUND AS MAY BE REQUIRED TO SECURE PAYMENTS OF THE BENEFITS UNDER THESE REGULATIONS.”** Unquote

The above Regulations are clear assertions as to the fact that payment of Pension obligations is a statutory obligation like payment of salary and requirement under AS 15(R) has to reckon this too and so auditors cannot ignore this statutory obligation.

The non-implementation of the pension updation for more than 25 years, during which period five wage revisions had taken place in the Banks but with absolutely no revision given to the Bank Pensioners, is heart rending and humiliating that even a top functionary of the Bank in the grade of General Manager who retired in 1990s gets a paltry sum of Rs. 22,000/- approx. including D.A. which is much less to his junior subordinate in the clerical cadre and his equivalents in sectors having pension revision gets more than three times of it.

Hence it is obvious that discontinuing the implementation of Regulation 35 regarding Pension Updation is a clear violation of Bank Employees Pension Regulation. This has to be set right immediately and Bank Pensioners' are not put to deprivation further.

100% DA NEUTURILASATION.

Depriving the pre November 2002 retirees' full compensation of DA is again against the spirit of Pension Settlement and also against all logics when the same is extended not only to Government Employees but also to RBI employees and other State Sector Organisations. The number of such pensioners is very small and quite a few of them are in the advanced age of 85 plus or may have even unfortunately ceased to exist. Hence a special note of urgency should be shown in respect of this issue.

IMPROVEMENT IN FAMILY PENSION.

This is again in contrast with what is being allowed to Family Pensioners, who are mostly widows, in the Government and Government Sector Organisations and RBI. It is quite heart-rending that Family Pensioners in Banking Industry are restricted to get only 15% that too with

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ceiling, whereas it should be 30% without ceiling. We urge upon IBA to render justice to Bank Family Pensioners.

PENSION FOR THOSE WHO HAVE PUT IN PENSIONABLE YEARS OF SERVICE.

Denial of pension to those resigned but had put in pensionable years of service even after a favorable judgment from the Hon'ble Supreme Court amounts to demonstration of unnecessary rigidity and we request you to honor the Hon'ble Supreme Courts' Judgment in this regard. Here again the number of such retirees is very small.

MEDICAL FACILITIES

Though the Government had instructed the IBA as early as in 2012 to come out with a Medical Policy both for serving employees and retired employees, it is quite shocking to see that the Retirees are asked to pay the premium on the medical insurance and are also deprived of the Domiciliary treatment reimbursement and subjected to the denial of the medical facilities in respect of critical illness. In fact the senior citizens of banking industries deserve a more humane Medical Reimbursement Scheme.

EX-GRATIA TO PRE 1986 RETIREES.

The number of such retirees is hardly 200 in each Bank and giving a very low Ex-Gratia payment to such retirees is hurting the conscience of every one including the Bank Managements. Even the youngest surviving Retiree among this group is above ninety years of age and it is with deep anguish and anxiety. We request you to improve the amount respectably and restore the dignity of those veterans.

XTH BI-PATRATITE SETTLEMENT - SPECIAL ALLOWANCE COMPONENT.

We earnestly request you to include the special allowance component for terminal benefits as well as for payment of pension to all those who retired or retiring after November 2012. It is important to note that in the recent settlement of LIC of India the special allowance component is treated at par with Government Employees grade pay component and the same has been reckoned for terminal benefit also.

The above are some of the very important and very urgent issues of the Bank Retirees and they need to be immediately resolved.

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PENSION FUND.

The Pension Fund created after the Pension settlement is having a huge corpus of nearly two lacs crores which is created out of the surrender of PF of Bank Employees and Officers, additional contributions by the banks and surplus out of accruals of the Fund and the liability of pension payment under Defined Benefit Pension Scheme (old Pension Scheme) is restricted only to employees recruited before 2010. As such the Old Pension Scheme is a close ended scheme as far as membership is concerned which means with no addition to membership and the retirements have already peaked and the coming years would only see depleting number of pensioners. **Consequently the existing corpus with normal additions as hitherto would be more than adequate to meet all the demands of the Pensioners which are pending without resolution for the past more than 25 years. So we strongly feel that the plea of cost implications is unfounded and has to be therefore discarded and the Banks must meet their statutory obligations and render justice to the Bank Employees and Officers as is done to Government Employees, Railway Employees and other Public Sector Undertakings like BSNL, MTNL, State Electricity Boards etc.**

Sir, many of the Retirees are in the very advanced age and waiting helplessly for more than 25 years for justice. These Pensioners and Retirees had contributed their best to revolutionize Banking for which there is no comparison in the world elsewhere. We are confident the IBA and the concerned authorities will recognize and appreciate this and assuage the feelings of the Senior Citizens of the Banking Industry by granting the above immediately.

We also request you to call the Coordination of Bank Pensioners and Retirees Organisations for meetings with IBA and hold negotiations and discussions on all the issues concerning Bank Pensioners and Retirees at the earliest.

Thanking you,

Yours Sincerely,



A.Ramesh Babu



K.V.Acharya

Joint Conveners