



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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Circular No. 84-21.

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

Dear Comrades,

Sub : Pension Updation in Banks.

We reproduce hereunder the text of our letter written to Shri A.K. Goel, Chairman, IBA on date on the above subject. This is for information of the members.

With best wishes & regards,

Comradely yours,

Suprita Sarkar
General Secretary

Quote :

AIBPARC/IBA/PENSION UPDATION/EMAIL/2021

November 12, 2021.

Shri A.K. Goel,
Chairman, IBA,
& MD & CEO, UCO Bank.

Respected Sir,

Sub : Pension Updation in Banks.

We mention hereunder the chronological developments of the above issue for your kind information and ready reference:

- There had been a time when the issue of pension updation, when raised in Parliament, was addressed by a standard reply that it was a funded scheme and determined by bilateral negotiations between IBA and Unions/Associations. Hence, it was contended that government had little scope for intervention in this regard.
- The issue was first focussed into surface by AIBPARC when the organisation highlighted that Regulation 35.1 clearly mentioned the modality of updation of pension in its appendix 1 and it was not an unheard-of subject in the Banking Industry. An opposition came from certain quarters that the Regulation 35.1 mentioned about a particular batch only (01.01.1986 to 31.12.87) and it was not applicable to other retirees. It is AIBPARC which cited again that the Regulation 35.1 was amended in the year 2003 and it was made open-ended to make pension updation applicable for all and it was to take place in a concurrent manner with each salary revision for serving employees/officers in the Industry.
- Next came the issue of affordability of funds. This is often argued that pension updation would create a serious pressure on the balance sheet of banks. It is partially a myth. The total corpus of all the banks including that of SBI is far above Rs.3 Lac crore and the net out-go for updation of pension even as per RBI formula can be safely managed by the pension corpus which was created out of the surrender of the management contribution to PF by the employees during their service life. Any shortfall, after government-

approved Actuary's annual estimation, has to be made good by banks every year to the debit of PL account and it is a statutory obligation of banks as per Pension Regulations.

- **The situation underwent a sea change with the following developments :**

Hon'ble Union Finance Minister had expressed her concern about the well being of the retirees in an interview at a leading newspaper being followed by her address in the 73rd AGM of IBA. She expressed her concern for the retired employees and their families. She kept her commitment by arranging for a quick clearance of the improvement of family pension that was recommended by IBA. We profusely thanked Union FM, officials of MOF and UFBU for addressing an issue which remained unattended for a long time.

- **The issue of pension updation was raised in Parliament again. This time the reply of MOS, Finance, was a departure from what was said in earlier occasions. It was told that government would consider with favour any proposal on pension updation if the same is recommended by IBA.**
- **Consequent upon this, IBA formed a five-man committee headed by Shri CH. Mallikarjuna Rao, MD & CEO, PNB to look into the subject of Pension updation. The said committee, it can be reasonably expected, was formed by IBA at the instance of GOI. The first meeting of the committee with UFBU took place on 22.07.21. It has been learnt from different communications that it was a one-sided affair where the members of the committee heard the views of the constituents of UFBU. It was expected that the committee would meet soon and the views of the members would be made known but things did not happen in the direction. Meanwhile, we have been hearing from different responsible sources that the members of the committee are making serious application of mind on the issue of updation and they are acting with a positive frame of mind to do something tangible for the retirees of the industry.**
- **The committee on government assurances, Rajya Sabha, under the chairmanship of Shri A. Navaneethakrishnan, MP, visited Bhubaneswar and Kolkata and met the officials of IBA, Functionaries of DFS and MD & CEO of selected banks and discussed the issues related to updation of pension. Our organisation has submitted a detailed memorandum in the hands of the Chairman of the Committee. We expect that the report submitted by the committee has already reached the decision making authorities.**
- **We have repeatedly harped on a careful reading of Regulation 56 of BEPR which states that in case of any doubt in regard to implementation of Pension Scheme in Banks, reference should be made to the corresponding provisions of Central Govt. Pension Scheme. It may please be noted that in the Agreements with the employees and officers organisations, it was clearly stated that the Pension Scheme in Banks was modelled on RBI pattern and Pension updation has been allowed in RBI.**
- **100% DA neutralisation has been denied to pre-November, 2002 retirees and as a result of it a substantial chunk of older citizens are suffering from double jeopardy due to non-revision of pension and lower DA compensation.**
- **Hon'ble SC has held that pension is a deferred wage and not a bounty and wage revision and pension revision are inseparable.**
- **We have been remaining in dark for quite a considerable period of time. We have sent our representation to the Chairman of the five-man committee and copies have been endorsed to all other honourable members of the committee. We have also made it clear that the leaders of our organisation would be available at a reasonable notice to present ourselves before IBA or any other authority to explain in person what is the legality of our demand and what is the base of our contention that the outgo of fund required for updating the pension as per RBI formula is within a manageable extent. We have not received any communication so far.**

Sir, the Retirees, being senior and super-senior citizens of the country, do not have sufficient time in hand to wait endlessly. They definitely require a consideration on a faster pace. We sincerely hope that you would kindly ensure that the five-man committee quickens the process of decision making and the issue of updation is carried forward to a logical conclusion without any loss of time. We also wish that the organisations of retirees, being one of the principal stake holders, must be given an opportunity to present their views for consideration. When the Union Govt. and various state governments offer consultative status to the organisations of retirees, we fail to understand what actually prohibits IBA to offer consultative status to the organisations of retirees. In a detailed memorandum, we have explained our views before IBA that as per instruction of MOF, GOI, IBA a few years of back asked every bank to form a committee at corporate level to hear the grievances of the retirees and the process is continuing with different member banks. When IBA passes instruction to form committees to discuss grievances of retirees at bank level, it really turns to be an anomaly and dichotomy when IBA at its own level denies consultative status.

We make a fervent appeal before your goodself to consider with favour the views expressed by us in the foregoing paragraphs and call us for discussion.

With kind regards,



**(K.V. Acharya)
President, AIBPARC & Jt. Convenor, CBPRO**



**(Suprita Sarkar)
General Secretary, AIBPARC**