



Association of Retired IOB's Employees (ARISE)

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MEMORANDUM BY RETIREES OF INDIAN OVERSEAS BANK

To

The Hon'ble Prime Minister,
Union Governmnet of India,
New Delhi.

Sir,

We are penning this memorandum with great trust on your sense of justice and equity. We cannot have a better humane person than you to redress our grievances. A retiree retires from an institution but not from the world. He requires a safety net to prevent him from falling into an abyss of poverty. He has to carry on life with dignity and be active. ***The best available safety net in the present day society of nuclear families is nothing but pernsion. Pension is not charity but a deferred wage payable after retirement.*** We bring the following for your sympathetic consideration to enable us have a just and non-discriminatory pension in the Banking Industry.

European Union is having an increasing old population with a growing demand on Social Welfare and Pension but a dwindling income generating young population to foot this bill. Europe could have chosen the easy way out of cutting down its Social Welfare. But they conscientiously chose to liberalize their immigration laws to generate income to take care of their Senior Citizens in recognition of their past contributions. This concern has been demonstrated by the Indian Government too towards its employees. Central Government wants to ensure that its retirees lead a dignified retired life. Dignity in retired life is what every civilized society wants to ensure. Ensuring Dignified Retired Life is also a guarantee for honesty, devotion and dedication while in Service. Even Barack Obama realizing its importance said in his inaugural speech, "The question we ask today is not whether our government is too big or too small, but whether it works — whether it helps families find jobs at a decent wage, care they can afford, **a retirement that is dignified.** Where the answer is yes, we intend to move forward." Central government gives this dignity to its retired employees through its Medical Welfare scheme and non-discriminatory inflation protected Pension Scheme. It follows a conscious policy that there is no discrimination among retirees and the passing years do not erode Pension's real value. Outcome of this conscious

policy is Pension updation with every Salary Revision. Unfortunately the same concern is conspicuous by its absence in Public Sector Undertakings (PSUs) and Public Sector Banks (PSBs). Excepting for recently introduced Medical aid to Board level retirees and their family none of the other retired employees are extended this benefit. There is no such discrimination among employees in matters of Social Welfare anywhere in the world. This apathy of PSBs and PSUs is appalling. Managements cannot cite bottom-line concerns to deprive these legitimate benefits (rights) to the retired employees. Managements should look at Medical aid and non-discriminatory Pension to all Retirees as deferred wages and not as a bounty or charity. They should try to remember that the empire they command today was not built in one day. The vast network of branches in every nook and corner in worst economic conditions when there were no computers was built brick by brick by those who have since retired from Bank's service. Those were the days of political interference and extremism at its peak when Bank officers and other employees were physically assaulted. For years in many places, Power cut ranged from 16 to 19 hours reducing every office/branch to a literal sweat shop. Those were not the days of easy credit to employees. Many retired without even building a nest for themselves.

With India becoming a high cost economy eroding the real value of their pension and interest income, the retirees are unable to make both ends meet. They are steadily and surely pushed to the margin and their dignity of life is under threat. Banking Sector Retirees are not asking anything unusual. In fact, when Pension Settlement was signed it was agreed that it would be similar to the one obtaining in Central Government. Pension Updation, an essential feature obtaining in Central government is still not carried out in Banks. As a result, people otherwise equal, draw different pensions only because they retired on different dates. When Wages do not differ even if recruitment dates differ there is no reason why Pension should differ when retirement dates differ. For all those who retired before 1/11/2002 rise in cost of living is only partially neutralized but for those covered by the last wage revision it is neutralized cent percent. Cent percent neutralization is a *just principle* but justice should be done to all retirees else it is injustice.

While Pension has been accepted as a better mode of social security, more so in our country where we do not have any social welfare system as is obtaining in Europe, PSBs should unhesitatingly agree to extend Pension to all employees without trying to be too legalistic and technical about the whole issue. An enlightened management having care of its employees in its heart should educate them not only about their duties but also about their rights and the consequences of their choices. Why do the Governments take great pain in spreading awareness about health care and family planning? Why do they spend money on a publicity blitz to get the children inoculated and vaccinated? It is not money wasted but an investment on a healthy young India. It is a fact that no management in any Bank undertook any exercise to educate the employees in their choice of Pension and PF. Should they not make amend now by giving just one more chance to all those PF optees to make their decision? Should they be nitpicking and breaking heads over actuaries for giving a dignified life to their retired employees? Banks have

hundred ways of improving the bottom-line if they turn to basics and streamline their processes and procedures. Let not the PSBs think of Pension as an expenditure but an investment for a healthy dignified Old India who can continue to contribute to the society at large.

The following examples will reveal the continuing injustice because of not updating Pension.

MMG SCALE III

Retired between 01.01.86 and 30.06.93	Retired between 01.07.93 to 31.03.98	Retired between 01.04.98 to 31.10.2002	Retired after 01.11.92
Rs. 10,455	Rs. 10,178	Rs. 11,254	Rs. 12,987

SPECIAL CADRE ASSISTANT

Rs. 7,385	Rs. 7,942	Rs. 9,069	Rs. 11,014
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Like the above in every Scale as well in clerical and sub-staff cadre lot of variations are there. However for the sake of brevity we have cited the above two examples.

Before implementation of Pillai committee recommendations average salary of a bank officer was higher than that of a Class I officer. Pillai committee recommendations were implemented in the name of rationalization and to ensure that Bank officers do not draw more than Class I officers of GOI in the name of parity. This parity that was maintained for two decades is getting distorted. Yesterday's high wage islands that Banks were, are becoming uninhabitable with no meritorious wishing to take up a career in PSEs. A meagre salary resulting in meagre pension which again gets eroded for want of Updation is the twin tragedy facing Bank officers. Economic misery and disparity brought bloodshed and social upheavals in most third world countries where democracy and progress were the casualties. India stood alone and tall as a sole democratic country in the third world progressing through a silent revolution ushered in by throwing open PSBs to the productive forces of common man. Bank employees who ushered in this silent revolution in this country transforming its economic distributive landscape and thereby enabled a peaceful environ for all the reforms that are taking place now are as retired employees fast losing their status and dignity. Pension which they thought would make them lead a dignified life has failed to give them that dignity.

Special VRS (VRS-2001) employees are worst affected. Special VRS employees when unjustly robbed of their legitimate benefit of notional 5 years in the last minute on a specious plea hoped that managements would realize their folly and make amends. Denial of notional service of 5 years is nothing but exploitation of the weaker party. VRS offered to Central government employees on whose pension scheme Bank pension scheme was modelled did not rob away the notional benefit of 5 years. Does it not expose the speciousness of the rationale that Indian Bank Management advocated to rob 5 years' notional service?

Central government has given **full pension** to all those who retire voluntarily on completing 20 years' service and to those who retire on superannuation on completing 10 years' service. While Central government is thus enhancing Pension benefits to its employees Bank managements are hesitant to undo the injustice done to their own employees.

All we say is that we opted for Pension believing that Managements would go by the spirit of Pension Scheme which is to offer it to all retirees and to ensure a dignified life to all retirees *as is being offered to employees in Central Government*. So extend immediately Pension option to all, Pension Updation and 5 years notional service to Special VRS as obtaining in Central government and extend at the earliest Full pension and Medical Welfare to all retirees.

HELP US LIVE IN DIGNITY – Are we asking too much?

Kindly therefore intervene and instruct the banks to remove the above anomalies and ensure that retirees irrespective of their date of retirement or scheme of retirement get equal pension and thus be on par with Central Government employees on whose pension scheme our pension was sought to be modelled.

PLEASE GIVE US THE LIFE OF DIGNITY THAT WE DESERVE AND THUS RENDER JUSTICE

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