



**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 27.08.20.

Circular no 69-20.

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

Dear Comrade,

Sub: **Resolution of pending issues of Pensioners & Retirees of the Banking Industry along with 11th Bipartite Settlement.**

Our letter addressed to The Chairman, IBA on 26.08.20 over the aforesaid subject is reproduced hereunder for information of all our members.

With best wishes and request to stay safe with family.

Comradely yours.

Suprita Sarkar  
General Secretary

QUOTE:

Dated: 26.08.2020

Shri Rajnish Kumar  
Chairman  
Indian Banks' Association  
Mumbai

Respected Sir,

**Request for Resolution of our Pending Issues along with 11th Bipartite Settlement**

We have been pursuing the pending issues of Bank Pensioners and Retirees with the Government and Indian Banks' Associations persistently. In the wake of spread of Coronavirus, **We as a body of responsible senior citizens concentrated on mobilising donations from Bank Pensioners for PM-CARES FUND** to make our humble contributions to mankind and the total amount of donations by Bank Pensioners aggregated to **about Rs.4.00 crores of which Rs 2.32 crores was**

**by us(AIBPARC).** This is apart from individual contributions made by our members to PM-CARES FUND, PM Relief Fund & VARIOUS CHIEF MINISTERS' RELIEF FUNDS directly.

Meanwhile, IBA and UFBU have signed an MoU regarding WAGE Revision on 22.07.2020, as a culmination of protracted negotiations on Charter of Demands. **It is pertinent to mention that the Charter also included the demands of Bank Pensioners.** With improvements in Family Pension at par with Government and RBI Family Pensioners we are confident that other issues of Bank Pensioners **mainly the most long pending Issue of Updation of Pension will be resolved.** We further feel it is necessary to briefly explain the issues putting forth our points.

## **1. UPDATION OF PENSION**

**Updation of Pension has been duly provided in the Banks' Pension Regulations (a Subordinate Legislation). Regulation 35 (1) clearly provides that Basic Pension and Additional Pension, wherever applicable shall be updated as per the formula given in Appendix I (GAZETTE NOTIFICATION NO.9 Dated 1.3.2003). Appendix 1 contained Formula then prevailing for Government Pensioners which was considerably improved for the Government Pensioners in the Sixth and Seventh Pay Commission Recommendations.**

It is thus a **statutory obligation on the part of the Banks to implement Updation of Pension** periodically as and when there is a **Revision of Salary**. But it has not been implemented and we are continued to be denied justice. However, RBI Pensioners have been granted updation of pension w.e.f 1.4.2019. It is further heartening to note that NABARD has also decided to implement the updation on the same pattern as was done in case of RBI. Their Circular No.733 dated 20 August 2020 contains a direction to pay Interim Relief to the extent of 60% of the Notional Increase from August 2020 along with DA Relief pending approval from GOI. We request you to resolve this long pending issue by implementing Pension Regulation 35 (1) **OR** at least grant us the same Updation Factors as in case of RBI/NABARD Pensioners.

Even at the cost of repetition **we would like to state that Pension is held by the Supreme Court as Deferred Wage and not a Bounty and Wage Revision and Pension Revision are inseparable.** It is also important to mention here that Pension is paid out from Pension Fund which is initially constituted out of PF Contributions surrendered by the Bank Employees and then onwards the Bank's portion of PF Contributions to the Employees directly continuously going to Pension Fund the same has grown as a **Strong and Sound Pension Fund along with Yield earned on that**. As per the Pension Settlement of 1993, Pension is given as Second Benefit only as available to Government and RBI Pensioners. **Pension Scheme in Banks is identical to Government and RBI Pension Scheme.**

Improvement in Pension Payments does not impact the Balance Sheets of the Banks if Pension Fund is fairly and professionally maintained and managed. **Hence though Pension Revision being a Deferred Wage is a Natural Corollary to Wage Revision for Serving Employees and Officers, such Revision of Pension does not affect the Balance Sheets of the Banks.**

This being so, we are wondering as to why such a procrastination on the part of Bank Managements represented by IBA to **undo the injustice very harshly meted out to Bank Pensioners who contributed the most to the overall Economic Development of this Great Nation serving every section of the Society in hardship centres, insurgency infested areas, Terrorist affected places and even in dangerous Border Terrains.** We only wish that You will understand and appreciate the anguish, anxiety and genuine and reasonable expectations of Bank Pensioners and Retirees with regard to Updation of Pension.

## 2. 100% DA NEUTRALISATION FOR PRE-NOVEMBER 2002 RETIREES

While serving and post-November 2002 Retirees are given a better DA formula which factors 100% increase in Consumer Price Index from 2005, **the old pensioners continue to get tapered DA on lower side. Sir you will appreciate that price rise affects all in equal measure and hence Super Senior Citizens should not be discriminated so unfairly by denying them the benefit of 100% DA Neutralisation.** This is again contrary to the 8th BPS which never denied 100% DA Neutralization to Pre November 2002-Retirees but unfortunately and unnaturally denied Pre-2002 Bank Pensioners only whereas RBI Pensioners got it from 2005 itself with their Wage Settlement. **We request you to kindly end this unnatural and harsh discrimination at least now.**

## 3. RATIONALISATION OF MEDICAL INSURANCE SCHEME

Consequent to a letter dated 24.2.2012 written by DFS to IBA that a Medical Insurance Scheme for both serving and retired employees be evolved, IBA introduced a Medical Insurance Scheme in the year 2015. While the serving employees were covered at the banks' cost, the retired employees were asked to pay the premium, if they wished to be covered under the scheme. The premium which was Rs 7559/- in the year 2015-16 (with OPD Facility) has now skyrocketed to more than Rs 90,000 with OPD facility for the year 2019-20. It has led to many Retirees opting out of the scheme for the reason of unaffordability. They had earlier discontinued the personal insurance policies when the IBA scheme had a premium of just Rs 7559 with OPD Facility. In retrospect, they are feeling trapped. It is sad and painful. **We request that the premium should be borne by the Banks. Alternatively, a new scheme on the lines of CGHS be introduced by collecting one-time contribution from the Retirees.**

## 4. RECKONING SPECIAL ALLOWANCE FOR PENSION AND GRATUITY

A Special Allowance as a specified %age of Basic Pay was introduced w.e.f. 01.11.2012 and the said allowance attracted DA like Basic Pay does. But it was excluded for the purposes of computation of Pension and calculation of Gratuity unlike other allowances like FPA, PQA ETC. Such exclusion of Special Allowance is ultra vires. **It has been held by Supreme Court in the case of Chief Provident Fund Commissioner that any allowance which is payable to all employees across the board without being assigned to performance of any specific duty and is also paid for the period even when the employee is on leave, is to be treated as a part of Basic Pay. Our Special Allowance meets the criteria laid down by the Hon'ble Supreme Court.** In another case it was held that there cannot be different pay for Salary and Pension and our Pension Regulations were amended to define the Basic Pay correctly. Such an anomaly needs to be rectified by reckoning the Special Allowance for the purposes of Computation of Pension and Calculation of Gratuity.

Sir, we earnestly request you to consider these issues sympathetically so as to facilitate resolution of these issues along with Wage Settlement which is likely to be signed between IBA & UFBU shortly.

Please consider our request and resolve these issues along with 11th Bipartite Settlement as all these issues were part of Charter of Demands submitted in October 2017 by the Organisations of serving Award Staff and Officers.

Thanking you,

Yours faithfully



K.V. Acharya  
President



S. Sarkar  
General Secretary