



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. 102-23

Date: December 19, 2023

Senior Office Bearers

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

Dear Comrade,

Sub: MOU signed between IBA and UFBU on 7th December,2023 on wage revision.

We reproduce hereunder the text of our letter written on date to The Convenor, UFBU and copy to the General Secretaries of all the Constituents, UFBU on the above-mentioned subject.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar,
General Secretary

Encl: As stated

AIBPARC/UFBU/Pension updation/email/2023 Date: 19th December,2023.

Shri Sanjeev K. Bandlish,
Convenor UFBU,
Chandigarh.

Dear Comrade,

Sub: MOU signed between IBA and UFBU on 7th December,2023 on wage revision.

We Congratulate profusely You and All the Leaders of All the constituents of UFBU through you for arriving at a successful Wage Revision Settlement within a period of one year (approx.) from the date it fell due. It is indeed a path breaking trend when compared with all the previous Wage Negotiations, thanks to the great initiatives taken by All the parties concerned, the Ministry, IBA and UFBU.



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At the same time, we cannot conceal our disappointment over the contents and spirit of the paragraph no 5 of the aforesaid MOU which deals with matters relating to Pensioners of the Banking Industry.

Our grounds of disappointment are mentioned hereunder with a request to take immediate steps to ensure Justice to Your Elders:

(A) The concept of "ex-gratia" is applicable for Retirees prior to 01.01.1986. By no stretch of imagination, it can be made applicable to Pensioners whose Pension is governed by Bank Employees Pension Regulations.

(B) Pension Regulations are the result of the Pension Settlement between the IBA and the Employees Unions and Officers Organisations which was duly passed by the Boards of Member Banks of IBA, approved by the Government as Subordinate Legislation and Gazetted as Statutory Provisions and known as BEPR (1995).

(C) Pension is given as Second Benefit only though originally demanded as Third Benefit as available to SBI Pensioners. The Negotiating Unions agreed to accept Pension as Second Benefit when IBA obviously with the concurrence of the Government made it on the lines of Government and RBI Pension Scheme. When Com. R N Godbole, the then General Secretary of AIBOC wrote to IBA in 1993 and 1994, to make some improvements in Bank Pension Scheme, IBA replied stating that no improvements could be considered as the Pension Scheme in Banks are on the lines of Government Pension Scheme and also cited favourable features of Government Scheme including Updation.

(D) Bank Pension Scheme is a Defined Benefit Pension Scheme.

(E) Pension Regulations 5 to 11 speak about the Constitution of the Pension Fund by the Surrender of the Management Contribution of PF by the Pension Optees and those already Retired with interest there on and in case of any shortfall after the Actuarial Estimation at the end of every Financial Year, the same should be provided by the Banks to secure payment of Pension as per the provisions of Pension Regulations.

(F) Pension is a Deferred Wage as held by the Hon'ble Supreme Court and Periodical Wage Revision and Periodical Pension Revision are inseparable.

(G) It is Very Very important to mention here that in the year 2003 Pension Regulation 35 (1) was amended and duly gazetted making it universally applicable to all Pensioners Quote Basic Pension and additional Pension wherever applicable shall be updated as per the formulae in Appendix 1 Unquote, as against Regulation 35 (1) in 1995 which mentioned "who retired between 1st January 1986 and 31st October 1987 will be updated as per formula in Appendix 1". We request you to please note the material, qualitative and very significant change between the 35 (1) of 1995 and Regulation 35 (1) of 2003 which inter alia states SHALL BE in place of "will be " and FORMULAE (Formulas) in place of Formula and also very importantly removing the time lag those retired between 1st January 1986 to 31st October 1987 which makes it crystal clear the intent and purpose of the amendment effected to Pension Regulation in 2003.

(H) We have time and again written to you over the years that there is an expressed provision in BEPR (1995) which clearly tells about the Updation of Pension and the process of calculation to arrive at such Updation. This is the oft-- quoted Regulation 35 (1) -- Appendix 1 of BEPR (1995) as amended in the year 2003. The updation has been made universally applicable for all eligible Retirees as per the Formulae (Formulas) to be notified from time to time along with Periodical Wage Revision. What was or



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is required to be done is to implement the Updation of Pension by notifying the Formulas as per RBI Formulas in respect of each Bipartite Settlement including the present Bipartite Settlement.

(I) From different record of proceedings, we find that IBA was always talking about the astronomically high cost of Updation to deny the legal entitlement of the Bank Pensioners. The Hon'ble Supreme Court has categorically held in the famous and historic Nakara Case that Cost should not be a constraint and Payment Pension as per Pension Regulations is Statutory and legally binding obligation of the Employers to their Past Employees. We do not know whether IBA made available to you the workings of such calculations of the Cost. If it is so, we request you to make the same available to us, the Apex level Retirees Organisations so that we can have an opportunity to see the assumptions on the basis of which the MOU on Pension Updation is not only sidelined now but also for nearly Three Decades. We have submitted our calculations to GOI/IBA/ UFBU. We feel that if Updation of Pension is implemented as per RBI formulae, the cost is a manageable one and the existing Robust Pension Corpus which is further likely to swell nearly to Four Lakh Crores in March 2024 including SBI to take care of the same without any adverse impact on the Balance Sheets of the Banks.

(J) The present offer of the " Strange Ex-gratia" by IBA in lieu of our just, fair and legally entitled Updation of Pension is nothing but a dilatory tactics practiced by IBA for the past more than ten years since we raised the demand of Updation of Pension, sometimes citing Cost Implications and sometimes stating no Regulation to Update, totally shutting their eyes to the Express Provision made in Pension Regulation 35 (1). They have been unfortunately misleading the Hon'ble Minister of State for Finance while replying the questions of Hon'ble Members of both the Houses of Parliament on Pension Updation by ill advising the Hon'ble Minister repeatedly stating that there is no provision for Updation of Pension in the Pension Regulations hiding Regulation 35 (1). This way, IBA is knowingly or unknowingly committing a great offense to the Parliament and the Nation. We are confident that UFBU will make IBA to make the required Course Correction. When 55 out of 56 Pension Regulations are implemented specially with impunity the Regulations that are adversely affecting the Pensioners and Retirees like Disciplinary Proceedings under Pension Regulations, Revision of Quarterly DA while in Service to Half Yearly DA after Retirement, all in the name of Central Government Pension Rules as provided in Bank Employees Pension Regulations Why Regulation 35 (1) as amended in 2003 is not at all implemented so far? When the question of implementation of Regulation 35 (1) is concerned, it is strange that the IBA is turning a blind eye. It is high time UFBU calls for a Halt to this My Way is the High Way Policy of IBA and resist the Anti Pensioners stand and attitude of IBA.

Lest, left to their wishes, IBA will reduce the hard-won Pension Settlement into Ex-gratias. No wonder, tomorrow they will apply Ex-gratias into Wage Settlements also inflicting serious blow to the Bipartite Machinery. We fervently hope you will successfully resist all such moves and attempts.

You will definitely appreciate our stand about the MOU and at this Stage and Age of our life, we do not expect mercy against our Rightful Legal Entitlements.

We request you to once again demand before IBA that Pension Updation should be done in Banks as per expressed provision of the statute.

This is not unlikely that the contents of our letter might cause irritation in your minds asking loudly or silently as to what authority we do have to question the lines of action decided by the collective wisdom of UFBU. We can only say that as your Elder Colleagues in the industry, as the diehard, and loyal soldiers of Unions and Associations while in Service and also as one of the Principal Stake Holders for the community of Retirees, we have the right and liberty to request You to put forth the demand of Updation of Pension which is established by the Provisions of the Regulations and not to allow any dilution or



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distortion and implement the Regulation in letter and spirit. In as much as the offer Ex-gratia by the IBA is hazy and inconsistent with the Statutory Provisions of Bank Employees Pension Regulations and full-scale discussions about the final shape of the Settlement are yet to take place between You and IBA, we have abundant hope and faith that you will ensure implementation of Regulation 35.1 and Updation as per the formulae applied to RBI Pensioners. Banks are making Huge and Record-Breaking Profits and so the Cost of Updation should not be a worry specially after making more than Ten Lakh Crores of Write offs in the name of Cleaning the Balance Sheets of the Banks.

We are Hopeful and Confident of getting Justice ensuring Our Dignity.

With best wishes and comradely greetings,

Comradely yours,

K V Acharya
President, AIBPARC
& Joint Convener, CBPRO

Suprita Sarkar
General Secretary