



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



(A.I.B.P.A.R.C.)

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Circular no: 21 - 24.

Date: March 13, 2024

For circulation among members of the Governing Council, State Secretaries, Special Invitees, Advisors, Affiliates, Constituents of CBPRO and Members.

Dear Comrade,

Sub: Long unresolved issues of Bank Pensioners and Retirees.

Ref: CBPRO letter no. 02/2024 dated 11.03.24 written to The Hon'ble Union Finance Minister.

We reproduce hereunder the text of the above mentioned letter for information of all concerned.

This may please be noted that as per decisions taken in the CBPRO meeting, the correspondence of CBPRO with GOI/ IBA will touch upon those issues only which are commonly applicable to all the constituents of CBPRO. It is obvious that the remaining issues not covered in the letter under reference will be taken up with authorities by the President, AIBPARC & Joint convenor, CBPRO along with General Secretary, AIBPARC. Developments, if any, will be informed in the normal course of business.

With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Enclo:

COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS
(Federation of SBI Pensioners' Associations, AIBPARC, RBONC, AIRBEA and FORBE)

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CBPRO/02/2024

Date: 11th March, 2024

**Smt. Nirmala Sitharaman Ji,
Hon'ble Union finance Minister,
Government of India,
New Delhi.**

Respected Madam,

Sub: Long unresolved issues of Bank Pensioners and Retirees.

We, at the outset, take this opportunity to profusely thank you for evincing keen interest to resolve the pending issues of the Bank Pensioners and Retirees during your stewardship as the Hon'ble Finance Minister. With a view to impress upon the urgency to resolve the other important and pending issues and to express our anguish for the continued disregard and insensitive attitude of IBA on the very important issue of Updation of Pension, we with a heavy heart proposed to hold a National Dharna at Jantar Mantar, New Delhi on 22.02.2024 by various Bank Pensioners and Retirees Organisations under the banner of Coordination of Bank Pensioners and Retirees' Organization (CBPRO) to highlight the pending issues of Bank Pensioners and Retirees. But as the Police Authorities declined the permission in view of the imposition of restriction under Section 144 of IPC in Delhi, in the wake of the Farmers' Agitation, our proposed Dharna could not be allowed to be held. We as law-abiding

Organisations and citizens of our great Nation, Bharat, do respect the decision of the Government and Police Authorities. However, we wish to submit the following long pending issues of Bank Pensioners & Retirees for your kind and sympathetic consideration and request for your kind intervention: -

1. UPDATION OF PENSION:

You are well aware of the fact that in the Bank Employees Pension Regulations (1995), there is a well laid down provision of pension updation spelt out in Appendix-1 of Regulation 35.1 which was subsequently amended in the year 2003 to make the clause universally applicable to all eligible retirees. It was duly gazetted by Government of India. You are also conversant with the fact that the Pension Rules are modelled on the patterns of the same as applicable for pensioners of GOI/RBI.

When the recommendations of the Pay Commission for existing Government Employees are implemented, the pension of each retired employee is also simultaneously upwardly revised at the time of each Pay Commission. The same thing happens in case of RBI/ NABARD Employees. Unfortunately, this concept of Updation is absent in the Banking Industry. Unlike the Govt./RBI/NABARD employees, in banking industry pension is fixed on the date of retirement and the basic sum remains unchanged till death of the pensioners. IBA is under obligation to declare Pension Updation formula in respect of each Bipartite Settlement but instead of doing that, IBA is often taking a wrong plea and feeding the DFS with wrong information like "Banks' Pension Scheme is a funded one and there is no provision of Pension Updation in it."

Records will reveal that the total amount held in the pension corpus of all Banks including SBI is Rs. 4 Lakh crores and the cost of Updation will be Rs. 3000 crores only if the Pension Updation is done as per the RBI formula. This is because of the fact that the benefits arising out of the 100 Percent DA Neutralization is already passed on to Pre-November 2002, Pensioners. The Banks do not need to make any further provisions for Updation. When the AIBPARC leaders met you on 19th June 2023, your Good Self stated that the Government

would not come in the way of Updation of Pension if the Banks do not ask for Additional Money from the Government. We are sure that the existing Corpus is sufficient to manage the burden arising out of Pension Updation. The astronomical figure, reportedly quoted by IBA, is absolutely without any scientific basis. The Banks have also been making very high Operating Profits throughout and also huge Net Profits in spite of NPA Provisions.

It is beyond comprehension that the benefit of Updation which is already provided in Bank Employees Pension Regulations and Settlement is being held back illegally with the allurements of Ex-gratia to the hapless Pensioners thus exploiting their emotional vulnerability. We earnestly request that IBA may please be advised to render justice to all Pensioners of Banking Industry, by notifying the Formulae for Updation of Pension as done for RBI and NABARD Pensioners.

2. RECKONING OF SPECIAL ALLOWANCE TO COMPUTE PENSION & GRATUITY: -

A special allowance was introduced for all the officers and employees of the Banks w.e.f. 01.11.2012 (10th Bipartite wage settlement & 7th Joint Note) by reducing the basic pay by 7.5%, which is being paid as a "special allowance". It attracts Dearness Allowance. It is not linked to any incentive formula and is paid across the board to all employees even when they are on leave. The said features of the "special allowance" makes it accountable for superannuation benefit as adjudged by the Hon'ble Supreme Court on 28.02.2019 in the matter of the Regional Provident Fund Commissioner (II) West Bengal versus Vivekananda Vidyamandir and ors. In the backdrop of this judgment, a case was lodged in the High Court of Kerala at Ernakulam praying for a similar relief as adjudged by the Hon'ble Supreme Court of India. The single bench has given a judgment favourable to the pensioners but the order of the single bench has been challenged by the bank as per advice of IBA and the issue is now pending with the Division Bench. In the meantime, the allowance, which at the time of introduction was only 7.5% of the basic pay has now gone up to 26.5% of basic pay through subsequent wage settlements including one that has been signed on 8th inst. between IBA and constituent unions of UFBU. Your good self must appreciate the tune of loss the Bankmen are sustaining in their pension amount. We would pray to your good self to impress upon IBA to restrain themselves from dragging the issue and instead obey the said order of the Hon'ble Supreme Court keeping in mind the earlier verdict of the Hon'ble Supreme Court, which only vindicates the prayer of the pensioners.

3. CONSULTATION/NEGOTIATION STATUS TO THE APEX ORGANISATIONS OF THE PENSIONERS: -

The bank Pensioners' number far exceeds the serving employees and officers at more than 7.60 Lakh pensioners. But our grievances are still left at the mercy of IBA and serving Bank Officers and Employees Organizations. Our repeated requests for consultative/ negotiating status at IBA level are obstructed by IBA on the ground that the Banks have authorized the IBA to have dialogue with UFBU leaders only and not the retiree organizations. Madam, you are aware of the fact the Boards of the banks take such Resolutions at the advice of the Managing Committee of IBA. If the advice is given to talk to apex level retiree organizations on matters relating to Pensioners, then Banks will follow the same. Moreover, IBA has issued an advisory to all member banks to form a grievance redressal forum for pensioners at the corporate level of each bank but strangely enough IBA does not follow the same in the letter and spirit of its own guidelines at its own level. We demand that the apex level retiree organizations should be given a formal consultative status at IBA level to discuss matters relating to pensioners and retirees.

With kind Regards,

Yours sincerely,

Sd/-

Dipak Kumar Basu

Joint Conveners, CBPRO

Sd/-

K V Acharya