



**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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Date: 31.10.2020.

Circular no 96--20.

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

Dear Comrade,

Sub: Pension Updation and other issues of Bank Retirees.

Our letter addressed to Hon'ble Union Finance Minister dated 30.10.20 on above subject along with our earlier letter dated 18.10.20 are being reproduced hereunder for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar  
General Secretary

Quote: 2 letters.

**Quote :1**

Dated 30.10.2020

Ms Nirmala Sitharaman  
Hon'ble Finance Minister  
Government of India  
North Block  
New Delhi

Respected Madam,

### **PENSION UPDATION AND OTHER ISSUES OF BANK RETIREES**

We respectfully wish to invite a kind reference to our letter dated 18.10.2020 wherein we had submitted the detailed working of cost of updation of pension in Banks including State Bank of India. We had also furnished the supporting grounds to establish the legitimacy of our request for Updation of Pension within the framework of the existing Pension Regulations for Bank Employees. Moreover, our request deserved to be considered on humanitarian grounds since the bank retirees are finding it well nigh impossible to meet both ends so also their ever-increasing medical needs in the advanced age.

Hon'ble Madam, we are immensely grateful to your kind gesture after receipt of our letter dated 18.10.2020(copy attached for a ready reference). In fact, your interview published in the Hindu Business Line of 29.10.2020 has very elaborately dwelt on the pending issues of the Bank Employees and Bank Pensioners. It has raised the hopes and aspirations of our members, who have been waiting for over two decades for the Updation of Pension.

We take this opportunity to request you to resolve the following long pending issues along with the impending salary revision/XI Bipartite Settlement:

1. Improvements in Family Pension at par with Government and RBI Family Pension
2. Updation of Pension @ Updation Factors used for Updation of Pension in RBI w.e.f. March 2019
3. Absorption of Medical Insurance Premium by Banks as in case of Serving Employees and Board Level Retirees. Alternatively, evolving a Scheme like CGHS and collecting one-time contribution from the employees at the time of retirement
4. 100% DA neutralisation for Pre November 2002 retirees to restore uniformity and equity in the DA Formulae for all sections of retirees.
5. Extending the benefit of Pension to those who resigned after completing qualifying years of service.

6. Reckoning of Special Allowance which carries DA for Computing Pension and Gratuity.

We once again express our gratitude for your being considerate to our hardships and concerns.

With Regards,

Yours faithfully,



( K.V. ACHARYA )  
PRESIDENT,  
AIBPARC &  
Joint Convener, CBPRO



( SUPRITA SARKAR )  
GENERAL SECRETARY,  
AIBPARC

Attachment: Our letter of 18.10.2020

**Quote : 2**

Dated 18.10.2020

Ms Nirmala Sitharaman  
Hon'ble Finance Minister  
Government of India  
North Block  
NEW DELHI  
Respected Madam,

### **PENSION UPDATION @6352 POINTS**

We have been taking up various issues of pensioners including Updation of Pension with the IBA and the Government. As regards Updation of Pension we wish to submit the following details so as to put the issue in right perspective for your kind and favourable consideration:

1. Introduction of Pension in Public Sector Banks and other member Private Sector Banks was only after a long-drawn struggle by the Unions and Associations. The Pension was eventually clinched only as a second benefit i.e. in lieu of Contributory Provident Fund. Accordingly those who opted for Pension were made to refund the entire amount of the bank's contribution to provident fund including the interest accrued thereon and those who had retired after 1.1.1986, were asked to pay further interest on such amount from the date of settlement of PF till the date of refund in terms of Regulation 3 and 6. Even the Second Option came at a cost even to those who were continuing in the service of the bank. The amount so collected from the optees was also transferred to Pension Fund.

2. Regulation 5(3) provided that the Bank shall be a contributor to the Pension Fund and shall ensure that sufficient sums are placed in it to enable trustees to make due payments to beneficiaries under the Pension Regulations. **It thus casts a mandatory obligation on the Banks to ensure sufficiency of the funds to meet the liability towards Pension and Family Pension in terms of Banks' Pension Regulations which includes Pension Updation as provided under Pension Regulation 35 (1).**

3. Banks were required to contribute @ 10% per month of the Pay of the Employee in terms of Regulation 7(a) and additional annual contribution (Regulation 7(f)) after causing an Actuarial Investigation into the financial condition of the Fund as on 31st March every year so as to secure payment of the benefits under these Regulations.

4. Pension Regulation 35(1) of Bank Employees' Pension Regulations, 1995 originally provided that in respect of employees who retired between 1st January 1986 but before 1st November, 1987, basic and additional Pension shall be updated as per the formula given on Appendix -1. This Updation was effected to eligible retirees at the time of implementation of Pension Scheme in the Banks. The formula in the Appendix-1 was the same as applicable for Central Government Pensioners at that time.

**5. Regulation 35 (1) was subsequently amended vide Government Gazette Notification No. 9 Dated 1st March 2003 and provided that the Basic Pension and Additional Pension, wherever applicable, shall be updated as per the formulae given in the Appendix 1. It made Updation of Pension applicable to all irrespective of their date of retirement. The reasons and objects of this amendment have been rendered meaningless by the inaction on the part of IBA & DFS by not implementing the amended provisions of Regulation 35 (1). Since this well intended amendment was not implemented, the Formulae in Appendix 1 also remained unupdated despite corresponding amendments in the formulae of updation for Central Government Employees with every Central Pay Commissions.**

6. In view of such an Unambiguous provision for Updation in the Pension Regulations, Bank Pensioners have been demanding Updation of Pension for all the Pensioners from respective dates of their eligibility for the Updation. But after grant of Updation of Pension for the employees of RBI and also extending the same to the Pensioners of NABARD, the Bank Pensioners have lowered their demand by requesting at least for the RBI Pensioners Updation Formula and with the same date of effect i.e. March, 2019.

7. We give below the details of our working including what would be the cost of Pension updation including SBI employees for your consideration.

It may however be noted that in the absence of complete Grade-wise break-up of Officer retirees available with us, the working of pension Updation is done by taking the maximum pension of a scale III Officer as a mean of all pensioners in Officers Cadre. Hence the actual cost would definitely work out less in view of the fact that in the year 2000 Special VRS took place and all were not drawing maximum pay.

It is also assumed that 100% D.A. Neutralisation would be granted for the pensioners retired from 1-01-1986 to 31.10.2002.

Factors for Each Batch of Retirees in line with RBI Pension updation implemented in March 2019 are arrived at here below:

**o FOR TAKING RETIREES TO 1992 SETTLEMENT FROM 1987:(Batch 1)**

BASIC PENSION: 1

DA/DR MERGED:  $(1148-600)=548/4=137*0.67 =91.79\% =0.9179$

BASIC PENSION AFTER MERGER =  $1+0.9179 =1.9179$

NOTIONAL 10% OF 1.9179 =  $0.19179$

REVISED BASIC PENSION =  $1.9179+0.19179 = 2.11$

FACTOR FOR REVISED BASIC PENSION = 2.11

**o FOR TAKING RETIREES TO 1998 SETTLEMENT FROM 1992: (Batch 2)**

BASIC PENSION: 1

DA/DRMERGED:  $(1684-1148)=536/4=134*0.35=46.9\%= 0.469$

BASIC PENSION AFTER MERGER: =  $1+0.469 = 1.469$

NOTIONAL 10% OF 1.469 =  $0.1469$

REVISED BASIC PENSION =  $1.469+0.1469 =1.616$

FACTOR FOR REVISED BASIC PENSION = 1.616

**o FOR TAKING RETIREES TO 2002 SETTLEMENT FROM 1998: (Batch 3)**

BASIC PENSION: 1

DA/DR MERGED:  $(2288-1684)=604/4=151*0.24 =36.24= 0.3624$

BASIC PENSION AFTER MERGER =  $1+0.3624 =1.3624$

NOTIONAL 10% AFTER MERGER: =  $0.13624$

REVISED BASIC PENSION =  $1.3624+0.13624 =1.49$

FACTOR FOR REVISED PENSION = 1.49

**o FOR TAKING RETIREES TO 2007 SETTLEMENT FROM 2002 : (Batch 4)**

BASIC PENSION 1

DA/DR MERGED:  $(2836-2288)=548/4=137*0.18 =24.66\% = 0.2466$

BASIC PENSION AFTER MERGER =  $1+0.2466 =1.2466$

NOTIONAL 10% OF 1.2466 =  $0.1246$

REVISED BASIC PENSION =  $1.2466+0.1246 =1.37$

FACTOR FOR REVISED BASIC PENSION = 1.37

**o FOR TAKING RETIREES TO 2012 SETTLEMENT FROM 2007 : (Batch 5)**

BASIC PENSION: 1

DA/DRMERGED:  $(4440-2836)= 1604/4=401*0.15 =60.15\% =0.6015$

BASIC PENSION AFTER MERGER =  $1+0.6015 =1.6015$

NOTIONAL 10% OF 1.6015 =  $0.16015$

REVISED BASIC PENSION =  $1.6015+0.1601 =1.7616$

FACTOR FOR REVISED BASIC PENSION = 1.76

**o FOR TAKING RETIREES TO 2017 MOU FROM 2012: (Batch 6)**

BASIC PENSION: 1

DA/DRMERGER:  $(6352-4440)/4=1912/4=478*0.10 =47.80\% = 0.478$

BASIC PENSION AFTER MERGER =  $1+0.478 = 1.478$

NOTIONAL 10% OF 1.478 = 0.1478

REVISED BASIC PENSION =  $1.478+0.1478=1.6258$

FACTOR FOR REVISED BASIC PENSION = 1.62

**USING THE ABOVE RESULTS, THE FACTORS FOR PENSION UPDATION @6352 POINTS ON THE BASIS OF RBI FORMULAE ARE WORKED OUT AS UNDER:**

1.1987BATCH	$12.2*1.62=19.76$
2.1992 BATCH	$5.78*1.62= 9.36$
3.1998 BATCH	$3.59*1.62= 5.82$
4.2002 BATCH	$2.41*1.62= 4.39$
5.2007 BATCH	$1.76*1.62= 2.85$
6.2012 BATCH	$= 1.62$

**TOTAL COST of Pension Updation @6352 Points as on August 2019 for PSBs on the lines of RBI Formula:**

**For PSBs:**

Batch 1	No. of Retirees	Pension Increase	Total
-----			
SS	1453	8038	11679214
CLK	2243	15478	34717154
OFF	4284	30825	132054300
Batch 2			
-----			
SS	2328	6883	16023624
CLK	4246	12860	54603560
OFF	9290	26389	245153810
Batch 3			
-----			
SS	9266	5898	54650868
CLK	32236	11105	357980780
OFF	35417	23110	818486870
Batch 4			
-----			
SS	6370	6879	43819230
CLK	7932	12017	95318844
OFF	8312	20271	168492552
Batch 5			
-----			
SS	12145	3476	42216020
CLK	26696	5785	114436360
OFF	31415	9956	312767740

Batch 6

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SS	13062	1572	20533464
CLK	30910	2671	82560610
OFF	36375	4360	158595000
Total	273980	Per month	2804090000
Total	273980	Per annum	3364908000

**FOR SBI Pensioners**

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Batch 1	No of	Pension	Total
-----	Retirees	Increase	
SS	730	8038	5867740
CLK	947	15478	14657666
OFF	1026	30825	31626450
Batch 2			
-----			
SS	1896	6883	13050168
CLK	2436	12860	31326960
OFF	2436	26389	64283604
Batch 3			
-----			
SS	6830	5898	40283340
CLK	9557	11105	106130485
OFF	10915	23110	252245650
Batch 4			
-----			
SS	6754	6879	46460766
CLK	9965	12017	119749405
OFF	11243	20271	227906853
Batch 5			
-----			
SS	8453	3476	29382628
CLK	10566	5785	61124310
OFF	11471	9956	114205276
Batch 6			
-----			
SS	9780	1572	15374160
CLK	12234	2671	32677014
OFF	13381	4360	58341160
Total	130620	Per Month	1264693635
Total	130620	Per Annum	15176323620

Total No. of Pensioners	Cost Per annum
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PSBs 273980	33649080000
SBI 130620	15176363220
Total 404600	48825443220

Rs.4882.54 Cr for 404600 pensioners

Rs.5322.87 Cr for 441000 pensioners

It is submitted that the Pension Funds of the Banks are quite healthy and can afford Updation of Pension using the same Factors as done in the case of RBI and NABARD without affecting the Balance Sheets at this juncture.

**Since the Public Sector Banks are State within the meaning of Article 12 of the Constitution of India and Banks Pension Regulation (35 (1)) providing for Updation of Pension, are Subordinate Legislation, it is a statutory obligation on the part of the Banks to periodically update the pension.**

It is also ruled by the Hon'ble Supreme Court that Salary Revision and Pension Revision are inseparable and constitute a Legal right. It was also held that Pension is not a **Bounty and is a Deferred Wage**. It therefore naturally follows that whenever there is a revision of wages, the Deferred Wages cannot remain constant. Hence the demand for Pension Revision cannot be overemphasised.

The contention that the Banks are incurring losses which impede their capacity to pay is hollow as Pension Fund is not created out of profits and its provision does not find a place in the Profit & Loss Appropriation A/c of the Banks. Moreover, the Banks are forced to provide for NPAs despite losses. **The provision for NPAs is a Regulatory Guidelines whereas the provision for Pension Fund in accordance with the Pension Regulation 11 constitutes a Statutory Provision. It is pertinent to submit that the Statutory Provisions have Precedence over the Regulatory Provisions.** The introduction of Pension by signing the Settlement in the year 1993 is quite significant as many Banks were in Loss during 1992 and 1993 due to the Introduction of New Accounting Norms. Had the Pension been dependent on the profits of the Banks, it would not have been agreed to grant pension at that juncture.

Obtention of Actuary's Estimate is a requirement incorporated in the Pension Regulations for enabling the Banks to estimate the correct requirement of Additional provision on annual basis and cannot be construed as a hindrance to extend the benefits of Updation in terms of Regulation 35(1). Similarly, AS-15 (R) is an alien concept to the Banks Pension Regulations and cannot be allowed to interfere with the existing beneficial provisions like Updation of Pension in terms of Regulation 35(1). While Regulations which adversely affect the Pensioners even after Retirement by invoking Pension Regulation thrusting Disciplinary Proceedings and subjecting them to Punishments how a Legal Right of getting Pension Updation under existing Regulation 35(1) with every Wage Revision can be denied? In fact, only Bank Employees Pension Regulations contain a **Categorical assertion by way of Regulation 35(1) providing for Updation of Pension and Regulation 56 asserts about reference to Central Government Pension Scheme.**



As you are aware, the Banks Pension Scheme is similar to that of RBI and it was so referred to in the Pension Settlement. Pension Regulation 56 also provides that in case of any doubt, a reference shall be had to the Central Government Pension and Commutation Rules 1972. In as much as the Updation of Pension is available to the Central Government Pensioners and has also been extended to RBI and NABARD Pensioners, it would be unfair and unfortunate to continue to deny the benefit of Updation of Pension to Bank Pensioners despite there being a pre-existing provision under our Pension Regulation 35(1).

Hence it is submitted to favourably consider the legitimate demand of the Bank Pensioners for grant of Updation of Pension and settle the issue along with the signing of the 11th Bipartite Settlement.

With Regards,

Yours faithfully,



( K.V. ACHARYA )  
PRESIDENT,  
AIBPARC &  
Joint Convener, CBPRO



( SUPRITA SARKAR )  
GENERAL SECRETARY,  
AIBPARC