



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



C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)
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Circular no. 65-23

Date: August 04, 2023

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

Dear Comrade,

Sub: Reply of MOS, Finance on 31st July, 2023 to the unstarred question no 1621 raised by Shri Raj Mohan Unnithan Member of Parliament.

We reproduce hereunder the text of our letter written on date to The Hon'ble Minister of State, Finance Department, Govt of India on the above referred subject.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar,
General Secretary

Quote:

AIBPARC/MOS-FINANACE/ Pension Updation/email/23. Date: August 04, 2023

Dr. Bhagwat Karad Ji
Hon'ble Minister of State for Finance,
Government of India,
New Delhi

Respected Sir,

Sub: Unstarred Question no 1621 raised by Shri Rajmohan Unnithan, Hon'ble Member of the Parliament and answered by your good self on 31st July, 2023.

With reference to the above subject, we like to make the following submissions for your kind information and consideration:

1. The question has several parts which are stated in brief as under:

A) Whether the Government is aware that even after 28 years since implementation of Pension scheme in Banks, it has not been revised.....

B) Whether the Bank Retirees are not given revision in pension along with wage



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revision of serving Employees in line with the scheme applicable for central government and state government employees.

C) Whether Government has any proposal to raise/ revise the pension scheme of Banks.....

D) If so, details thereof

E) If not, reasons there for.

2. In reply, the following principal points had been touched upon:

A) Pension Scheme in Banks is a funded scheme..... introduced through Bipartite Settlement on 29.10.93.....between Unions/ Associations and IBA. The Boards of respective Banks accordingly made Employees Pension Regulations.....

B) These Regulations do not have provision for revision of pension. However, Pensioners are granted Dearness Relief on half yearly basis.....

C) Matter of Pension updation is Sub-- Judice in Supreme Court of India.

3. Sir, you will kindly appreciate that the standard procedure followed by the Ministry to reply such questions is to get the inputs from the departments and institutions concerned which in the present case is IBA/DFS. We are deeply anguished to know that IBA, as on other occasions in the past, has not briefed your goodself correctly and as a result such version has come which dejected the Bank Retirees all over the country. Such factual inaccuracy, supplied presumably by IBA, has tried to negate the benefits which had been granted by NDA--1 government headed by Late A.B. Vajpayeeji.

We shall make a modest attempt to offer the rectified position before your good self.

4. Our observation on point no: A) of the reply above:

At the outset it is humbly submitted that the Bank Employees Pension Regulations have been framed by the Board of Directors of the individual banks in terms of powers conferred on the bank under section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act 1970 after obtaining prior sanction of the Government of India (Ministry of Finance) and in consultation with the Reserve Bank of India. The same apart from having been published in the Gazette of Union of India have also been placed on both the floors of the Parliament. The Regulations have got the statutory force and are known as Subordinate Legislation. Its non-implementation by the Banks which being the instrumentalities of the Government under Article 12 of the Constitution of India are a State, will lead to anarchism. We earnestly request your kind intervention in implementation of Subordinate Legislation ie our Pension Regulations more particularly Regulation 35(1).

The Pensioners (retired or in service on the prescribed date) while opting for pension under BEPR (1995) which is a defined benefit scheme, relinquished their right to receive Bank's contribution to PF. As such BEPR (1995) is not a funded scheme as contended in the reply; it is a defined benefit scheme which is quite unlike the New Pension Scheme. Any shortfall to ensure the defined benefit has to be made good by the Banks by carrying out annual actuarial valuation as per provisions of BEPR (1995). As the Pension Regulations in Banks are based on Government Pension Scheme, it has been stipulated in Regulation 56 that reference will have to be made to Central Government Pension Rules in case there is any doubt at the time of interpretation. It is, therefore, clear that BEPR(1995) is not a funded scheme at all where the benefit is constrained by the Fund but rather the size of the Fund here is to be suitably altered annually according to actuarial valuation. The requirement to maintain adequate funds as per annual actuarial valuation and making good the shortfall, if any, is a statutory responsibility and therefore, it is a charge on Profit & Loss A/C and is not an appropriation after drawing profit/loss.



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5. Our observation on point no: B) of the reply above:

There is a gross error in the observation that there is no provision of Pension Updation in BEPR (1995). Regulation 35 (1) provides as under:

"In respect of Employees who retired between the first day of 1986 and before the 31st day of October, 1987, basic and additional pension will be updated as per formula given in Appendix 1.

It may be noted that only this batch (1.1.1986 to 31.10.1987) was eligible for updation at the time of implementation of Pension Scheme in Banks In 1995.

However, during the NDA Government, headed by the most revered Shri A.B. Vajpayee ji, with a view to offering a mandatory Universal coverage of the benefit of Pension Updation, at the instruction of Central Government and in consultation with RBI, the Banks amended the Pension Regulation 35(1) in the year 2003 and the said amendment was also duly gazetted in the year 2003. The amendment reads as under:

" Basic Pension and additional pension, wherever applicable, shall be updated as per formulae given in Appendix 1".

The draft reply presumably supplied by IBA and relied upon by you at your address in the Parliament is far from the exact state of affairs and conceals an explicit and unambiguous provision made in Banks Pension Regulations No. 35(1) which is a Subordinate Legislation. A superfluous reference to payment of DA has been made to confuse the issue. It is clarified that while the updation is provided in Regulation 35(1), the Dearness Relief is provided under Regulation 37 of BEPR 1995. These are thus two distinct issues and hence not interchangeable.

The formula for updation of Government employees pension for the 6th Pay Commission was notified in 2006 and for the 7th Pay Commission, it was done in 2016 but Bank Employees Pension Updation, though mandatory as per provisions of amended BEPR (1995), has not yet been implemented by IBA by way of notification of Pension Updation formulae applicable for each Wage Settlement though it has been done for RBI & NABARD Pensioners.

6. Our observation on Point No C) of the reply above:

As regards the subject of Pension updation being Sub-judice in the Supreme Court, the course of Law is open to any Indian citizen if his/ her legitimate cause of grievance is not taken care of by the authorities concerned. The case remaining pending does not stand in any way for the implementation of Pension updation as per the pre-existing provision vide Regulation 35(1) just because of the lapses on the part of IBA. It cannot be an excuse on the part of IBA and the Department of Financial Services for non-declaration of Pension Updation formulae in respect of each Bipartite Settlement.

Sir, the purpose of writing the letter is to make the relevant records transparently available before you for ready reference and also to take such steps so as to avoid any wrongful presentation of facts before the highest legislative body of our great democracy. We would be pleased to furnish the actual Regulations governing the Bank Employees Pension, if IBA is shy to share the same with you, rather misleading you to reply to the questions on Updation with a totally contrary to facts on the concerned subject. Unfortunately, IBA have been time and again making the Hon'ble Minister to make untrue statements of reply to the questions of Hon'ble Members of Parliament in respect of Updation of Pension to Bank Pensioner.

We earnestly request the Hon'ble Minister to ask the IBA to place before you Bank Employees Pension Regulation 35(1) of 1995 and the amendment of the same in 2003 by way of Government Gazette Notification by making Updation open ended making Updation periodically with every Wage Revision as extended to RBI Pensioners upto 2017 Wage Revision. We also request you to kindly go through the Bank Employees



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Pension Regulation 56 which amply explains about the implementation of Pension Scheme in Banks. It is high time IBA tells the truth about Pension Updation provision and render justice to the Senior Citizens of Banking Industry at least now after denying the same to them for nearly three decades. Recently the Hon'ble Prime Minister acknowledged and heaped praises on Bankers for the yeoman service they rendered to achieve huge all-round economic development of our Beloved Nation.

We fervently hope for an objective transparent approach by the Government and IBA to the very long pending Pension Updation issue and ensure Justice to Bank Pensioners.

With kind regards,

Yours faithfully,

K V Acharya
President, AIBPARC
& Joint Convener, CBPRO

Suprita Sarkar
General secretary