



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

Date 28.07.20.

Circular no 58-20.

(For circulation among members of the Governing Council, EC members, State Secretaries, Special Invitees and Advisors.)

Dear Comrade,

Sub: Our letter to Hon'ble Minister of Finance, Govt of India seeking her intervention in resolving the pending issues of Bank Retirees.

We are reproducing hereunder the letter written by our organization on 27.07.20 to Hon'ble Minister of Finance on above subject. Please also note that we have written letters on similar lines to Shri Anurag Singh Thakur, Hon'ble Minister of State for Finance, Secretary, DOFS, GOI and Chairman, IBA.

This is for information of members.

With best wishes,

Please stay safe with family.

Comradely yours.

Suprita Sarkar
General Secretary

QUOTE:

ALL INDIA BANK PENSIONERS AND RETIREES CONFEDERATION

Camp Office: J 208, Vijay Rattan Vihar, Sector 15 Part II, Gurugram 122001

Mobile: 9868220338 Email: acharyavedavyasa46@gmail.com

Dated: 27.07.2020

Smt. Nirmala Sitharaman
Hon'ble Minister for Finance,
Govt of India,
New Delhi

Respected Madam,

MOU- Bank Wage Negotiations. **Pending Issues of Bank Pensioners & Retirees:**

We profusely thank you for your kind and timely intervention with Department of Financial Services that led to the Government according approval for improvement in Family Pension of Bank Employees at the rate of 30% of last drawn Basic Pay without any cap as already available to Government and RBI Pensioners. The Chairman of IBA was kind enough to convey the decision of the Government to the leaders of United Forum of Bank Unions (UFBU) on 22nd July 2020 at the time of signing of MOU for Wage Revision of Bank Employees & Officers. This decision of the Government has provided much awaited relief to Family Pensioners who were leading a life of penury with very meagre Family Pension. Most of the beneficiaries of this improvement are Elderly Women Spouses of Bank Pensioners. We convey their sincere gratitude to You and the Government.

In as much as we have other long pending issues of the Bank Pensioners & Retirees which need to be resolved urgently, we are once again requesting you to help resolve the following important issues of Bank Pensioners & Retirees which are under discussions between IBA & UFBU but remain inconclusive. The Record Note of the Previous Settlement in 2015 also contains the issues of Bank Pensioners and Retirees for resolution before the Present Wage Settlement. We are confident that intervention on Your part shall go a long way in resolving these issues along with the impending wage revision for serving employees & officers.

1. 100% DA Neutralisation to Pre November 2002-Retirees:

The Officer retirees in the Banks were getting tapered DA on their Basic pension. This anomaly was rectified at the time of salary revision settlement in May 2005. However, while implementing 100% DA Neutralisation, the benefit was not given to those who had retired before November 2002 by a separate communication after the Wage Settlement was signed, issued by IBA to the member banks. This has created an artificial classification on the basis of the date of retirement as Pre & Post 1st November 2002. While the retirees of Post-November 2002 were extended the benefit, the retirees of Pre-November 2002 were denied. It was a clear violation of Article 14 of the Constitution of India. Madam, you will appreciate that price rise affects all pensioners in equal measures. The arbitrary denial of the benefit of 100% DA Neutralisation to the oldest of the pensioners is therefore unreasonable and unfair more so when the benefit of 100% DA Neutralisation has been extended to Government and RBI Pensioners. We therefore request your intervention in advising IBA to remove this anomaly and oblige.

ALL INDIA BANK PENSIONERS AND RETIREES CONFEDERATION

Camp Office: J 208, Vijay Rattan Vihar, Sector 15 Part II, Gurugram 122001

Mobile: 9868220338 Email: acharyavedavyasa46@gmail.com

2. Pension Updation/Revision:

Pension scheme in the banks was introduced in 1995 with effect from 01.01.1986. The Pension Regulation 35(1) provided that Basic pension and Additional pension shall be updated in respect of those who retired between 01.01.1986 & 31.10.1987 as per the formula given in Appendix-I. Accordingly the updation was implemented. With a view to facilitating updation along with future salary revisions, **Pension Regulation 35(1) was amended vide Gazette Notification No.9 Dated 1st March 2003 as follows during the NDA Government under the Statesman Leader Late Shri Atal Bihari Vajapayee Ji.**

“Basic Pension & Additional Pension, wherever applicable, shall be updated as per the formula given in Appendix I”

This amendment to Pension Regulations made the provision for updation an open ended one. It is thus clear that we are requesting for its implementation which does not constitute any fresh or additional financial demand. Madam, you will appreciate that even the **Honourable Supreme Court has held that wage revision and pension revision are inseparable.** The Govt of India has already implemented Pension updation/revision in Reserve Bank of India with effect from 01.04.2019 by adopting the updation factors. Madam, you will appreciate that unlike RBI, **our Pension Regulations, which are Subordinate Legislation, provide for an updation formula which obtains in the Central Government.** However, our Updation should be at least as per the RBI Updation formula granted to RBI Pensioners. It is also pertinent to submit that Pension Funds in Banks including State Bank India are quite strong and have a balance close to Rs.3.00 lakhs crores as on 31.03.2020. For a ready reference the pension payments in all the banks including SBI for the year 2018-19 were Rs.17,415.16 crores as against the Interest income and annual contribution by the banks amounting to Rs.32,023.00 crores. A sum of Rs. 14607.84 crores remained surplus which constituted 45.62% of annual interest plus additional contributions made to the pension funds by all the public sector banks including SBI.

It is thus clear that there is a healthy corpus to absorb the additional cost of pension updation of Rs. 5321.80 Crores which is arrived at for 4,41,000 Pensioners using the same updation factors as allowed in case of RBI. In as much as our pension scheme is as per Government Pension Scheme & RBI pension scheme. **Banks Pension Regulation 56** provide that in case of doubt in regard to implementation of Pension Scheme in Banks, a reference may be made to Central Civil Services Rules and Commutation of Pension Rules, we request you to consider the pending pension updation issue favourably and oblige.

3. Medical Insurance Scheme for Bank Retirees

The Department of Financial Services advised IBA & the Banks vide its letter dt. 24.02.2012 to evolve a medical insurance scheme - both for serving & retired employees. Accordingly, a new medical scheme was introduced at the behest of IBA in the year 2015-16. While introducing the New medical insurance scheme, the premium was borne by the banks for serving employees and the retired employees who deserved the benefit of medical insurance scheme the most, were given the option to join the scheme only on payment of premium by individual retirees. Since the communication from DFS did not stipulate the payment of premium by the beneficiaries, the implementation was a distortion

ALL INDIA BANK PENSIONERS AND RETIREES CONFEDERATION

Camp Office: J 208, Vijay Rattan Vihar, Sector 15 Part II, Gurugram 122001

Mobile: 9868220338 Email: acharyavedavyasa46@gmail.com

which adversely affected the pensioners. We have been requesting for the premium to be borne by the banks in respect of retirees too. Alternatively, we should be covered under a scheme on the lines of CGHS for which one-time fixed contribution may be collected from the retirees. It is pertinent to mention here that the medical insurance premium for the retirees was Rs 7500/- with OPD facility at the time of introduction of the scheme in 2015-16 but it has now been continuously enhanced year after year to more than Rs 95000/- with OPD facilities during the year 2019-20. With the meagre fixed pension, the pensioners & family pensioners are finding it difficult to make both the ends meet and hence more than 65% retirees have been driven out of the scheme on the grounds of unaffordability. The hefty premium charged to Banks' pensioners and retirees is evidently unaffordable. And those who are driven out of medical insurance scheme due to unaffordability are exposed to the risk of No Medical Relief at an age when they require it most. Further, A levy of 18% GST on the premium and also on hospitalization bills comes as a bolt from the blue. We request your urgent help in this regard as the due date for payment of renewal premium would be in the month of October 2020.

4. Reckoning of Special Allowance for Superannuation benefits

In the last salary revision (wef 01.11.2012), a special allowance at a specified percentage of basic pay and also attracting DA on the model of Grade Pay to Govt. Employees & Officers in the Sixth Pay Commission was introduced. But unfortunately for Bank Employees & Officers it was not reckoned for superannuation benefits viz. pension & gratuity. Such exclusion is ultra vires and ex-facie illegal. Honourable Supreme Court has held that there cannot be two pays- one for monthly salary & other for computation of pension. In another case, it was held by the Honourable Supreme Court that any allowance which is attracting DA and is of permanent nature, not assigned to performance of any specific duties and also paid during the period when the employee is on leave is to be treated as a part of basic pay. The banks are reckoning this allowance for the purpose of encashment of leave also. The special allowance paid by the bank fulfils the criteria laid down by the Honourable Supreme Court. We therefore request that the said special allowance may please be reckoned for computation of pension & gratuity in respect of those pensioners who have retired after 01.11.2012.

We once again take this opportunity to profusely thank your Good self for the Concerns You are bestowing on Bank Pensioners & Retirees grievances & Issues.

With Regards,

Yours faithfully,



K.V. Acharya
President



S. Sarkar
General Secretary