



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



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Circular no 104-25

Date: November 11, 2025.

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

Dear Comrade,

**Sub: Initiation of Pension Scheme in the Banking Industry - the events revisited for Fact Check in brief for the younger generation of Retirees.**

1. The Pension Scheme in the Banking Industry was implemented after the signing of two sets of understanding arrived by and between IBA and various unions/ Associations-- one was between IBA and Award Staff Unions and the other one between IBA and Officers Organisations.

2. The Memorandum of Settlement arrived at on behalf of the Managements of the Banks as represented by IBA and the leadership of Award Staff Unions was signed on 29.10.1993 under the provisions of Industrial Disputes Act, 1947. The Pension Settlement in respect of the Officer Retirees was signed on the same date and venue between IBA and the leadership of Officers Organisations.

3. The introduction of the 2nd option to Pension in the year 2010 was another momentous event which brought a substantial chunk of Bank Employees and Officers under the secured umbrella of the Pension Scheme but at a cost to those who wanted to opt, though of course in RBI Options were given more than once without any additional cost to such optees.

4. Unfortunately, IBA insisted on the Unions and Officers Organisations to agree to give up the Old Pension Scheme( What is known as Defined Benefit Pension Scheme) and accept the New Pension Scheme (Defined Contribution Pension Scheme) for those who are recruited from April 2010 as the same had been implemented for Government Pensioners recruited from 2004. In other words what was there for in the Government Pension Scheme, same would be applicable to Bank Employees and Officers.

5. Let us have a look to what had been written in different Minutes signed on different dates:

**\* Payment of DR: Dearness Relief to be paid on the same basis as that of the serving officers.**

**\*Updation of Pension: Formula for updating Pension should be on the lines of the same given in the Reserve Bank Pension Scheme. Any change therein should be introduced only after mutual agreement.**



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**\* The scheme has been introduced on lines of the Pension Scheme available to the Central Government employees and employees of Reserve Bank of India.....**

6. In various stages of negotiation culminating in the signing of the Minutes, IBA made certain changes on the ground that the Government did not approve certain clauses as the same was not available to Government Pensioners. It was then decided that the implementation of the Scheme might go ahead and the differences should be sorted out through discussions. It is, therefore, clear that the continuity of discussion to resolve the issues got a paramount importance.

7. It is very important to note that the Major Apex Organisations of Award Staff and Officers namely AIBEA, NCBE and AIBOC took the lead role in ensuring Settlement on Pension with effect from 1st January 1986. **The Government and IBA insisted on Pension in lieu of Contributory Provident, in other words as Second Benefit only against the insistence of AIBOC as Third Benefit as available to SBI Pensioners.** When it was not agreed to, AIBOC tried to improve the Settlement exactly on the lines of Government Pension Scheme and RBI Pension Scheme by engaging series of correspondence with IBA even suggesting some improvements over Government Pension Scheme which ultimately forced IBA and Government to put it on record that the Pension Scheme in Banks would be on the lines of Government and RBI Pension Scheme only. That has made the Bank Employees Pension Regulations replicating the Government Pension Scheme and Rules and RBI model and with Statutory Force.

8. No doubt there are some elements now insisting for Pension as Third Benefit on SBI Model though they opposed it at that time. Fortunately, the wisdom of the then Legendary Leaders, the Bank Pension Settlement did not become a mere Second Benefit, but on the other hand the Bank Pension Settlement became as Superior Scheme as Government and RBI Scheme with Statutorily well laid Bank Employees Pension Regulations with all important features including the most important Regulation 35.1 for Updation. **The correspondences between Comrade R N Godbole, the then General Secretary, AIBOC and IBA are the important, valuable and vital Exhibits in the now Famously known Late Shri M C Singla case in the Hon'ble Supreme Court.**

9. We convey our highest regards for the leaders of various Unions/Associations who had been instrumental in converting a long-cherished dream of Pension into a reality. There is no doubt about it that the introduction of the Pension Scheme in the Banking Industry brought an enormous relief, dignity, safety and security to the lives of the Senior and the Super senior citizens of the Industry. Keeping all such things in mind, we do believe the illustrious leaders of the Unions and the Associations of the present days who are the torch bearers of a great legacy will be carrying on effective and meaningful negotiation on the most glaring issues which remain unfulfilled till today. **They are supposed to ensure that the Retirees of the Industry including the Family Pensioners who are a substantial chunk today and nearly as high as almost 10 Lakhs must have their legitimate "say" in regard to issues affecting their interests through the Apex level Pensioners and Retirees Organisations.**

10. As for AIBPARC, since formation, it has been struggling and striving relentlessly to see that the dreams of the leaders who signed the agreements get fulfilled in the real sense of the term. **The principal Four issues with which the organisation started its innings are: Pension updation, improvement of family pension in line with the Central Government employees, 100% DA neutralization for the Pre- November 2002 Retirees and health care at affordable cost.** Because of our continuous struggle in various forms like escalation of the issues with the



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Government, IBA, bureaucrats, Ministers and all other decision- making authorities, sending E-memorandum to PM/ HM/ FM etc and holding of protest demonstrations, Dharna, Hunger strikes and centralized Dharna at the National capital on an on - going basis, we achieved complete success in having improvised Family Pension in line with the Central Government employees.

11. Again, in respect of the 100% DA neutralization for the affected senior citizens even though the DA Case was lost in the Hon'ble Supreme Court, thanks to the meticulous and relentless follow up by AIBPARC and through the personal intervention of the Hon'ble Union Finance Minister, 100%DA for Pre-November 2002 Retirees was resolved with prospective effect.

12. As regards health care at affordable cost, though we did not get complete success in making the Employers bear the cost of the annual premium, still substantial improvements have taken place and our struggle is on to achieve the desired goal. Our records of achievement have further been glorified by successful resolution of the issues like improvement of financial ex-gratia for the Pre-1.1.1986 Retirees, the issue of the Resignees etc. Although some aberrations still exist, our persuasive follow- up is continuing regarding Pension to the Left-Out Bank Retirees. Though unfortunately true, the issues like the cases of the few left outs in the industry, the non-computation of 5 years of additional services for a handful of Retirees, anomalies in allowing stagnation increments are yet to be resolved.

**On Pension updation, we shall have a separate paragraph.**

13. In course of our tedious journey for over a decade, several other very important issues affecting the interest of a substantial chunk of members have surfaced-- the issue of non-computation of the special allowance for the purpose of calculation of the pension and gratuity, the non-payment of Ex-gratia to the Pensioners of several Private Sector Banks and Banks taken over by other Banks, denial of the benefits of different agreed benefits to the Pensioners of some such Banks etc. In all our Memoranda submitted to the various authorities and in all our agitations, we are dealing with all such issues with highest level of seriousness. **Although the issue of Special allowance has already entered into the phase of judicial scrutiny which is a time-consuming process, we are insisting on an out of court settlement across the negotiation table in view of the fact that there is a decided Supreme Court case in this regard.**

14. The issue of Pension Updation is nearest to our hearts. **AIBPARC is the only organisation in the Industry which has been repeatedly and consistently telling that there already exists a written provision in the Regulations which specifies the modalities of updation.** If any demand is to be made, that is not exactly **"We demand Updation of Pension"** but, it should be **"We demand implementation of Bank Employees Pension Regulations 35.1 and Update Pension with periodical Wage Revisions already taken place and in future Wage Revisions."** It is IBA which is under obligation to declare the updation formulae in respect of each BPS/ Joint Note. Members are aware of the fact that AIBPARC is fighting the issue in the Streets as well as in the Judiciary as Impleading Party extending all legal support including financial support to meet the legal expenses of their (Petitioners) Organisation and we do believe that the success is not far off. The struggle is on and we shall not stand and stare till the goal is achieved.

15. This is very unfortunate to note that the present Negotiating Parties except NCBE recently, had ever demanded before IBA/ GOI that there is an existing provision in the Regulations and it is got to be implemented. We have argued time and again that there is no confusion in the amended provision of 2003 and if any individual (be it anybody) finds any confusion, then he has taken a deliberate



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decision to get confused. We only wish that the cloud gets cleared at the earliest and the sunshine emerges in the horizon.

**16. Now coming to the question - who are doing all such improvements for the Retirees which have already taken place.** There are unilateral claims by certain organisation which is generally attuned to preach a sense of hegemony over the decades that they are the only doers.

**17.** We should have an objective look towards the whole issue. Any major or minor development which affects the interest of the serving employees and officers or the retired employees of the Banking Industry takes a tangible shape through the Industrially accepted outlet of delivery i.e. the Bilateral mechanism of IBA and UFBU. The most unfortunate part of the story is that till today the Apex level Retiree organisations do not have the scope of being the parties to formal industry level negotiation on matters affecting their own interests. We meet the IBA/ GOI/ bureaucracy but all on an informal dialogue.

**18.** As for IBA, it is sad to note that the Apex Organisation of Bankers express their helplessness lamenting that they do not have any role in the decision-making process without the overt or covert concurrence of the DFS/ MOF/GOI. Unfortunately, IBA has become Master of Mis-Interpretations, be it Five Years Benefit to Special VRS Comrades, 100% DA Neutralization to Pre November 2002 Retirees, Pension to Compulsorily Retired Comrades, Serious Anomaly in 7th Bipartite Settlement with different index for Basic Pay fixation and Basic Pension Fixation, Non Reckoning of Special Allowance for Pension and Gratuity, and Most Blatantly Non -Implementation of Pension Regulation 35.1 for Updation for more than 30 years inflicting Serious Injustice to lakhs of Bank Pensioners ignoring their Advanced Age. It is a matter of Great Concern that IBA which is deemed to be a Supreme Professional Body of Bank Managements should take pride in causing the Unkindest Brutus Cuts on the Legally entitled rights of Aged Senior Citizens of the Banking Industry despite knowing well that Many such Pensioners have left the World with the pain of Deprivations of their Legitimate Entitlements. Amusingly enough whenever any forward development takes place on Bank Pensioners and Retirees Issues, advantage part of it, and the parenthood to the successful resolution of each issue is being automatically claimed by the preacher of hegemony.

**19.** Last but not the least, AIBPARC is an organisation which is most transparent in its thoughts and actions. **Any move on the part of the organisation is immediately made known to the membership by way of a written circular. The communications are in fact a running commentary on what we do and think.** Starting from the improvement of Family Pension to the Resolution of the issue of the Resignees, 100% DA neutralization for Pre November 2002 Retirees, improvement of financial ex-gratia for Pre- 01.01.1986 Retirees etc, all our efforts are documented and need no further elucidation. We shall carry on our struggle without any break to ensure that all the pending issues mentioned in the foregoing paragraphs are honourably resolved.

**20.** The cause of issuance of this circular is to pay respect to the grand old leaders of wisdom of both the organisations of Award staff and Officers who by initiation of Pension in the Banking Industry brought dignity and security in the lives of lakhs of senior citizens of the Industry. We wish to remind that it was no act of solo performance and it was a collective effort. We conclude with the appeal to all the leaders of the present-day organisations that “they” being the torch bearers of a rich legacy would do everything possible for them to ensure that the Pension Scheme which was agreed by IBA on Central Government and RBI pattern implements the updation of Pension w.e.f. 01.03.2019 at least from which date it has been done at RBI and help us to create an effective Forum of negotiation. At the same time,



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we shall not look vacantly at the faces of IBA or the Leaders of Negotiating Unions to see when the fruit drops and we shall continue in our own way to carry forward the struggle we are already engaged in. We only wish to remind the Negotiating Unions and Officers Organisations that they should honour the legacy of their Legendary and Visionary Leaders who scripted the Historic Pension Settlement and now it is for them to know that they owe a great responsibility for the Implementation of Bank Employees Pension Regulations in letter and spirit by the Banks.

Dear Comrades, We have faithfully given you an account of what all of us should ought to know, so that the things are put in proper perspective to get Justice.

With best wishes and regards.

Comradely yours,

K.V. Acharya.  
President, AIBPARC  
& Jt. Convenor, CBPRO

Suprita Sarkar  
General Secretary