



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



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Circular no 132-24

Date: November 02, 2024.

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

Dear Comrade,


Sub: Submission of Memorandum to various authorities on the day of Dharna held at the call of CBPRO on 23rd October, 2024.

From our circular number: 129-24 dated October 27, 2024 enclosing CBPRO circular 16-2024 of the same date, our members have already known that CBPRO had submitted an elaborate memorandum on various long pending demands of the Retirees to the Secretariat of the Hon'ble Union Finance Minister, the Secretariat of MOS, Finance and also to the Secretary, DFS, MOF, GOI.

As the texts of the memoranda are the same and identical, we are reproducing the memorandum submitted to The, Secretary, DFS for information of members.

With best wishes and regards,

Comradely yours,


K.V. Acharya.
President, AIBPARC
& Jt. Convenor, CBPRO


Suprita Sarkar
General Secretary

Encl: As stated.

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(Federation of SBI Pensioners' Associations, AIBPARC, RBONC, AIRBEA and FORBE)

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CBPRO/ FS--GOI/Memorandum/Unresolved issues/15/ email/2024

Date: October 23, 2024

Shri M. Nagaraju,
The Secretary,
Department of Financial Services,
Ministry of Finance,
Government of India,
Jeevan Deep Building,
Parliament Street,
New Delhi 110001

Respected Sir,

Sub: MEMORANDUM ON LONG PENDING ISSUES OF BANK PENSIONERS & RETIREES

1. We wish to introduce ourselves as CBPRO, an apex level Co- ordination of various Retiree Organisations of the Banking Industry encompassing as members several lacs of Senior and Super Senior citizens belonging to State Bank of India, various Nationalized Banks, Private Sector Banks and other Banking institutions.
2. We have been consistently and relentlessly escalating the long unresolved issues of the Bank Retirees for more than a decade before the Hon'ble Union Finance Minister, the Finance Secretary, GOI, the Secretary, DFS, GOI and also the Chairman, IBA for an early resolution of the grievances of the senior citizens of the Industry since the time available at their disposal is short by the simple law of nature.
3. We acknowledge with thanks and gratitude the kind and sympathetic gesture and also a compassionate concern of the Hon'ble Union Finance Minister for the Bank Retirees. She gave us audience on at least two occasions and heard us with patience. It is at her kind intervention only that several long pending issues of the Bank Retirees got resolved. The said issues included, inter alia, improvement of Family Pension in line with the Pensioners of Central Government and RBI employees, 100% DA neutralization for Pre- November 2002 Retirees, Pension Option to the eligible Resignees, Improvement of financial ex-gratia to Pre-1986 Retirees/ spouse etc.
4. All other long pending issues which still remain unresolved are the legitimate and just entitlements of the senior citizens of the Industry. The demands are supported by documents and depositions on record. As the Retirees do not have any structured forum for mutual discussion on grievances at IBA level, We, the broad-based Co-ordination of the Pensioners and Retirees organisations, have to directly knock the doors of the Government only. Today the Retirees of the Industry coming from every nook and corner of the country held a massively attended Dharna programme at Jantar Mantar, Delhi. Responding to the sentiments, feelings and direction of the Senior and Super Senior Citizens of the Industry, we are placing before you the Memorandum with a high hope that the issues would be studied in proper perspective

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and an early resolution to the long pending grievances would be done to help reduce the anxiety of the elders. Should, however, you require any clarification on any one of the issues, we shall make ourselves available at the earliest possible given opportunity.

5. The issues are being placed hereunder:

A) UPDATION OF PENSION:

You are well aware of the fact that in the Bank Employees Pension Regulations (1995), there is a well laid down provision of Pension Updation vide Regulation 35.1 which was subsequently amended in the year 2003 to make the clause universally applicable to all eligible Retirees. It was duly gazetted by Government of India. You are also conversant with the fact that the Pension Rules are modelled on the patterns of the rules as applicable for pensioners of GOI/RBI.

When the recommendations of the Pay Commission for existing Government Employees are implemented, the pension of each retired employee is also simultaneously upwardly revised at the time of each Pay Commission. The same thing has been extended in case of RBI/NABARD Employees. Unfortunately, this concept of Updation remains unimplemented in the Banking Industry as Government/IBA have not yet notified the Updation Formulae for the last seven revisions of pay for Bank Employees and Officers. Surprisingly unlike the Govt./RBI/NABARD employees, in banking industry pension is fixed rather frozen on the date of retirement and the Basic Pension sum remains unchanged till the death of the pensioners!!! DFS/IBA are under obligation to declare Pension Updation formulae in respect of each Bipartite Settlement in accordance with the provisions of Pension Regulation No.35(1) amended in March 2003. But instead of doing that, **IBA is often taking a wrong plea and feeding the DFS with wrong informations like "There is no provision of Updation of Pension in Bank Employees Pension Regulations 1995, it is a Funded scheme , that they have no mandate from the Member Banks for giving Updation of Pension , Cost implication of Pension Fund , that the matter is Sub-Judice and stunningly abhorrent claim that there is no Contractual Relationship between the Banks and Pensioners after retirement.** Ironically, they keep on changing the reasons for denying Updation with excuses as above.

Records will reveal that the total amount held in the pension corpus of all Bank including SBI is about Rs 4 Lakh crores and the annual cost of Updation will be around Rs. 3000 crores only if the Pension Updation is done as per the RBI formula. We have submitted actual bank wise calculation sheets to DFS & IBA. When the AIBPARC leaders met The Hon'ble Finance Minister on 19th June 2023, She stated that the Government would not come in the way of Updation of Pension if the Banks do not ask for Additional Money from the Government.

The Banks do not need to make any additional provisions for Updation. An astronomical figure, reportedly quoted by IBA, is absolutely without any scientific basis. The Banks have also been making very high Operating Profits throughout and also huge Net Profits in spite of NPA Provisions and the in the last financial year the Net Profits of SBI and Public Sector Banks was more than Rs One Lakh Forty Thousand Crores.

It is beyond comprehension that the benefit of Updation which is already provided in Bank Employees Pension Regulations and Settlement is being held back illegally with the allurements of Ex-gratia to the hapless Pensioners thus exploiting their emotional vulnerability. **We earnestly request that DFS/IBA may please be advised to render justice to all eligible Pensioners of Banking Industry, by notifying the Formulae for Updation of Pension as done for RBI and NABARD Pensioners.**

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As for SBI, We equally demand the implementation of Pension Updation for all SBI Pensioners. We further demand that 50% pension should be paid from the date of retirement of pensioners instead of from 10th November, 2023.

B) RECKONING OF SPECIAL ALLOWANCE TO COMPUTE PENSION & GRATUITY:

Peculiarly a new feature of Special Allowance what was known as Special Pay for Government Employees through the Pay Commission Recommendations is introduced for all the officers and employees of the Banks w.e.f. 01.11.2012 (10th Bipartite wage settlement & 7th Joint Note) by reducing the basic pay by 7.5%, which is being paid as a **"special allowance"**. It attracts Dearness Allowance. It is not assigned to any specific duties to be performed to earn this allowance. It is paid across the board to all employees even when they are on leave. **The said features of the "special allowance" make its accountable for superannuation benefit as adjudged by the Hon'ble Supreme Court on 28.02.2019 in the matter of the Regional Provident Fund Commissioner (II) West Bengal versus Vivekananda Vidyamandir and ors.** In the backdrop of this judgment, a case was lodged in the High Court of Kerala at Ernakulam praying for a similar relief as adjudicated by the Hon'ble Supreme Court of India. The single judge bench has given a judgment favourable to the pensioners but the order of the single bench has been challenged by the bank as per advice of IBA and the issue was pending with the Division Bench. In the meantime, the allowance, which at the time of introduction was only 7.5% of the basic pay has now gone up to 31.5% of basic pay through subsequent wage settlements including one that has been signed on 08.03.2024 between IBA and UFBU. Your good self must appreciate the tune of loss the bank men are suffering in their Gratuity and Pension amount. **We would pray to your Goodself to impress upon IBA to restrain themselves from dragging the issue and instead obey the said order of the Hon'ble Supreme Court and the Hon'ble High Court of Kerala keeping in mind the earlier verdict of the Hon'ble Supreme Court, which only vindicates the prayer of the pensioners.**

C) STOPPAGE OF DEDUCTION/RECOVERY OF THE VALUE OF COMMUTATION AFTER 10 YEARS OF RETIREMENT INSTEAD OF 15:

Retired Employees of Punjab and Haryana State Governments approached the Punjab & Haryana High Court for stopping recovery of commutation after 10 years of retirement on the grounds of its being unlawful as the same was not backed by Rules in prevalence. The Court took cognizance of the issue and passed an interim order on the respective State Governments to stop the recovery of commutation after 10 years. Both the State Governments in order to avoid further litigation in the matter implemented the Court orders not only for the Petitioners but also for all the similarly placed persons.

The Retirees of different Banks residing not only in the territorial jurisdiction of the HC but also in different parts of the Country and also the organisations of the Retirees in certain cases approached the Hon'ble High Court and got restraint orders on respective Banks to stop the recovery after 10 years of retirement. Similar such orders have been passed by the Hon'ble High Courts of Kerala, Allahabad and also Lucknow Bench of Allahabad High Court.

We have also known that the employees of the Defence and the Railways have also received similar such orders from different HCs and Central Administrative Tribunals and the orders have already been brought to the knowledge of GOI.

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So, we like to make two requests:

** The verdicts passed by the various High Courts may be honoured as per provisions of the Honest Litigation Policy for Senior Citizens and IBA may be suitably advised to issue uniform guidelines to all the member Banks.

** The commutation formula prevalent in SBI may be improved and be brought at par with the Industry.

D) REIMBURSEMENT OF MEDICAL INSURANCE BY BANKS:

You are aware of the fact that the DFS, MOF, GOI issued a guideline on Staff welfare On 24TH February, 2012 wherein it was advised to IBA to evolve a Medical Insurance Scheme both for the serving and retired employees. But while introducing the scheme, IBA in a unilateral move, advised premium in respect of serving employees to be borne by the Banks and if the retirees wish to opt for the scheme, they must pay the premium amount. It was contrary to the guidelines issued by DFS.

During 2015 AND 2024, the premium skyrocketed to an unbelievable extent of well above Rs.1 lakh and the Retirees had to suffer and, in many cases, pay 3-4 months pension as premium. It left many retirees more particularly those who retired in the lower rung of hierarchy, to withdraw from the scheme on account of unaffordability. It sounds atrocious but is a hard fact.

This is only in the year 2024 that IBA and UFBU accepted our suggestions and reverted 2015 position to make it a single and combined policy for the in- service people and the Retirees.

As a result of this, the premium of the Base policy came down substantially but the lead Insurer quite contrary to the normal experience of ours in the past fixed the premium of the Top up policy at an exorbitantly high amount causing a lot of hardship for the Retirees. It created an anomalous situation and the relief given to the Retirees in one hand has been taken away by the other hand.

In view of all that has been told in the aforesaid paragraphs, we request you to consider the following demand which in our opinion is most Logical and Humane:

The premium of the Base policy of the Retirees as stipulated in the single and comprehensive policy for both the Serving Employees and the Retirees must be borne by the respective Banks as it is being done by the Banks in cases of Serving Employees. This is in commensurate with GOI guidelines of 2012 or alternatively the retirees should be provided medical facility under a scheme on the lines of CGHS against one time contribution from the Retirees. Mentally and physically challenged children should also be covered as dependents on Humanitarian considerations.

E) ONE MORE OPTION FOR PENSION FOR THE ELIGIBLE LEFT - OUTS:

This is known to you that a very insignificant number of Retirees are there in the Industry who for various reasons could not opt for pension although they had rendered such years of service as to be eligible for opting for pension and they are now passing their days in extreme penury. Their number may be hardly few hundreds. As Welfare State the Government is wedded to Pension for all. Here such unfortunate Left Outs would be surrendering the management contribution of P F which is otherwise part and parcel of their Pay Package if and when Pension Option is given to them. Hence it is a very feasible proposition to consider.

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In similar cases, GOI allowed the employees of RBI, General insurance companies and also of NABARD opportunities to opt for Pension.

We request you to consider this request favourably and with compassion.

F) D.A. DISPARITY:

The implementation of a new DA formula which has been made applicable from 01.11.2022(COI 2016=100) has again given rise to two sets of DA formulae in the Industry. The discrimination which was removed just a few months ago re- surfaced. Although it was agreed in the Minutes between IBA and UFBU that the DA scheme for all Pensioners would be fixed at the uniform index of 8088 points, now it is being contended that it requires further discussion. This departure from agreed minutes causes delay, suspicion, and uncertainty. This needs to be resolved without any further loss of time.

****100% DA neutralization to Pre-November, 2002 Retirees** was allowed from 1st October, 2023. The pensioners belonging to the same category again became victims of discrimination at the time of payment of ex-gratia as agreed upon in the 12th Bipartite Settlement/9th Joint Note. The arrears of ex-gratia was made payable from 1st November, 2022 whereas the effect of DA neutralization was given from 1st October, 2023. As a result, the benefit of DA neutralization at 100% did not accrue in the form of computation of Ex-gratia to those who retired prior to 01.11.2002.

*****It is also pertinent to submit that the benefit of 100% DA neutralization to Pre-November 2002 Retirees may please be extended** wef 01.05.2005 as was extended to post November 01, 2002 retirees. Having appreciated that gross discrimination is meted to Pre-November 2002 Retirees in respect of 100 percent DA, it is necessary to remove the discrimination completely by making payment of 100 Percent DA from 1st May 2005 to them who are more than 80 years of age now.

G) ISSUES RELATED TO PAYMENT OF GRATUITY:

In recent times, there have been various judgements passed by different High Courts on the modalities of the payment of gratuity.

They are:

a) For every completed year of service exceeding 30 years, the statute requires to make payment of one-half month's pay i.e. total 45 days for Every year beyond 30 years.

b) Dearness allowance is to be taken for the purpose of calculation of gratuity.

We have instantly represented before GOI and IBA to give effect to such verdicts by following the Honest Litigation Policy for the senior citizens and to advise the Banks for implementation.

Moreover, as per order dated 30.04.2024 issued by the Additional PF Commissioner (HR), the maximum limit of the retirement gratuity and death gratuity shall be increased by 25% to Rs 25 Lacs from the existing Rs 20 lakhs on account of revision of DA paid to central government employees exceeds 50% of the BP wef 01.01.2024. Now the implementation of the upwardly revised ceiling of gratuity in other sectors is required to be done by a Notification in terms of the amendment of the Gratuity Act brought in force from 29th March, 2018.

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H) CONSULTATION/NEGOTIATION STATUS TO THE APEX ORGANISATIONS OF THE PENSIONERS: -

The Bank Pensioners' number far exceeds the number of serving employees and officers at more than 7.68 Lakh pensioners. But our grievances are still left at the mercy of IBA and serving Bank Officers and Employees Organizations. Our repeated requests for consultative/ negotiating status at IBA level are obstructed by IBA on the ground that the Banks have authorized the IBA to have dialogue with UFBU leaders only and not the retiree organizations. Sir, you are aware of the fact that the Boards of the Banks take such Resolutions at the advice of the Managing Committee of IBA. If the advice is given to talk to apex level Retirees Organizations on matters relating to Pensioners, then Banks will follow the same. Moreover, IBA has issued an advisory to all member banks to form a grievance redressal forum for pensioners at the corporate level of each bank but strangely enough IBA does not follow the same in letter and spirit of its own guidelines to member Banks. **We demand that the Apex Level Retirees Organisations should be given a formal consultative status at IBA level to discuss matters relating to Pensioners and Retirees and Family Pensioners. Alternatively, the Retirees Organisation be invited for discussion along with UFBU representatives.**

Sir, we hope fervently that the issues raised in the Memorandum will be attended to with sympathy and favour. All our demands are backed by statute, Regulations, Court Verdicts, and established facts and norms. The Senior and the Super Senior citizens have little time "to stand and stare" as they are waiting for the delivery of justice for several decades.

With kind regards,

Yours faithfully,



Dipak Kumar Basu



K.V. Acharya

Joint Convenors,
CBPRO