



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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Date: 27.09.20.

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For circulation among members of Governing Council, Special Invitees, State Secretaries and Advisors.

Dear Comrade,

Sub: Updation of Pension & other important issues of Bank Pensioners and Retirees.

We are reproducing hereunder a letter of CBPRO addressed to Chairman, IBA dated 26.09.20 on above subject for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Quote:

COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS

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Dated: 26.09.2020

Shri. Rajnish Kumar
Chairman
Indian Banks' Association
Mumbai

Respected Sir,

Sub: Updation of Pension & other Pending Issues of Bank Pensioners & Retirees requiring urgent consideration.

We the Largest Body of Bank Pensioners and Retirees Organisations (CBPRO),consisting of Federation of SBI Pensioners Associations, AIBPARC, RBONC, AIRBEA and FORBE feel it necessary and appropriate to make an earnest appeal to You and IBA at this stage of Finalization of the 11th Bi Partite Settlement to give Top Most Priority to the long pending crucial Issues of Bank Pensioners and Retirees with a fond hope that you will resolve the same in this Settlement. We have been persistently impressing upon IBA for the past several years to kindly concede our fair, reasonable, equitable and legitimate demands and not drive the senior citizens to seek judicial recourse which is not only costly but Iso time consuming. The inaction shown in this regard is against the spirit of the National Litigation Policy and is in stark contrast to several Judgements of the Honourable Courts of our Nation, Provisions of Pension Scheme including the Pension Settlement with Recognised Unions, Statutory Pension Regulations, Well laid down Practices and Precedents governing the Pension Schemes which are on the lines of Government and RBI Pension Schemes. Hence it is the natural expectation of the Senior Citizens of the Banking Industry that in view of their age and vulnerability to age related Health and other Problems, IBA would consider their issues on a highly Compassionate and Humanitarian grounds and acknowledge their past contributions by showing great urgency and respect to the Dignity of the Bank Pensioners and Retirees .Any further delay and procrastination in this regard will cause Serious Hurt to the Feelings of Bank Pensioners and Retirees who served the Banking Industry with Great Devotion and Dedication making it a Robust Industry in revolutionizing the Economy of Our Nation.

We were deeply shocked when in the 10th BI-PARTITE Settlement, the Bank Retirees were subjected to Humiliation with a Record note merely detailing our issues with disdain and dislike. What was obligatory as per the Court Judgements and Regulations, unfortunately simply reduced to arbitrary cost calculations instead of complying with the Implementation of Court Judgements and Provisions of Bank Pension Regulations in letter and spirit.

It is our earnest appeal to Your Good Self and All the Heads of Member Banks of IBA to present the correct position of the Pension Scheme of the Banks to the Ministry as we often see whenever the Honourable Members of Parliament raise questions or write letters to the Honourable

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Ministers of Finance about the Issue of Updation of Pension, the Replies to such Questions and Letters are unfortunately guided by confusing Advices, merely stating that Pension in Banking Industry is as per the terms of settlement negotiated between IBA and Unions apart from being a Funded Scheme. Whereas the fact is that Pension Agreements clearly provided for Updation which later on became Regulations by Gazette Notifications. Bank Pension Scheme is identical to that of RBI Pension Scheme and Government Pension Scheme. It is high time that IBA clearly advises the Ministry that in as much as the Pension is duly Updated now to RBI Pensioners and NABARD the same should be implemented in respect of Bank Pensioners also. This position is further concretised by the Judgements of Honourable Courts, Agreements, Regulations and Well laid down Practices and Precedents governing the Pension Scheme.

In the light of the above we request IBA to unequivocally advise the Government to implement the Pension Scheme in letter and spirit by granting Updation of Pension and resolving other issues mentioned hereunder:

1. Updation of Pension:

We are very keen that the Updation of Pension has to be necessarily resolved at least now as the same is due for more than 25 years. The rigidity and irrationality on the part of IBA in respect of Updation of Pension is unfortunate and based on blatant misconception and misinterpretation of the various judgments of the Hon'ble Supreme Court and with a complete disregard and oblivion to Bank Employees' Pension Regulations.

It is very amusing to note that the IBA and the Government often describe the Pension Scheme in Banks as a funded scheme and take a position that Updation can be considered on the basis of profits. The fact is that the Hon'ble Supreme Court has clearly ruled that Pension is a Deferred Wage and Wage Revision and Pension Revision are inseparable and Pension cannot be less than 50% of the revised Basic Pay of the employees and Officers of respective grades. The Supreme Court also has held that Pension is not a bounty but a deferred wage in recognition of the past services rendered by the Pensioners during their service tenure. It is universally held that Pension is a Social Security Measure. Pension Settlement in the banking industry is given as a second benefit in lieu of Contributory Provident Fund and apart from transfer of CPF with Interest to Pension Fund at the time of exercising Pension Option, the management portion of Statutory PF contribution goes directly into the Pension Fund. In view of the Supreme Court judgments and as per Pension Regulation it is wrong to state that Pension is a funded scheme out of the profits of the Bank. The Profit and Loss Appropriation Accounts of the Banks Balance Sheets do not show any amount appropriated out of profits to Pension Funds. Hence the contention that the Banks do not have enough profits to afford Updation of the Pension is untenable to say the least. You may also recall that the Pension Settlement was signed in 1993, when due to sudden implementation of the Prudential Accounting Norms, most of the Banks posted losses. It is a clear assertion that our Pension Benefits including Updation are not dependent on profitability of the banks. Moreover, adequate provisioning for Pension by the banks is a statutory obligation on their part and hence cannot be treated inferior to Regulatory Provisions for NPAs.

In as much as Updation of Pension is granted in RBI recently we are only asking for the resolution of this most important issue as per RBI formula of Updation. It is repeatedly stated both in Pension agreements and in Pension Regulations that the Pension Scheme is on the lines of the Central

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Government and RBI Pension scheme. Hence, we request you to concede the most important issue of Updation of Pension as per RBI Formula.

2. 100% DA Neutralisation to Pre-2002 Retirees:

The 8th BPS extended 100% DA neutralization to All but after a month of signing the settlement, IBA arbitrarily withheld its implementation to those who retired prior to 01.11.2002. It was a very unkind blow to the Super Senior Citizens of the Banking Industry who were already suffering due to continuous non-updation of their Basic Pension. The 8th BPS only extended the DA compensation formula as already prevailing for the Government Retirees and later on extended to RBI retirees also without any discrimination in respect of date of retirement. There cannot be artificial classifications of Retirees as they belong to one homogeneous group and hence the 8th BPS rightly did not bar the Pre-2002 retirees from getting the benefit of 100% DA neutralization. Unfortunately, at the time of implementation, unilaterally the IBA by writing a letter to the member banks made Pre-2002 retirees ineligible to get the benefit of 100% DA neutralization though universally it is accepted that the Price Rise hits equally harsh all Retirees irrespective of their date of retirement. Such an act on the part of IBA was violative of Article 14 of our Constitution. Hence, we request you to ensure justice for the Pre-2002 retirees in respect of 100% DA neutralization whose number is dwindling very fast due to their very advanced age. This issue requires humanitarian consideration.

3. Reckoning of Special allowance for terminal benefits:

While introducing the concept of Special allowance in the last BPS which duly attracts DA and also given to every Employee and Officer irrespective of grade and position and not dependent on discharging any special duty / assignment, not reckoning the same for terminal benefits viz., Pension and Gratuity is neither proper nor legally tenable. In view of this, we request you to ensure that Special Allowance is reckoned for the purpose of Pension and Gratuity for those who retired from 1.11.2012 onwards.

We fervently hope that Your Good Self will empathise with the feelings, aspirations and Expectations of the Senior Citizens of the Banking Industry. We earnestly urge upon Your Good Self to Honour this Historic Responsibility by restoring Self Dignity to Your Retired Senior Colleagues by delivering Historic Justice to us.

With Best Regards

Thanking you,

Yours Sincerely,



(A. Ramesh Babu) (K.V. Acharya)
Joint Conveners, CBPRO