



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



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Circular no 22-25

Date: March 15, 2025.

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

Dear Comrade,

Sub: Pension Updation and other important issues affecting the interest of Bank Retirees.

We are reproducing here under the text of our letter written on 12.03.2025 to all the Constituents of UFBU individually 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/Pending Issues/Email/2025

Date: March 12, 2025

**To,
The General Secretaries,
Constituents of UFBU.**

Dear Comrade,

Our letter Dated 10th March 2025 to All Constituents of UFBU in respect of Pensioners and Retirees issues—

Meeting with IBA scheduled for 13th March 2025 on Residual Issues.

We profusely thank you for the concern you showed when we could talk to you as a follow up exercise. We are greatly comforted when some of you contacted us for further details particularly on the issue of Updation of Pension and about Regulation 35.1 of BEPR 1995. We are happy that you are all seized of the all-important issue of Updation of Pension. Such a gesture on your part soon after the receipt of our letter dated 10th March 2025 in respect of Meeting of UFBU Constituents with IBA scheduled for 13th March 2025 on pending issues of Bank Pensioners, is really highly

appreciable.

However, as we felt that we need to give some more inputs particularly on Updation of Pension and also about Special Allowance for Superannuation Benefits, we thought of sending this letter to you as additional inputs to present before the IBA.



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You will appreciate that we had a meaningful discussion especially on Updation of Pension vis-a-vis the pre-existing provision under Pension Regulation 35(1). **To recall our discussion, it is worth reiterating that Regulation 35(1) was implemented at the time of introduction of the Pension Scheme in respect of those who were then eligible for Updation (retirees of the period from 01.01.1986 to 31.10.1987). You will further appreciate that Updation in its literal sense is a periodically ongoing phenomenon and not a static concept. It was in this background that the Government of India advised the banks in 2003 to amend Regulation 35(1) and made it universally applicable by removing the restrictive dates (1.1.1986 to 31.10.1987). The substitution of the words 'will be' by 'shall be' makes its applicability mandatory. Similarly, the substitution of the word 'formula' by 'formulae' makes its applicability pluralistic (more than once i.e. periodically). It is also necessary to refer to Regulation 56 of BEPR which directs to refer to Central government Employees Pension Rules in case of any doubt in the implementation of the Pension Scheme in Banks.**

Despite such clear amendment with in-built mandatory nature of its periodical applicability, this is the only amendment which has remained to be implemented thus disregarding the reasons and objects of the amendment of 2003 which is Subordinate Legislation notified in Union Gazette of India.

It is also pertinent to mention that M C Singhla case was lost in Chandigarh High Court for the reason that the Settlement of 1993 and Small Committee Minutes stating that bank shall frame regulations to provide for Rate of Pension, types of Pension, Commutation, Updation etc did not confer the right unless regulations were framed. The petitioners were advised through the judgement that they should approach their Unions/Associations to negotiate for framing the regulations to get the right of Updation. But the IBA, knowing fully well about the existence of Regulation 35(1) and its amendment in March 2003 (even before the date of filing the case in Hon'ble High Court, unfortunately found it convenient to conceal the amended pre-existing Regulation 35(1). Having misled the Hon'ble High Court at Chandigarh, IBA continues to turn a blind eye to Regulation 35(1) and had even given wrong Affidavit in the Hon'ble Supreme Court. IBA had also once expressed its inability before us to take a 'U' turn having filed such affidavits in the Hon'ble Supreme Court. It is also a tragedy that the IBA which is supposed to be the face of the Dynamic Banking Industry as an Advisor on HR Matters and Highly Challenging Innovative Banking, should try to exploit the vulnerability of the Advanced Aged Pensioners who are waiting endlessly for Updation.

It is also desirable to have clarity about 'Updation of Pension' and 'Revision of Pension' which are two different and distinct concepts. The Updation of pension of past retirees takes place as a result of every future Wage Revision during their life time. The Revision of Pension takes place only once in respect of those pensioners who retired between the effective date of Wage Settlement and the Actual Date of Signing of the Wage Settlement. Hence the Updation is a recurring periodical phenomenon while the Revision is only a one-time dispensation, which is sequel to the post-retirement Revision of Basic Pay retrospectively leading to the Revision of Pension in accordance with the revised Basic Pay of the Pensioners and they also get arrears of Salary/Pension Revision.

In this background, Out of Court Resolution of the issue of Updation is the best way out for all concerned and it will render the court cases infructuous. The IBA also cannot force either itself or its Member Banks to bear the burden of huge legal expenses in challenging the Petitions by the aggrieved Pensioners who have become victims of the repeated violations, misinterpretations or Non-Implementation of Pension Regulations. As petitioners the Pensioners and Retirees have to spend from their already constrained pockets.

Coming to the issue of Special Allowance Component which is excluded for computation of Superannuation Benefits (viz, Pension and Gratuity) it is pointed out that a similar attempt by IBA in earlier settlement to compute pension not on last drawn pay but on pre-revised basic pay(1616 vs 1684 DA points) was found ultra vires by the Hon'ble Supreme Court and it was ruled that there cannot be different pays for computation of salary and that of pension. Insertion of Regulation 2(s) was held illegal and struck from the Regulations. Here again the IBA has violated the same principle and hence it needs to be rectified. Further the Hon'ble Supreme Court has ruled in case of Provident Fund Commissioner, Eastern Zone that a Special Allowance paid ordinarily and universally to all cadres of employees, without being assigned to any specific function becomes part of Basic Pay. The fact that it is paid even during the period of



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leave and attracts Dearness Allowance, makes it very clear that it is part of Basic Pay and hence qualifies for all Superannuation Benefits like Basic Pension & Gratuity as it does for Leave Encashment. Already the Hon'ble Single Judge Bench of Hon'ble Kerala High has held it so in the case of Corporation Bank and the concerned Bank has filed an appeal against the Judgement. Similar petitions are filed in different High Courts and now tagged together with the intervention of the Hon'ble Supreme Court. Still the IBA went ahead with increased percentage of Special Allowance to as high as 31.5% of Basic Pay (in case of Top Executive Grade Scale) thereby having a huge adverse impact on the Pension. It is ironical that the "Matter Sub-Judice" did not deter the IBA in this case. This diabolical stand of the IBA is deplorable. **This peculiar stand of IBA has reduced the Basic Pay progressively for the Serving employees and officers right from 10th BPS/Joint Note and reduces the Bank's contribution towards the New Pension Scheme while reducing the Basic Pension of the Retirees too from 2012 onwards. This calls for immediate correction so that petitions pending in the Hon'ble Courts become infructuous. This correction will help both - serving and retired employees.**

As you have been representing both serving and retired employees before IBA, we request you to protect our legitimate rights and guard against the exploitation of our vulnerability. We are also very Hopeful that now as we have elaborately clarified about the issue of Updation of Pension Vis a vis Revision of Pension and the import and significance of pre-existing Regulation 35(1) of BEPR 1995, and Special Allowance Component for Superannuation Benefits, the Entire Leadership of UFBU and their Membership will stand by the side of their Pensioner and Retiree Brethren.

We once again HUMBLY reiterate that DFS/IBA should be requested to implement the amended Regulation 35(1) by notifying the Updation Formulae for each of the BPS/Joint Note as done in the case of RBI/NABARD Pensioners by using the same formulae presently in vogue in Government and RBI (Basic Pension + DA + 10%).

We are confident that you will succeed in your endeavours in getting the issues resolved especially when there is no legal bar restraining such Resolutions.

We shall be glad to meet the UFBU leaders to further explain our stand on Pension Regulation 35(1) and other Issues concerning your Elder Brothers and Sisters, if so desired by you to bring in Unity of Purpose.

With Warm Regards and Greetings,

Comradely yours,

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

Suprita Sarkar
General Secretary