



**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  
23A, NETAJI SUBHAS ROAD, KOLKATA – 700 001  
Mobile : 9674188524, E-mail : [aibparc@gmail.com](mailto:aibparc@gmail.com)**

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Circular No.21-20

Date : 24.02. 2020.

**(For circulation among members of the governing council of AIBPARC,  
State Secretaries, Special Invitees and Advisors.)**

Dear Comrade,

**Sub : Reply to Lok Sabha unstarred question no 1327 answered on 10<sup>th</sup> February, 2020  
by the Minister of State for Finance in response to point no. C. which reads as  
“The steps taken by the Government to address the issues of pensioners in PSBs”**

Today a letter has been written to Shri Anurag Singh Thakur, Hon'ble Minister of State for Finance, Govt. of India explaining our standpoints on various issues pertaining to updation of Pension as spelt out in different provisions of Pension Regulation of Banks. The letter, which is self explanatory, is reproduced hereunder for information of members.

With best wishes,

( Suprita Sarkar )  
General Secretary

Quote :

AIBPARC/PARLIAMENT QUESTIONS/GOI/EMAIL/2020

Date 24.02.2020

**Shri Anurag Singh Thakur,  
The Minister of State for Finance,  
Ministry of Finance,  
Govt. of India,  
New Delhi.**

Respected Sir,

**Sub : Reply to Lok Sabha unstarred question no 1327 answered on 10<sup>th</sup> February, 2020  
by your goodself in response to point no. C. which reads as  
“The steps taken by the Government to address the issues of pensioners in PSBs”**

We had the opportunity of going through the aforesaid reply given in the Parliament. It can be presumed that the reply was prepared by Indian Banks Association. We cannot conceal our unhappiness over partial distortion of certain material facts presumably by IBA in regard to the status of payment of pension to the elder citizens of the Banking Industry. Very humbly, we like to bring to your kind notice the following facts which will give you a completely different picture :

- 1) The principal contention of IBA is that the affordability of Banks is the main factor to make improvement in the pension scheme of the public sector banks. It is being conveniently forgotten that it is a mandatory obligation on the part of the Banks. The question of affordability is not at all relevant here. In Pension Regulation Clause No. 35.1, it has been clearly stated that basic pension and additional pension wherever applicable shall be updated as per formula given in appendix no. 1 (gazette notification no 9 dated 01.03.2003).
- 2) It may further please be noted that the Pension Fund of Banks including SBI is a robust one and its present balance is nearly 3 lakh crores. This fund has been created out of the PF Contributions surrendered by employees and officers of the bank and also time to time contributions made by the banks to the extent required as per provisions of Bank Employees Pension Regulation. Every year at the time of signing of Balance sheet, auditors have to confirm about the adequacy and sustainability of the Fund.
- 3) The funding pattern of Pension Fund by bank which is its mandatory obligation has been dealt with in Clause no. 11, 5 & 7 of the Pension Regulation. Every bank on the date of signing the balance sheet will see whether there is any shortfall as per valuation undertaken by a Government approved actuary. If there is any shortfall, bank will have to provide funds to make good its inadequacy.
- 4) This is also interesting to note that IBA in its letters to AIBOC at different points of time had stated that the Pension Scheme in Banks is on the lines of government of India Employees Pension Scheme. In such letters IBA advised the organisations of Banks to convince their members to opt for pension instead of CPF scheme as the Pension Scheme had got many favourable features like that of periodical updation of pension. Now with the passage of time, the present body of IBA cannot push the wheels backward because the Pension Regulation was a product of bilateral negotiations between the then authorities of IBA and the then leaders of different trade unions of the Industry.
- 5) All doubts in respect of the liability of the Bank will be clarified by a careful reading of Regulation No. 56 which says that in case of doubt, in the matter of application of this Regulation, regard may be had to the corresponding provisions of the Central Civil Rules, 1972 or Central Civil (Commutation of Pension) Rules, 1981.
- 6) Sir, it may please be noted that ours is a defined Pension Scheme and the liability of Banks under Pension Regulations is statutory one because it is a subordinate legislation and the PSBs are state and also instruments of the Government under Article 12 of the Constitution. When Banks run into net losses because of higher provisioning on account of NPA, it may please be noted that the income recognition norm and categorization of assets is governed by Regulatory norm of RBI. The statutory nature of a Regulation will always get precedence over Regulatory norms of RBI.
- 7) Every time we see that the replies framed by IBA are vague and evasive in nature. In Pension Regulation, there are number of clauses which very clearly tell that it is the statutory responsibility of Banks to make the funds adequate; it also tells that pension will be updated periodically and it also harps that in case of any ambiguity, reference is to be made to central government rules. At different points of time, we have explained our standpoint to IBA, officials of DOFS, Hon'ble Finance Minister and Hon'ble Prime Minister.

It is our earnest appeal before your goodself that a favourable re-look into the aforesaid clauses may please be given. It will surely be understood that the elder citizens of the Banking Industry are getting a raw deal which they do not deserve. The purpose of writing this letter is that IBA presumably at the time of handling the issue forgets certain material points which come to the favour of the Bank Pensioners.

With kind regards,



( K.V. Acharya )  
President



( Suprita Sarkar )  
General Secretary