



# 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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Circular no.06-22

Date: January 20, 2022.

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

Dear Comrade,

**Sub: PETITION OF AIBPARC/CBPRO on UPDATION OF PENSION.**

We reproduce hereunder the text of our letter dated 18.01.22 on above subject written to Shri Prasanna Acharya, The Hon'ble Chairman, Parliamentary Committee on Petitions with copy endorsed to Shri A. Navaneethakrishnan, The Hon'ble Chairman, Committee on Government Assurances Rajya Sabha.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar  
General Secretary.

Encl: :As stated.

**AIBPARC/Com. on Petitions/Email/2022. Date: January 18,2022.**

To  
Shri Prasanna Acharya,  
The Hon'ble Chairman  
Parliamentary Committee on Petitions  
Parliament House  
NEW DELHI-110001

Respected Sir,

**OUR PETITION REQUESTING FOR UPDATION OF PENSION OF BANK PENSIONERS**

We wish to introduce ourselves as a Confederation of the Organisations of the Bank Pensioners and Retirees in different Banks. We have been taking up various pending issues of Bank Retirees and Pensioners with the



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION

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

Department of Financial Services, Ministry of Finance, Government of India, including the Hon'ble Minister of Finance, Indian Banks' Association etc. While the Hon'ble Minister of Finance had been expressing her kind concern for the early redressal of grievances of the Bank Pensioners including Updation of Pension, the Internal Committee constituted by Indian Banks' Association, is yet to submit its recommendations, thereby resulting in the delay in resolution of our legitimate demand which has been pending for about 30 years.

We are confident that your good self will be kind enough to consider our request for Updation of Pension favourably and render Justice to the entire community of Bank Pensioners.

We were really enthused with the formation of the Indian Banks' Association's Committee on Updation of Pension headed by Shri CH S S Mallikarjuna Rao, M D and CEO, Punjab National Bank but a solution continues to elude us. The Committee also held discussions with Employees' Unions and Officers' Organisations on 22nd July 2021. We have been keenly awaiting for an early finalization of IBA's recommendations to the Ministry since then. The Honorable Minister of State for Finance also in his reply to the Question in the Parliament stated that the Ministry would be considering the proposal for Updation of Pension if IBA would send a recommendation in this regard. While we strongly feel that the Bank Pensioners and Retirees Organisations should be heard on Bank Pensioners and Retirees issues as we are the main stakeholders and are hopeful of getting such an opportunity, we feel it is necessary to place the merits of our case before Your Good Self.

1. The benefit of extension of Pension was given only as a Second Benefit i.e. in lieu of the Contributory Provident Fund as available to Government and RBI Pensioners. It is very important to note that the Pensioners while opting for Pension had surrendered the part of Bank's contributions to their Provident Fund along with interest thereon with an authorization to transfer the entire amount to Pension Fund, so that only the shortfall, if any, would be required to be contributed by the Bank as per the provisions of Bank Employees Pension Regulations. It may also be appreciated that Pension is a Deferred Wage as held in various judicial pronouncements including by the Hon'ble Supreme Court and hence it is a legal right accrued for the past services rendered to the Bank. The Hon'ble Supreme Court has also held that the Salary Revision and Pension Revision are inseparable. The rationale for Updation of Pension is that when Wages are revised, the deferred wages cannot remain static.

2. The Banks in exercise of the powers conferred by Clause (f) of Sub Section (2) of Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 in consultation with the Reserve Bank of India and with the previous sanction of the Central Government made the Pension Regulations 1995 providing for the implementation of the Pension Scheme retrospectively from 01.01.1986.

**Pension Regulation 35(1) provided for Updation of Pension as under:**

**"In respect of employees who retired between 1st day of January 1986 but before 31st day of October 1987, Basic Pension and Additional Pension will be updated as per the formula given in Appendix-I".**

The same was given effect to and the pension of the pensioners who retired between 01.01.1986 and 31.10.1987 was updated as only this section of pensioners was eligible for updation of pension at the time of implementation of the Pension Scheme in the Banks.

**3. With a view to having universal coverage of the benefit of Updation of Pension, on the instructions of the Central Government and in consultation with the Reserve Bank of India, the Banks amended Pension Regulation 35(1) during the NDA Government headed by the Most Revered Atal Bihari Vajpayeeji, in the year 2003 through Government Gazette Notification to read as follows:**

**"Basic pension and additional pension, wherever applicable, shall be updated as per the formulae given in Appendix-I".**



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

The formulae given in the Appendix-I to the Bank Employees' Pension Regulations 1995 was same as prevailing for updation of pension for the Central Government employees. Although the Formula for Updation for Government Pensioners was modified in the Sixth Pay Commission in 2006 and Seventh Pay Commission in 2016, the Bank pensioners Updation Formulae contained in the Appendix-I to our Pension Regulations 1995 remained unmodified with Salary Revision Settlement for the Bank Employees, as it was not being implemented in the banks simultaneously with the Periodical Revision of our Salary.

4. It is also pertinent to submit here that when All India Bank Officers' Confederation demanded some more improvements in the Pension Scheme, IBA had written to Shri R N Godbole, the then General Secretary, All India Bank Officers Confederation that the Pension Scheme in Banks is on the lines of the Pension Scheme in Government/ RBI and hence the requested improvements could not be considered.

5. **Pension Regulation 56 also provides that in case of doubt, in the matter of application of these Regulations, regard may be had to the corresponding provisions of Central Civil Services (Commutation of Pension) Rules 1981.** It may be appreciated that the Updation of Pension is available to both Government and Reserve Bank of India Pensioners. Under such circumstances not granting the benefit of Updation to Bank Pensioners is not only Arbitrary but also Discriminatory. It is also against the provisions of Article 14 (Equality before the law) of the Constitution of India.

6. It is in view of such an unambiguous provision for Updation, the Bank Pensioners have been demanding Updation of Pension for all the Pensioners from respective dates of their eligibility for Updation. But after the Government granted the benefit of Updation of Pension for RBI Pensioners, we have rationalised and scaled down our demand by requesting for the RBI Pensioners Updation Formula and with the same date of effect i.e., 01.03.2019.

7. We wish to submit that in the case of RBI Pensioners, the Government had stated that granting Updation of Pension to RBI Pensioners would have a Contagion effect as similar demands have been made by Bank Pensioners. In as much as, the benefit of Updation of Pension has already been granted by the Government to the Pensioners of RBI, the continued denial of Updation of Pension to the Bank Pensioners, defies reason and rational thinking.

8. **Hon'ble Sir**, the Bank Employees' Pension Regulations are Subordinate Legislation and the Banks are a State within the meaning of Article 12 of the Constitution of India and it would make compliance of our Pension Regulations including Regulation 35(1) which provides for Updation of Basic Pension and Additional Pension, mandatory and also a legal obligation on the part of the Banks.

9. Even though the provision for updation of our pension is a legal obligation on the part of the banks, the Corpus in the Banks Pension Funds are quite robust and adequate to take care of the updation without any need for additional provisioning at the present juncture. The details of Pension Fund of all the Banks including that of State Bank of India are given below:



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION (A.I.B.P.A.R.C.)



## Pension Fund:

Opening Balance as on 1.4.2018	Rs. (crores)
Public Sector Banks	178188.80
State Bank of India	70891.47
<b>Total</b>	<b>249080.27</b>
<b>ADD</b>	
1. Interest earned during year 2018-19	18022.83
2. Contributions by Banks during 2018-19	11666.24
Total accretion to the Fund (1+2) <b>(A)</b>	29689.07
<b>Total Fund Available</b>	<b>278769.34</b>
<b>LESS</b>	
Pension Paid from 1.4.2018 to 31.3.2019	15871.39
Proposed annual Updation Cost	3288.13
Total annual payout after updation <b>(B)</b>	19159.52
<b>Net surplus after meeting updated pension payout (A) - (B)</b>	<b>10529.55</b>
<b>Closing Balance without updation-2019</b>	<b>262897.95</b>
<b>Closing Balance after proposed updation-2019 (without any additional provision)</b>	<b>259609.82</b>

10. We are quoting the figures of 2019 since the Updation of Pension was allowed in RBI in the said year and since then the Pension Corpus has increased manifold. It is now more than Rs3,20,000 crore for all Banks including State Bank of India.

11. Our Defined Benefit Pension Scheme, was conceived as perpetual, but the introduction of the New Pension Scheme for those employees who joined the service in the banks after April, 2010, makes the Old Defined Benefit Scheme as a close ended Scheme. Further the fact that there was a ban on recruitment in Public Sector Banks from 1985 to 1997 assumes great significance as there would not be much addition to the number of pensioners during corresponding 12 years of retirement of the employees. Thus, the pensioners being a vanishing tribe, will leave the entire Corpus in the Pension Fund undisbursed.

12. The higher funding requirements which may have been indicated by the Actuaries are on account of Assumptions like higher life expectancy, yield on Pension Fund investments etc and accuracy of such assumptions are debatable. Such Assumptions Undermine the huge sums available in Pension Funds by keeping the cost of Updation of Pension as standalone by de-linking it from the existing Pension Funds and annual yields thereon, which are quite robust.

13. It is reiterated that the Pension Fund is required to be funded by the Banks in terms of Pension Regulations 5(3) and Regulation 7(A) to (H). Further, in terms of Regulation 11 the Banks are required to cause an investigation by an Actuary into the financial condition of the Fund annually and make such additional annual contributions as may be required to secure payment of the benefits under the Pension Regulation which include Updation of Pension as provided under Pension Regulation 35 (1).



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

**The Hon'ble Finance Minister while addressing the Chief Executives of Banks in the Annual General Body Meeting of Indian Banks' Association in November 2020 exhorted them to treat the past Employees of Banks who are Pensioners now as part of the Family and redress their grievances.** This raised their aspirations and gave lots of Comfort and Solace to the entire community of Bank Pensioners and Retirees.

In view of the foregoing submissions, we earnestly request Your Good Self to help us get the legitimate and legal right restored by granting Updation of Pension and oblige.

With respectful regards,

Yours faithfully,

K V Acharya  
President, AIBPARC  
& Joint Convener, CBPRO

Suprita Sarkar  
General Secretary, AIBPARC

CC: Shri A. Navaneethakrishnan, Hon'ble Chairman, Parliamentary Committee on Government Assurances, Rajya Sabha for kind information.