



**ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION
(A.I.B.P.A.R.C.)**

**C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)**

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Date : 30.09.20.

Circular no 86--20.

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

Dear Comrade,

**Sub.: REQUEST TO IMPLEMENT BANK EMPLOYEES' PENSION REGULATION 35
(1) WHICH PROVIDES FOR UPDATION OF PENSION IN BANKS**

We have written a letter today to Hon'ble Finance Minister, Government of India, on above subject. The letter has been jointly signed by Com.K V Acharya, President of our Organisation and joint Convenor of CBPRO and the undersigned as GS, AIBPARC.

We are reproducing the letter for information of members.

.With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Quote:

AIBPARC/FM-GOI/Email/2020.

Smt Nirmala Sitaraman
Hon'ble Finance Minister
Government of India
North Block
NEW DELHI

Respected Madam,

REQUEST TO IMPLEMENT BANK EMPLOYEES' PENSION REGULATION 35 (1) WHICH PROVIDES FOR UPDATION OF PENSION IN BANKS

We, the Bank Pensioners, Retirees and our Apex Organisations like Federation of SBI Pensioners Associations, AIBPARC, RBONC, AIRBEA and FORBE together as Coordination of Bank Pensioners and Retirees Organisations (CBPRO) and other All India Organisations have been continuously requesting Your Goodself, the Ministry and IBA to resolve the long standing Issue of Updation of Pension. We are eagerly and anxiously waiting for a favourable outcome in the impending Wage Settlement.

Meanwhile we are disturbed when we go through the replies given on the floor of the Parliament by the Government to the questions raised by the Honourable Members of Parliament cutting across Party Lines in regard to the long pending issue of Updation of Pension for Bank Pensioners. Many Honourable Members of Parliament have also written letters to your Goodself and to the Ministry on the same issue. But in reply to such questions and letters the Government expresses that it is unable to resolve the issue of Updation of Pension for Bank Pensioners due to the following reasons:

- (1) **that** pension in Banks is a Funded Scheme introduced in lieu of CPF Scheme and Banks' Boards framed Employees' Pension Regulations, which were notified under the provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Acts of 1970 and 1980.
- (2) **that** pension in Banks is payable as per the agreement arrived at between Bank Unions/Association and Banks.

The grounds quoted in your reply need to be reviewed in the light of following merited submissions of ours for your fresh and objective considerations:

1) Pension Fund was created in terms of Bank Employees' Pension Regulations 1995 by transferring the Contributory Provident Fund amounts from PF to PENSION FUND. Since the Pension in Banks was introduced **in lieu of CPF and as a Second Benefit only** like Government Pension Scheme and RBI Pension Scheme, 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. You will be happy to note that the present outlay towards payment of Pension and Family Pension is hardly 52% of the annual yield and contributions to Pension Fund leaving a whopping amount of 48% unspent and also with a robust Pension Fund of more than Rs3.00 lakhs crores including SBI.

Recent Updation of Pension allowed to RBI Pensioners resulted in an increase of about 27% in Pension Payment Bill. However in our case 48% of total annual yield and contributions made to Pension Funds remain unutilised which is almost two times the annual cost of Updation for PSBs including SBI @ Rs 5,322 crores. Under such circumstances, the contentions of Government are contrary to the fact that - it is a Funded Scheme and Banks do not have enough Profitability etc are mere alibi and far from the truth.

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 but more as the universally acknowledged social security and welfare measure.

Our Pension Regulation 56 makes it explicit that in case of doubt in regard to implementation of the Pension Schemes in Banks reference shall be made to Central Civil Pension Rules 1972. The Pension Settlement dated 29.10.1993 signed between the Unions/Associations and Indian Banks association also explained that our Pension Scheme shall be the same as RBI Pension Scheme. Under such circumstances, it defies logic. To allow Updation of Pension only to Central Government Pensioners with every Central Pay Commissions recommendations and RBI Pensioners with every Revision of Salary **but deny the same benefit to Bank Pensioners is not only not fair but also discriminatory.** It is also pertinent to mention that the Banks are under the category of State in terms of Article 12 of the Constitution of India which casts a statutory obligation on the Banks to Update Pension with every Revision of Salary. The Hon'ble Supreme Court has also ruled the necessity of revision of pension through its various pronouncements; some of which are as mentioned below:

- i) In the case of State of Rajasthan & Another Vs. Mahendranath Sharma & Others (Civil Appeal No.1123 of 2015) held on 1.7.2015 that pension shall not be lower than 50 percent of the running pay bands corresponding to the pre revised scales of pay. This being the law laid down by Apex Court, makes the Revision of Salary and Revision of Pension inseparable.
- ii) It was held by the Hon'ble Supreme Court that the **Pension is not a Bounty, but is a Deferred wage** and it is a legal right. It may be appreciated that the deferred wages cannot remain static and fixed when wages are periodically revised.

(2) As regards payment of Pension as per the agreement arrived between Unions/Association and Indian Banks Association it is reiterated that the Pension Settlement dated 29.10.1993 signed between Unions/Associations and IBA under Section 2 (p) and 18 (1) of The Industrial Disputes Act provides under its clause 12 as under:

“Provisions will be made by a scheme, to be negotiated and settled between the parties to this Settlement by 31st December, 1993 for applicability, qualifying service, amounts of pension, payment of pension, commutation of pension, family pension , **updating** and other general conditions, etc. on the lines as are in force in Reserve Bank of India”

Accordingly, the Bank Employees' Pension Regulation 1995 were formulated by following the laid down procedure including placing the Regulations on the table in the Parliament, Consultation with RBI, Notification in the Official Gazette of the Union of India, Approval by the Board of the Banks etc. Hence the Regulations assume the force of Subordinate Legislation casting a statutory obligation on the Banks to implement the same.

Regulation 35 (1) of the Bank Employees' Pension Regulations, 1995 and duly amended in 2002 and officially published in the Gazette in 2003 provides that **“Basic Pension and Additional Pension, wherever applicable, shall be Updated as per the formulae given in Appendix – I”** The formulae was also later on improved in the subsequent Pay Commission Recommendations.

In view of the foregoing facts, it is explicitly clear that the Bank Pensioners are entitled for Updation of Pension but unfortunately denied the same for more than two decades in an arbitrary and illegal manner. We earnestly hope and wish **DFS & IBA should put the issue in proper perspective to the Honourable Minister so that justice could be rendered to Bank Pensioners.**

Our request is that the **Updation of Pension** should be considered for Bank Pensioners as per the RBI formulae advised by your Ministry in the year 2019 and also given to NABARD Pensioners as the Pension Schemes in Banks is on the basis of and identical to RBI Pension Scheme. We also wish to submit to Your Goodself that Bank Pensioners had enormously contributed to the all round economic growth of the country implementing all the schemes and policies of the Government thereby did their best during their service for the growth of the Banking Industry which has no parallel in the world. .

It is also pertinent to mention that the demand for Updation of Pension forms an integral part of the Charter of Demands submitted by the Unions/Associations for the Wage Revision. The Unions and IBA have already signed an MoU on 22.7.2020 and final settlement is expected to be signed in the month of October 2020. We therefore, earnestly request your goodself to advise DFS & IBA to expedite redressal of this long pending issue of Bank Pensioners on the lines of Updation allowed to RBI Pensioners and render justice to the Bank Retirees many of whom are in their advanced age and in the evening of their life.

We are very hopeful of Your favourable and kind consideration of the request of the Senior Citizens of the Banking Industry.

With respectful regards,

Yours faithfully,



(K.V. ACHARYA)
PRESIDENT, AIBPARC
& Joint Convener, CBPRO



(SUPRITA SARKAR)
GENERAL SECRETARY,
AIBPARC