

COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS

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Dated: 17.01.2020

Shri Narendra Modi
The Hon'ble Prime Minister
South Block
New Delhi.

Respected Sir,

**Pending Issues of Bank Retirees:
Grievance Registration No: PMOPG/E/2019/0677277**

1. Updation of Pension in Banks

We wish to invite a kind reference to the correspondence resting with our memorandum submitted to PMO/FM/DFS/IBA in the month of November, 2019 and Email dt 04.01.2020 from Ministry of Personnel, Public Grievances and Pension enclosing a copy of an unsigned note purported to have been written by Indian Banks' Association. The said reply appears to be an attempt to evade the true understanding of the Pension scheme and its corresponding regulations which were framed and adopted by the Boards of the Banks' in exercise of the power conferred by clause (f) of sub section (2) of section(19) of the Banking Companies(Acquisition & Transfer of Undertakings) Act 1970 after consultation with RBI and with the previous sanction of the Central Government.

The contention of IBA about Banks Pension Scheme operating on the principle of funding by the Banks from their own funds and Pension Scheme of the Central Government which operates on budgetary allocation. Such an impression is erroneous. It is clarified that the funding of Banks Pension Scheme is governed by Pension Regulation (11), (5) & (7) which provides for constitution of a fund and includes the composition of funds and ensure sufficient annual contribution to the fund as may be required to secure payment of the benefit under Pension Regulations in accordance with annual actuarial investigation of the fund. Each Bank has been causing such annual actuarial investigation and making provision accordingly. The contention of the IBA that financial implication and affordability of the Banks are the main factors to make

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improvement in the Pension Schemes of the Public Sector Banks is contrary to the provisions of the Banks Pension Regulations more particularly Regulation 35(1) which provides that Basic Pension and Additional Pension where ever applicable shall be updated as per the formula given in Appendix-1 (Government Gazette notification no: 9 dated 1st March, 2003 read with Regulation 56 which provides that in case of doubt, in the matter of application of these Regulations, regard maybe had to the corresponding provisions of the Central Civil Services Rules 1972 or Central Civil Services (Commutation of Pension) Rules 1981.

It is humbly submitted that the liability under Pension Scheme is statutory in nature under Pension Regulation which are subordinate legislation and PSBs being an instrumentality of Government under Article 12 of the Constitution. It is improper to give precedence to regulatory provisions for NPAs and deny the benefit of Updation of Pension to Banks Pensioners despite their being clear provision under Pension Regulation 35(1) on the text of affordability. The very fact the Central Government make adequate budgetary allocation of Pensionary benefits to Central Government Pensioners despite there being perennial and successive fiscal deficit which is akin to net loss of the Banks which is not successive and perennial but only temporary and intermittent.

It is disheartening to note that IBAs vague and evasive reply is merely forwarding as a response of the responsible government to the serious, legitimate and just demand for redressal of grievances of the senior and super senior citizen of the Banking Industry which has been playing a pivotal role in upliftment of needy section of the society and ensuring implementation of the various schemes of the Government of India from time to time. It is our firm belief that there are responsible and skilled officials in the Government with adequate capability to examine our demand in view of the existing frame work of Bank Pension Regulations without treating the same as demand fro additional benefit. It is further that after the benefit of Updation of Pension was granted to Pensioners to the Reserve Bank of India, we had hoped that implementing the provisions of existing Banks Pension Regulations which provides for Updation of Pension would be a magnanimous direction from the highest authority in the Government without routinely relying the wrong interpretation of a voluntary organization called IBA on a serious issue which affects the life and sustenance of about 5(Five) lacs Pensioners including those of State Bank of India.

In view of these foregoing facts we earnestly request you to get our grievance examined by the Officials of the Government independently without routinely forwarding a reply note prepared by *IBA*. We hope for justice to be rendered to Senior and Super Senior citizens who are a vanishing tribe in view of the implementation of NPS after April,2010.

2. Group Medical Insurance:

The contention of IBA that the benefits of Group Medical Insurance Scheme were extended to Retired employees on optional basis subject to payment of stipulated premium by the Retiree concerned. The vital fact that DFS vide its letter dated 24.02.2012 had advised IBA to introduce

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a Group Medical Insurance Scheme both for Serving and Retired employees and the letter of DFS did not mention about the premium being borne by the Retiree concerned or making the scheme optional. Even the Industry level settlement signed by the IBA with the employees of the Union and Association did not contain any provision that premium for Group Medical Insurance cover shall be borne by the Retiree concerned. Hence the contention of IBA is clearly at variance with the facts and circumstances of the case. The Banks Retirees are finding it difficult which is sky rocketing and have gone up from Rs 7500/- in the first year (2015-16) to Rs 88507/- both amounts including OPD reimbursements. The issue deserves a compassionate and realistic view to absorb the premium by the Banks.

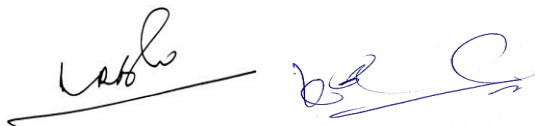
3. Reckoning of Special Allowance for Superannuation benefits:

The special allowance introduced wef 1.11.2012 carries normal dearness allowance as applicable to Basic Pay and hence cannot be separated from Basic Pay for the purpose of computation of Pension and Gratuity alone. Hon'ble Supreme Court has struck down the provisions of settlement which were against the Basic spirit of the definition of Basic Pay. In another case the Hon'ble Supreme Court has held that an allowance which is not dependent on performance of any specific job and is payable as a part of monthly salary even during the period of leave cannot be treated as different from Basic Pay for the purpose of Provident Fund which is also a superannuation benefit. IBAs reply is oblivious to such vital judicial pronouncement. We therefore earnestly request you to arrange for the redressal of this grievance too.

In view of the foregoing submission we shall be grateful if our grievances are objectively examined by the experts in Government and justice rendered to Seniors and Super Senior citizens of the Banking Industry.

Thanking you

Yours faithfully



(A.Ramesh Babu)

(K.V. Acharya)

Joint Conveners, CBPRO