

INDIAN BANKS' ASSOCIATION

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No. PD/DB/566D/G(ii)/1327

December 17, 1993

Shri R. N. Godbole
General Secretary,
All India Bank Officers' Confederation,
P. B. No. 5160,
State Bank Buildings,
St. Mark's Road,
Bangalore 560 001

Dear Sir,

Pension Scheme

With reference to your letter No. 1001/69/93 dated 9th December 1993, you will appreciate that the pension scheme as proposed in the banking industry is a social security scheme and cannot have options according to needs of individual employees. As you are aware, the scheme has been introduced on the lines of the pension scheme available to the Central Government employees and employees of Reserve Bank of India. We regret that we are unable to incorporate the suggestions made by you in the package of pension and CPF schemes to be introduced in the banks. The option is available for existing employees to choose between CPF and pension scheme in its present form after weighing the benefits of each option and as such it may not be feasible to provide further benefits under the scheme. Such of those employees who do not become eligible for drawal of pension as per the pension scheme after opting to be members of the pension scheme will have to forfeit both pension and CPF. Incidentally, it may not be correct to state that there is an element of contributory pension

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fund in the scheme. As you are well aware the scheme is introduced in lieu of CPF appropriating the portion of the contribution which is made only by the employer. It is in fact an improvement of the benefit offered by the employer in the erstwhile CPF scheme and the scheme cannot be described as contributory pension fund.

Yours faithfully,

B. D. Sumitra
Personnel Adviser

BDS : RT