



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION

(A.I.B.P.A.R.C.)

C/O BANK OF INDIA OFFICERS' ASSOCIATION

(EASTERN INDIA BRANCHES)

BANK OF INDIA, KOLKATA MAIN BRANCH

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13.12. 2017.

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,

Sub : Serious concern of Bank Pensioners and Retirees over the provisions of FRDI Bill, 2017

We have sent a detailed representation in duplicate (as desired) to the Director (CB-I & JCS), Lok Sabha Secretariat for placing our views before the JPC, headed by Sri Bhupender Yadav, Member of the Parliament. We are reproducing hereunder the full text of our representation for information of members.

With best wishes,

(SUPRITA SARKAR)
ACTING GENERAL SECRETARY

Quote :

Ref. No. AIBPARC/FRDI/2017

11.12.2017.

To,
The Director, (CB-I & JCS),
Lok Sabha Secretariat,
Room No. 339, 3rd Floor,
Parliament House Annexe,
New Delhi-110001.

Dear Sir,

**Sub : Serious concern of Bank Pensioners and Retirees
over the provisions of FRDI Bill 2017**

Our attention has been drawn to the notification forming Joint Parliamentary Committee with Sri Bhupender Yadav, Member of the Parliament, as its head. In the said notification, views and suggestions of various stake holders and public at large have been sought for. In pursuance of the same, we are submitting our views in duplicate (as desired) to you for handing over the same to the Head of the Committee. Our views on the subject are noted hereunder :

- 1) In banks, the pension which is fixed on the date of retirement remains frozen and the same is not revised with signing of Bipartite settlement which makes revision of wages/salary of the serving people. The pensioners and retirees are raising the voice in different forum to impress upon the need to update pension periodically. It may appear to you that how the subject is relevant to the provisions of FRDI Bill, 2017 and we request you to read the undernoted paragraph which will make it relevant to the context.
- 2) As pension is not upwardly revised, the retirees have to depend on the interest income of deposits kept by them mostly in those banks from where they have retired. This deposited amount is mostly his savings and superannuation benefits which he managed to save through a lot of difficulty to take care of his needs in the advanced years of life. The most pathetic part of the whole story is that the rate of interest on bank's term deposits is dwindling day by day and the real income of a pensioner is reduced by every downward revision of interest. When a pensioner expires, he leaves an insignificant amount for his spouse or his successors.
- 3) In the context of the above 2 positions, the FRDI Bill, 2017 came as a rude shock. The pensioners and retirees are suffering from terrific anxiety and anguish to think that his hard earned money which is kept as a bank deposit may evaporate by certain decisions of the government and he might stand penniless on the street. It is an established fact that the serving employees and the retired personnel are in no way responsible for the huge burden of NPA and resultant provision to take care of such NPAs. If a look is given to the topmost defaulters of loan of any bank, it would be evident who exactly are these persons and by whom they are actually favoured. The burden of so called bad-health of the bank can never be shifted on the shoulder of present and former employees. The real cause of worry lies in the "Bail-in" Clause of the failing financial institutions. It provides the use of depositors fund to shore up the financial condition of a failing institution. This clause also includes a provision of cancelling the liability owed by a specified service provider and also modifying or changing the form of liability owed by a specific service provider. Bank deposits are a form of liability on which bank has to pay interest. This change of form of liability might adversely affect the safety and security of funds kept by a pensioner or a retiree in the form of bank deposit. The bail in clause matters us because it formalizes the risk associated with depositing of money with the banks. It will completely shake the confidence of the common man on the entire banking and very adversely affect the interest of pensioners and retirees. For us, it is a question of life and death.

We call upon all the members of JPC to please see that the proposed bill is not passed in the Parliament. JPC will please consider the terrific latent danger which lies in the provision of bail-in. We thoroughly oppose the bill in general and the bail-in clause in particular. Our demand is that the balance lying in the S/B Account should continue to be payable on demand and the amount lying in term deposit should be made payable as per terms and conditions of the account and under no circumstances, a portion of it or full of it should be converted into share, debenture etc.

This is for kind consideration.

Yours faithfully,

(SUPRITA SARKAR)
ACTING GENERAL SECRETARY