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



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Circular no 46-26

Date: April 12, 2026.

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

Dear Comrade,

Sub: Discriminatory treatment in respect of payment of Dearness Relief to Bank Pensioners.

We are reproducing here under CBPRO Letter 04-2026 dated 12.04.2026 written to the Chairman, IBA on the above-mentioned subject.

This is for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Encl: As stated

COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS

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

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CBPRO/IBA/Da-Disparity/04-2026

Date: April 12, 2026

Shri C S Setty,
The Chairman,
Indian Bank' Association,
Mumbai.

Respected sir,

Sub: Discriminatory treatment in respect of payment of Dearness Relief to Bank Pensioners.

Ref: Supreme Court Judgement dated 10.04.2026 in respect of State of Kerala Vs M Vijayakumar SLP (C) Nos.18030 of 2023 and 11592 to 11593 of 2023 by Hon'ble Justices Manoj Misra and Prasanna B Varale.

We wish to invite a kind reference to the judgement of the Hon'ble Supreme Court wherein it is held that the purpose and object of revision/increase of Dearness Allowance/Dearness Relief is to mitigate the hardship faced by the employees and the pensioners on account of inflation. **The Rise in the Consumer Price Index or Inflation hits both the employees and pensioners in equal measure.** Hence application of different Dearness Allowance & Dearness Relief to the employees on one hand and Pensioners on the other has no rational nexus to the object sought to be achieved i.e. mitigation of hardship faced on account of inflation. It was made clear that once pension is admissible and Consumer Price Index linked Dearness Allowance/Relief is allowed, paying DA/DR at different rates or using different basis to calculate Rate of DA/DR for the employees and the pensioners is impermissible as it is violative of Article 14 of the Constitution of India.

It thus also emerges that if the different rates of DA/DR are impermissible between Serving Employees and Retired Employees, it is all the more emphatic that different rates of DR cannot be permitted within the same group of pensioners constituting a homogenous class.

Sir, it is in this back drop, we wish to request you to redress the following grievances of the Bank Pensioners and render justice.

A. Uniform Rate of DA to pre-01.11.2002 retirees:

1. Pre-01.11.2002 Pensioners were discriminated while implementing the Uniform Rate of Dearness Relief in terms of Joint Note (Salary Revision) dated 02.06.2005 which provided that on and from 01.05.2005 DA/DR shall be payable at 0.18

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percentage of pay to the Pensioners. The Tapered Rate of DA was thus changed to Uniform Rate of DA.

2. Although the Joint Note clearly and unambiguously provided the uniform rate to be applied to the pensioners but making the amount payable from 01.05.2005, IBA vide its letter dated 25.06.2005 unilaterally and arbitrarily advised the member banks not to pass on the benefit of correction to those who had retired prior to 01.11.2002. Such an advice was unsolicited, unilateral & arbitrary and completely against the settlement signed between the UFBU and IBA.

3. The IBA & DFS were kind enough to rectify the error but made it effective from 01.11.2023. The affected Pensioners suffered a monetary loss for 18.5 years.

It is therefore, requested to restore the application of Uniform Rate of DA/DR to pre 01.11.2002 retirees w.e.f. 01.05.2005 as provided in the Joint Note dated 02.06.2005.

B. Shifting CPI base year from 1960=100 to 2016=100:

1. **The above judgement of the Hon'ble Supreme Court read with the judgement in DS Nakara case, provide that any improvement in the benefits should be extended to all the beneficiaries of homogenous group or class.** The Bank Pensioners being a homogenous class are entitled for a uniform rate of DR calculated on the basis of the same Index.

2. The Joint Note/12th BPS dated 08.03.2024 signed between Associations/Unions and IBA have created yet another anomaly in the application of DR by shifting the base year from 1960 to 2016 **and making it applicable only to those pensioners who retired on or after 01.11.2022.** This is again arbitrary and discriminatory thus violating Article 14 of the Constitution of India.

3. It is pertinent to point out that if paying different rates of DA/DR to serving employees and retired employees is impermissible, it is all the more not permissible to pay Dearness Relief to the homogenous class of Pensioners at different rates. The 12th Bipartite Settlement has unfortunately created such an anomaly again while the Uniform DA/DR rate anomaly created in 2005 still persists though resolved partially in November 2023. It is arbitrary and discriminatory and violative of Article 14 of the Constitution of India.

C. Quarterly Revision of DR like in the case of Serving Employees:

1. The above cited judgement of the Hon'ble Supreme Court establishes a parity in the rate of payment of DA to Serving Employees and DR to Retired Employees to uphold the principle of reasonableness and Article 14 of the Constitution of India.

2. It is pointed out that while the DA is revised on quarterly basis for the Serving Bank Employees, it is revised on Half Yearly basis to the Retired Employees. It thus breaches the provisions of Article 14 of the Constitution of India and at variance with the above cited judgement of the Hon'ble Supreme Court.

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We earnestly request your good self to redress the grievances of lakhs of Bank Pensioners and render justice.

We request you to kindly to do the needful immediately and give relief to the fast advancedly aging Bank Pensioners Community.

With Regards,

Yours faithfully,



G D Nadaf
Joint Convenors, CBPRO



K.V. Acharya