



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



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Circular no 134-24

Date: November 09, 2024.

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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: Pension Updation

We are reproducing here under the text of our letter written on 08.11.2024 to The Chairman, IBA 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/IBA/Pension Updation/Email/2024

Date: November 08, 2024

**The Chairman,
Indian Banks' Association.
Mumbai.**

Respected Sir,

Sub: Updation of Pension - the Glaringly Denied Long Pending Issue for Three Decades for the Pensioners of the Banking Industry despite Statutory Provision for Updation of Pension under Regulation 35(1) of Bank Employees Pension Regulations 1995.

1) We have made endless correspondences with you over the years on the above noted subject detailing therein the relevant Regulations of BEPR 1995, Modalities of implementation of Pension Updation as done in the case of RBI Pensioners and Court Verdicts. The Cost Factor though cannot be cited for the non-implementation of the provision of the Statutory Regulation 35 (1), we have still given you our calculations



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including SBI in respect of Pension Updation as on March 2019 i.e. the date from which RBI Pensioners were granted Updation of Pension. The annual Cost of Updation which worked out to be about Rs.3288 crores for all the Banks including State Bank of India has further got substantially reduced after the implementation of 100% DA Neutralization to Pre November 2002 Retirees and also the death of several thousands of the Pensioners during the intervening period specially caused by COVID 2019 and due to the Advanced Age of large number of Bank Pensioners.

2) It is ironical that IBA through its repeated communications has been advising DFS, MOF, GOI that the Bank Pension Scheme is a funded scheme and there is no provision for Pension Updation in the BEPR (1995). Based on this incorrect feedback, the MOS, Finance, has offered reply to starred and un-starred questions in both the Houses of the Parliament. On each occasion, we have cited the copies of both - original Regulation 35(1) and also the amended Regulation 35(1) as per notification published in the Union Gazette of India in March 2003 whereby the Updation of Pension was made open-ended and universal in its application. It pains us to pen down that despite our repeated assertions through written communications and personally showing the Pension Regulations 1995 such stand of IBA/GOI persists without any Course Corrections on the part of IBA.

It is also very pertinent to understand that in as much as in the Government, Pension is Charged to the Consolidated Fund of GOI, in case of Banks, the Pension Fund was constituted out of the PF Surrendered by the Pensioners during their Service and Annual Provision in case of shortfall if any on Actuarial Estimation is Charged to the Revenue Account (Profit and Loss Account) of the Banks. In other words, it is not out of Profits and rightly so as it does not find a mention in the Profit and Loss Appropriation Account. Such Provisions are Statutory as against Regulators Guidelines (RBI Guidelines) for Provision for NPAs. Statutory Provisions for Pension have precedence over the NPA Provisions which are only regulatory and not Statutory Provisions. This being so, we have to painfully say that IBA has still not come out of its closed-mind approach about the Statutory Position of Pension Fund vis a vis Annual Provision to Pension Fund or Updation of Pension despite there being an Open-ended provision for Updation of Pension under the amended Regulation 35 (1).

3) You might have been aware from reports available in the Print and the Electronic media that **at the call of CBPRO (Coordination of Bank Pensioners and Retirees Organizations), there had been a massively attended National Dharna programme at Jantar Mantar, Delhi on 23rd October, 2024**, which was the culmination of about a dozen of Dharna Programmes organised at different State Capitals and Important Centres throughout the country, to draw the attention of DFS, MOF, GOI and also IBA towards the long pending issues of the Bank Pensioners and Retirees. The issues highlighted obviously and primarily included the oldest unresolved issue of Pension Updation despite there being an express provision under Pension Regulation 35 (1).

We have also submitted an elaborate Memorandum at the end of the Dharna on 23.10.2024 to the following authorities:

- a) The Hon'ble Union Finance Minister
- b) The Hon'ble Minister of State for Finance and
- c) The Secretary, Department of Financial Services,

It is intended to submit the same to IBA too.

4) We have been protesting against the illegal exclusion of Special Allowance which has gone as high as 31.5% of Basic Pay to compute Pension and Gratuity. Such an exclusion is ultra vires and illegal by way of untenable mention in the settlement/Joint Note and have rendered the Updation of Pension itself as a pittance and inconsequential. We, therefore, request you to take into account Special Allowance while arriving at an Updation of Pension in respect of those pensioners who had retired on or after 01.11.2012.



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5) We wish to further point out that the Pension Scheme in Banks was introduced in lieu of Contributory Provident Fund on the lines of Pension Scheme for RBI and Government Employees which are also a Defined Benefit Pension Scheme. Bank Pension Scheme and Pension Regulations are identical to Government and RBI. Under such circumstances, it is Grossly Discriminatory not to allow Updation of Pension in Banks when it is being allowed in RBI, NABARD, and Government. It violates not only the provisions contained in Regulation 35(1) of Bank Employees Pension Regulations 1995 but also the provisions contained in Article 14 of the Constitution of India. It is also contrary to the provisions of the professed Honest Litigation Policy of the Government in respect of Senior Citizens of the country. We have been reiterating our Demand for Updation of Pension by notifying the Updation Formulae (Formulas) in respect of every wage/salary revision settlement commencing from 1992 to 2022 exactly as done for RBI Pensioners which is similar to the formula used for updation of pension of Government Pensioners i.e. Basic Pension + DA + 10%. **We once again request you and DFS to notify the Updation Formulae in terms of Regulation 35(1) and implement the provisions of BEPR 1995 without further dragging the matter on some pretext or the other or tweaking the RBI updation Formulae in any manner whatsoever.**

6) It was in the year 2018 that the Government filed an Affidavit in the Hon'ble High Court of Mumbai to the effect that if Updation of Pension is allowed in RBI, it will have a Contagion effect and similar demands will be raised by other Public Sector Banks/Financial Sector Institutions. Such apprehension of the Government arose out of the fact that the RBI Pension Scheme and Banks Pension Scheme were similar. It was the further vindication of the fact that the Banks Pension Scheme was akin to the Pension Scheme of RBI. This calls for immediate implementation of Updation of Pension in Banks by notifying Updation Formulae as done for the Pensioners of RBI. We further wish to invite your kind attention towards Pension Settlement of 1993 signed under the provisions of the Industrial Disputes Act wherein there is a clear mention that the Pension Scheme in Banks is based on the Pension Scheme in RBI. It is legally binding on the parties to the settlement to implement the same in Letter and Spirit.

7) We also request you to shun your plea that the matter is sub-judice. We wish to mention that the out of Court resolution of the issue of Updation of Pension including Reckoning of Special Allowance for computation of Pension and Gratuity mutually, shall render all the Court cases infructuous and thus save not only the resources for the contesting parties but also the precious time of various Courts. Such Resolution of Disputes are quite normal and legally tenable and permissible and Matter Sub-Judice cannot be a constraint as there were instances and Banks liberally use this mode unfortunately even in cases of Bank Loan Defaulters and diversion of funds.

8) As Pension Updation has not taken place for more than 30 years, several Senior and Super Senior Citizens and their respective spouses have left the world without getting their legitimate and legally entitled updation of Pension. Any further delay in resolving the issue will poorly reflect on the intentions of the IBA/DFS to wantonly deprive the Bank Pensioners and Family Pensioners (largely the old aging widows) of their legal entitlement for Full and Properly Updated Pension and thus not only robbing them financially but also subjecting them to Humiliating Discrimination and Denial of Justice.

9) The Bank Pensioners and Retirees are the Principal Stakeholders and hence it is absolutely morally necessary that any kind of decision on Pensioners Issues which affects them solely and directly should not be taken without consulting the Apex Level Bank Pensioners and Retirees Organizations.

10) To sum up, our demand is that Pension Updation should be done immediately as per the provisions of Bank Employees Pension Regulations and as per RBI pattern. Any departure from the same will amount to violation of Bank Employees Pension Regulations and Settlement of 1993. **We earnestly request and hope that IBA will Honor the Provisions of Bank Employees Pension Regulations in Letter and Spirit. The resolution to the long pending issue of Pension Updation and reckoning Special Allowance for the purpose of computation of Pension and Gratuity along with Pension Updation shall put an end to all the court cases too.**



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We request you to kindly expedite the Resolution to the issue of Updation of Pension including Special Allowance and render the long Overdue Justice to Bank Pensioners.

With Kind Regards,

Sincerely Yours,

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

Suprita Sarkar
General Secretary