

# COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS

Flat No. 1103, Block-3B, S.M.R. Vinay Fountainhead, Culvary Temple Road,  
Hydernagar, Hyderabad – 500 049.

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Dated 23.08.2016

To,

Shri Santosh kumar Gangwarji,  
The Hon. Minister of State, (Finance)  
Ministry of Finance,  
Government of India,  
North Blocks, New Delhi 110 001

Respected Sir,

**Sub: Various pending issues of Bank Retirees.**

At the outset, we profusely thank your Goodself for giving this audience to explain about the very long pending grievances of the Bank Pensioners and Retirees. We the **"COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS"** represent the national level Bank pensioners' and Retirees Organisations covering almost the entire population of Bank Senior Citizens. We also hope that this would facilitate full scale dialogue with Bank Pensioners and Retirees as a body and help in resolving the issues with the urgency it deserves.

Earlier also we had met Hon'ble Shri Arun Jaitely ji, Finance Minister and Hon'ble Shri Jayant Sinha Ji, the then Minister of State for Finance and submitted memorandums to them and also to IBA. We are immensely happy that the necessary directions flowed to IBA from the Ministry to resolve the issues at the earliest. However more than three months passed by after our earlier delegation to the Hon'ble Ministers and also to Indian Banks' Association but unfortunately none of the issues raised by us was resolved. This has created agony and frustration to the aging Bank Pensioners and Retirees. This has made us to wonder how these humanitarian issues of the aged and very aged Bank Pensioners can be ignored. But still not loosing hope we are approaching your Goodself to direct the Bank Managements to immediately implement the provisions of Pension Regulations in respect of the issues we have raised without any further delay. For your Goodselfs kind reference, we once again briefly explain the issues as under:-

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- 1. UNIFORM 100% DA RELIEF TO BANK PENSIONERS WHO RETIRED BEFORE NOVEMBER 2002:** Full compensation by way of 100% DA neutralisation to Government Employees and to Reserve Bank of India Employees is given so that they get relief to an extent to face the harshness of inflation. And rightly the 100% DA neutralisation is extended to all past Government and RBI Retirees also as inflation hits everybody equally harsh but unfortunately the same is not extended to pre November 2002 Retirees in Banks. This is not only in violation of Nakara Judgment of the Hon'ble Supreme Court but also grossly unfair to those who are now aged more than 75 years to 90 years. The old Retirees are unnecessarily forced to seek relief from the courts which again takes years and in the process even those who have gone to the courts are at the verge of final exit from this world without getting their due relief and entitlements.
- 2. IMPROVEMENT IN FAMILY PENSION:** Though the spouses of the Government and RBI Employees are receiving the improved Family Pension of 30% of last pay drawn the same is not extended to the Bank Retirees and the family pension in Banks is as low as 15%. Many of the spouses being very aged women denial of the benefit of 30% of Family Pension is indeed a harsh treatment meted out to women spouses.
- 3. PENSION UPDATION:** It is even held by the Hon'ble Supreme Court that Pay Revision and Pension Revision cannot be separated from one another. Moreover Pension Regulation 35 (1) also very clearly states that Basic Pension and additional Pension shall be updated but unfortunately no updation has been done since November 1989 and in the process those who retired earlier are drawing a very meager Pension as compared with a very junior subordinate who retired recently or retiring in future. A General Manager who retired in 1990 is drawing a Pension of about Rs. 26,000/-, which is much less than the Pension of a clerical staff, who retires now. This anomalous situation has arisen because of non updation of Basic Pension for nearly three decades though regularly wage revision is taking place with no benefit of salary revision being passed on to the Bank Retirees.

In view of the intransigence of the Bank Managements, Basic pension remains frozen without updation/revision resulting in a sorry state of affairs where a General Manager who retired earlier draws much less than a clerk who retired recently and soon a General Manager who retired earlier may draw less than a sub-staff who retires in future. Can we think of Secretary to Government drawing fewer pensions than a peon? Well, that is unthinkable and unacceptable but that is the sad position of the Bank Retirees today. The following chart testifies our statement:

<b>Cadre</b>	<b>Date of Retirement</b>	<b>Pensionable Service</b>	<b>Pension July 16</b>
General Manager	31.01.1998	More than 33 years	Rs. 26004.00
General Manager	30.09.1999	More than 33 years	Rs. 28900.00
General Manager	31.05.2002	More than 33 years	Rs. 28825.00
Scale II Officer	31.05.2007	More than 33 years	Rs. 32166.00
Scale I Officer	31.08.2008	More than 33 years	Rs. 31479.00
Clerk	31.08.2012	More than 33 years	Rs. 30823.00

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## 4. **ANAMOLY AND DISCRIMINATION TO SBI PENSIONERS UNDER 7<sup>TH</sup> BIPARTITE SETTLEMENT:**

In 6<sup>th</sup> Bipartite Settlement salary was revised by merger of DA at 1148 points with the then existing relative Basic Pay and pension was made payable at this revised basic pay to all those who retired during the currency of 6<sup>th</sup> Bipartite Settlement. However in the 7<sup>th</sup> Bipartite Settlement Salary was revised by merger of **DA at 1684 points** with the relative 6<sup>th</sup> Bipartite Settlement's Basic Pay but for the purpose of Pension a new phenomenon was introduced whereby the Pay was notionally revised downward by merger of **DA at only 1616 points**. It was explicitly made clear in the Settlement/Joint Note that this was not applicable to State Bank of India as it had its own independent Pension Scheme. This was again confirmed by IBA in its letter dated 8/9/2000 addressed to SBI. However, Government Of India directed SBI later vide it's Letter No. F.No. 1/7/2000 - IR dated 06 - 02 - 2001 to follow IBA's industry-level formula of merger of DA at 1616 points to 6th Bipartite Basic Pay for the purpose of computation of pension of SBI retirees of 7th Bipartite too. To add insult to injury, the SBI Management did not strictly follow the Government's directive when they introduced a differential compensation on a slab system whereby Pension was computed at 50% where the average of monthly substantive salary drawn during the last 12 months' pensionable service is Rs. 8500 or below. This works out to more or less the same quantum of pension envisaged in the "Pension" clause of 7th Bipartite Settlement for pensioners in other banks and at 40% where such average pay is above Rs.8500/- subject to a minimum of Rs.4250/- where the quantum of pension is far below than what is given to Pensioners of other Banks..

Meanwhile IBA in the 8<sup>th</sup> Bipartite Settlement corrected this aberration and made pension payable prospectively w.e.f. 01 - 05 - 2005. Government which earlier directed SBI to follow IBA's industry level formula kept silent and the SBI management is also not taking earnest steps to remove this anomaly. **As a result when every Pensioner in the industry and also in SBI belonging to other Bipartite Settlements is getting pension as per the last drawn actual Basic Pay, only those retired under 7<sup>th</sup> Bipartite Settlement in SBI are getting Pension on a reduced notional Basic Pay, that too under an adverse slab system.** Consequently nearly 30000 SBI Retirees under 7<sup>th</sup> Bipartite Settlement are getting substantially less than 50% of their last drawn Basic Pay as pension entailing a recurring monthly heavy loss to them. This anomaly has to be corrected and they be placed on par with other retirees of SBI itself coming under various other Bipartite Settlements.

It is therefore requested that SBI may please be advised by IBA to honour the Record Note dated 22 - 06 - 2005 in its true letter and spirit enabling the 7th Bipartite retirees in SBI to get their legitimate pension based on their last drawn pay, as the IBA has a duty and responsibility cast on it to ensure the sanctity of Settlements and Minutes entered by it with the Workmen/Officers' Organization.

Realignment of Pension to the Retirees retired under 5<sup>th</sup> to 8<sup>th</sup> Bipartite Settlements though recommended by the Bank in the year 2015, it did not receive the approval from the Government of India even though such recommendations fall within the Pension Fund rules of SBI.

SBI Pensioners have been urging upon their Management to improve their Pension Scheme by raising the Basic pension to 50% of the last drawn Basic Pay instead of present 40% and also to remove the ceiling.

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5. **ONE MORE OPTION TO LEFTOUT EMPLOYEES (BOTH COMPULSORILY RETIRED AND RESINED WITH PENSIONABLE SERVICE):** Several courts including the Hon'ble Supreme Court have already given verdict entitling the above Retirees and Resignees to avail the benefit of second option. But unfortunately the Banks have implemented the Courts verdicts in respect of writ petitioners only forcing other similarlily placed people again to knock the doors of courts and wait indefinitely for the verdict of the courts. It is highly unethical and also against the Senior Citizen litigation policy of the Government. Here also the number of such left out Employees will be hardly 5000 in the entire industry and that too if they get the second option it comes with cost to them by surrendering their entitled PF contribution and the extra contribution they will be compelled to make as per the 9<sup>th</sup> Bipartite Settlement. As per the concept of **WELFARE STATE** it is also obligatory to include those left out people in the Pension Scheme as a social security measure.

It is also surprising and intriguing that the Banks have allowed second option of Pension Option to Employees and rejected the same to the Officers whereas the Bank Pension Regulations are taken as Bank Employees' Pension Regulations and there is no sub group as Employees and Officers as per as the Pension Regulations are concerned and it also violates the principle of equality under Article 14 of Constitution of India.

6. **UNIFORM MEDICAL INSURANCE SCHEME:** During the 10<sup>th</sup> Bipartite Settlement Medical Insurance Scheme was introduced for both Serving Employees and Retired Employees. But unfortunately the Scheme suggested that Medical Insurance Premium should be recovered from the Retirees though of course for Serving Employees the premium is borne by the Banks. Even after collecting the premium from the Retirees the Domiciliary treatment reimbursement is not being considered by the Insurance company going against the original settlement. It is requested that the responsibility of extending Medical relief to Retirees is as much an obligation of the Bank Managements as it is to Serving Employees and the Scheme should be identical including bearing the amount of premium by the Banks only and coverage of Domiciliary treatment reimbursement.
7. **IMPROVEMENT IN EX-GRATIA TO PRE 1986 RETIREES:**  
The surviving pre 1986 retirees are getting meagre amount of less than Rs. 3500 as ex-gratia. The total number of such employees is also very small and the additional burden by this will be very negligible. Still it is not happening. It is worth noting that all these retired employees are in age group of past 90.

**Sir**, the Bank Pension Scheme is not only the result of a settlement it also has the legal sanctity as the same has come as Regulations titled '**BANK EMPLOYEES PENSION REGULATIONS**' passed by respective Bank Boards, approved by Government of India and also published in official gazette of Government of India. The Bank Pension Scheme is also a **DEFINED BENEFIT PENSION SCHEME**. It is also important to note that the Pension Corpus itself is robust with nearly Rs. 150,000/- crores and any extra cost which is often quoted as stumbling block to concede our request in respect of all the above is not only untenable but at the same time more than enough to meet the requirements. Under the **DEFINED BENEFIT SCHEME** it is obligatory on the part of the Bank managements to meet the entire Pension obligations fully as is available to Government Employees as per Regulation 56 of Bank Employees Pension Regulations.

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**Sir**, the above issues are pending for nearly two decades and forcing the Senior Citizens of Banking industry to knock the doors of the Courts and to go to the streets is not only harsh and inhuman but it also amounts to disrespect to elders, who during their active service made Banking an exemplary success, implementing all the Government policies and schemes and contributed to the all round development of the Nation.

**Sir**, we fervently hope your Goodself will not make us to wait indefinitely **BUT RENDER JUSTICE** to the Bank Pensioners and Retirees immediately.

Thanking you,

Yours sincerely,



**(A.Ramesh Babu)**



**(K.V.Acharya)**

**Joint Conveners CBPRO**

**Sd/-  
(SBI Pensioners'  
Federation)**

**Sd/-  
(AIBPRC)**

**Sd/-  
(RBONC)**

**Sd/-  
(AIRBEA)**

**Sd/-  
(FORBE)**