



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

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(EASTERN INDIA BRANCHES)  
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Circular no. 17-23

Date: March 09, 2023

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

**Sub: Long Pending and unresolved Issues of the Senior Citizens of the Banking Industry.**

We reproduce hereunder the text of our letter written on date on the above subject to the Hon'ble Union Finance Minister. The copy of the letter has been endorsed to the Chairman & Other Officials of IBA, Managing Directors of Banks, DFS, MOF, GOI and also to the Convener, UFBU.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar  
General Secretary

Quote:

AIBPARC/HON'BLE FM/BANK PENSIONERS ISSUES/EMAIL/2023 09 March, 2023.

**Ms. Nirmala Sitharamanji,  
Hon'ble Union Finance Minister,  
Government of India,  
North Block, New Delhi.**

**Respected Madam,**

**Sub: Long Pending and unresolved issues of the Senior Citizens of the Banking Industry.**

We like to encroach upon your valuable time in making a brief presentation of the events in chronology which took place in quick succession after your Good Self had been very kind enough to meet a delegation of our organisation on 4<sup>th</sup> October, 2022:



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1. Within next two days of our meeting with your Good Self , we got a call from IBA and in pursuance of the said call, we met the officials of IBA at Mumbai on 11th October, 2022 and discussed the core issues of the retirees namely (a) Pension Updation, (b) 100% DA neutralization to pre-November, 2002 retirees, (c) Group Medical Insurance Scheme at affordable rates, (d) Non-Computation of Special Allowance for calculation of Gratuity and Pension, (e) Improvement of Financial Ex Gratia for pre-1986 retirees, (f) One more option for Pension for Resignees and left outs and (g) Consultative status for the Apex Retirees Organisations.
  2. In course of the said negotiation, we had submitted documents in support of each of the issues. Such documents included, inter-alia, copies of relevant Regulations, amended copies of Regulations, letters of GOI issued to IBA from time to time, relevant verdicts of Court Judgements etc. We took specific care in establishing the justifiability of our demands with the support of acceptable documents. The IBA team comprising of the Deputy Chief Executive, Senior Advisor (HR & IR) and Advisor (HR) listened to us with patience and concern. The summary of the discussion that we had was made known to your good self as well as to the Chairman, IBA for the Kind Information.
  3. As the meeting with IBA took place at your kind intervention, we expected naturally that certain forward movements would take place at least for some of the important issues. Out of the seven (7) issues discussed by us across the table, we had noticed that IBA had well pronounced negative responses in respect of two issues – (a) Non-computation of special allowance for calculation of superannuation benefits on the ground that the issue had been bilaterally resolved in two successive Bipartite settlements signed by and between IBA & UFBU and (b) allowing one more option of Pension to the left outs and the eligible Resignees on the ground that the Managing Committee of IBA discussed the issue at length and decided against it. IBA further opined that the case could be still pursued and discussed to find a solution.
  4. Out of the remaining 5 (five) issues, to quote the language of the officials of IBA, they had been “seized with” the issues of pension updation and group medical insurance for retirees. Although no specific path to resolve was indicated, it appeared to us that these two issues had been under consideration in a positive direction. We had left the meeting with an impression that some forward movement was going to take place about two issues affecting the interest of the super senior citizens of the industry namely (a) the improvement of financial ex-gratia to pre-1986 retirees and (b) 100% DA neutralization for pre-November, 2002 retirees.
  5. We have pleasure to inform that after a lapse of 4 months from the date of our meeting with IBA, the Advisory of IBA has gone to the Banks, (SBI & PSBs) to improve upon the quantum of financial ex-gratia to pre-1986 retirees. Although the number of such Beneficiaries is too small in number, still it is a welcome development as it would benefit mostly the surviving Lady spouses of higher age group. We have thanked IBA for the gesture and at the same time requested IBA to convey the specific date of effect to avoid un-uniformity among banks and also to ensure that the benefit goes to all the 58 banks (number now substantially reduced because of merger) which had signed the Pension Settlement including 14 private sector banks which are governed by BEPR (1995). We have also conveyed our sincerest thanks and gratitude to you since the meeting with IBA took place at your direction.
  6. We had been eagerly waiting for resolve of another long pending issue i.e., 100% DA neutralization to pre-November, 2002 retirees. Non-extension of the benefits to the aforesaid group is a gross denial of justice to the elder and super elder citizens of the Industry. The uniform rate was made applicable from 01.11.2002 in the Bipartite Settlement and the benefit was made payable from 01.05.2005. The Bipartite



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Settlement/Joint Note signed in May, 2005 did not tell anything about creation of an artificial barrier on the basis of the date of retirement. After one month from signing the settlement, IBA asked the Banks in writing not to pass on the benefits to those who retired prior to 01.11.2002. It was a unilateral and illegal direction on the part of IBA since it was a distortion of the bilaterally negotiated settlement.

We had repeatedly requested IBA with all supportive papers to reopen the chapter with DFS, MOF, GOI. The Retirees belonging to this segment (pre-2002) are in fact suffering from double jeopardy – the scanty amount of pension they had been receiving remained unaltered because of non-updation and additionally they had been deprived of full compensation of DA because of the tapered formula. This is most unfortunate to note that the total number of beneficiaries has been dwindling day by day by the law of nature and a few thousand hapless elder citizens have been eagerly waiting to get Justice.

7. **Now, coming to the most important issue of updation of pension**, certain disquieting developments surfaced of late which we have tried to thwart with our limited means and capabilities. In nutshell, we shall try to bring the crux of the issue to your kind notice. We observed with dismay and anxiety that in certain documents made available in the public domain (the text of minutes of meetings held between IBA and

various constituents of UFBU), IBA of late has been harbouring with the idea of considering the pension updation for a section of retirees who in their opinion had been getting lesser emoluments. Knowing this, there was a large-scale dissatisfaction among the retirees and we had to oppose the idea on the following grounds:

a. The assertion that “when the emolument was relatively lesser” than at present is ridiculous as every wage settlement entails increase in emoluments thereby rendering the earlier emolument relatively lesser. We, therefore, made it categorically clear that such assertion on the part of IBA is not only illegal and arbitrary but also it aims at creation of artificial classification within the similarly placed Retirees who are a homogeneous group and a single community. It was made abundantly clear that every pensioner who had seen revision of wages after his/her retirement was eligible for the facility of updation. It is a well settled position in many of the cases ruled by the Hon'ble Supreme Court. It is therefore not open to any contrary interpretation by IBA, DFS or Banks.

b) **For information of IBA, we said that Regulation 35(1) - Appendix –1 had clearly spelt out the modalities of Updation of Pension. In the said Appendix, there is a mention that the process of calculation would be made applicable for the Retirees between 01.01.86 and 31.12.87 since that particular group of Retirees alone was relevant and eligible at the time of implementation of Bank Employees Pension Regulations (1995). It was implemented and eligible pensioners were given the benefit of updation.**

But it is being denied during subsequent wage revisions. It may be appreciated that updation is not a onetime dispensation; it is rather a continual process on every wage revision. Subsequently in the year 2003, there was an amendment to the Pension Regulation 35(1) whereby the Boards of the Public Sector Banks, in terms of the powers conferred by Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and with the previous sanction of the Government of India in consultation with the Reserve Bank of India made the Regulation 35(1) open- ended and after following due process of law like notifying the amendment in the Gazette of the Union of India and placing the same on the floors of both the Houses of Parliament.



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We quote below the amended Pension Regulation 35(1) for information of all concerned:  
"Basic pension and additional pension, wherever applicable, shall be updated as per formulae in Appendix-1.

**c) It is a clear direction to Banks to compute and notify the formulae of updation at the time of each periodical wage revision as is done for Government and RBI employees.** When the Regulation 35(1) is so emphatic and clear, why are IBA and Banks demonstrating oblivion and protracting the issue of updation for more than 30 years and denying a legitimate right to the senior and super senior citizens of the Banking industry. During the last 30 years, a large number of pensioners have left the world without getting the benefit of legitimate right of updation. It is beyond common comprehension as to what is the aim and purpose of the negotiation on Updation of Pension when there is a clear pre-existing provision to update the pension as per amended Regulation 35(1)? Is it to re- write and distort a settled issue as per the BEPR (1995)? OR it is to fragment the Bank Retirees into old, somewhat old and very old groups and so on?

This will not be out of place to mention here that less than 20 per cent of the serving Employees/ Officers are Pension optees under the BEPR (1995) and remaining serving employees, more than 80 per cent, are under the coverage of the New Pension Scheme. As a result, we, the organisations of Retirees are the real stake holders and not hearing us on our issues at regular intervals is a denial of natural justice to the senior citizens of the industry. IBA hears us when pressurized by the Government and again becomes oblivious of their responsibility when direction is not there and starts playing the same cassette that there is no authorization from Banks to talk to Retirees. We have an earnest request before you to issue a direction for creation of a consultative forum for IBA and Apex level Bank Retirees Organisations.

**Madam, we know that for the Finance Minister of so vast a country like India, it is not always possible to apply mind on micro-level issues affecting the interest of Bank Retirees, still we repeatedly try to reach your doors with the high hope of getting justice. We shall not forget the reassuring words spoken by you in the 73rd AGM of IBA where you had called upon the Bankers to treat the community of retirees as members of the same family. We shall not forget that IBA at the instance of DFS, MOF, GOI improved the family pension (which was a very meagre one) to the level of Central government and RBI employees. We shall not also forget the personal hearing that you had so kindly allowed to us for more than half an hour and listened with patience and care the grievances of the organisation. We shall not also forget the Meeting we had with Senior Officials of IBA after our delegation met Your Self. We have a fervent appeal that certain positive interventions from the side of yourself can help us to get justice for the senior citizens. It is strange that IBA has been hesitating for implementing Regulation 35(1) – Appendix I with amendments made in the year 2003. No negotiation is necessary on the issue as it is already settled and incorporated in a statute. What is required is – IBA's declaration of the pension updation formula as required for every wage settlement.**

Respected Madam, we have abundant Faith, Confidence and Hope in Your Good Self's Concerns for us and Your initiatives in resolving the issues of the Elder Citizens of the Banking Industry.

With Kind Regards

K V Acharya  
President, AIBPARC & Joint Convener, CBPRO

Suprita Sarkar  
General Secretary