



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. 100-23

Date: December 12, 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: A fervent appeal for immediate intervention directing IBA to implement Pension Updation in line with Regulation 35(1) with its amendment in 2003 and in pursuance of RBI formula.

We reproduce hereunder the text of our letter written on date to The Hon'ble Union Finance Minister 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

AIBPARC/Hon'ble FM/Appeal for Pension Updation/ Email/2023

Date: December 12, 2023

Smt. Nirmala Sitharaman,
Hon'ble Union Finance Minister,
Government of India,
North Block, New Delhi.

Respected Madam,

Sub: A fervent appeal for immediate intervention directing IBA to implement Pension Updation in line with Regulation 35(1) with its amendment in 2003 and in pursuance of RBI formula.

1. We beg to be excused for encroaching upon your most valuable time over the aforesaid issue. We take this liberty of disturbing you for a couple of minutes as you have an affectionate and sympathetic consideration for the Senior Citizens of the Banking Industry. We shall never forget your oft-quoted and acclaimed call in the 73rd AGM of IBA urging upon the Bankers to treat the Retirees as the members of the same



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family. We remember with gratitude your pro- active intervention which ensured the following issues honourably resolved:

- a) Revision of financial ex-gratia for pre-01.01.1986 retirees, who are not eligible for Pension
- b) Improvement of Family Pension @ 30% of last drawn pay as applicable to Central Government and RBI Pensioners
- c) 100% DA Neutralization for Pre –November, 2002 Retirees as applicable to Central Government and RBI Pensioners
- d) Mou signed between IBA & Unions/Associations providing for an Option of Pension to those who resigned after completing 20 years service, eligible for pension

In the course of our meetings with your Good Self at different points of time, we have been amazed to see that the Finance Minister of such a vast country has not only been efficiently steering the economy of the country in a manner that is regarded the most outstanding in the entire world but has also got sensitivity to the most genuine long pending issues and grievances of bank pensioners including Updation of Pension. Such a genuine concern on your part for the people at the bottom of the pyramid has given us the comfort, confidence and a bright ray of hope for an early resolution of our grievance on this score. It is in this backdrop that we express ourselves yet again before your good self and submit a few words exclusively on the issue of Updation of Pension for your kind a sympathetic consideration.

2. Even at the cost of repetition, we consider it pertinent to mention that the Bank Employees' Pension Regulation 1995 vide its Regulation 35(1) duly amended and gazetted in March 2003 provides **that Basic Pension and Additional Pension, wherever applicable shall be updated as per the formulae given in Appendix-I. For a ready reference, the formula in Appendix-1 is nothing but the one which was in vogue for updation of Government/RBI Pensioners in the year 1995.**

Hon'ble Madam, the non-implementation of a Subordinate Legislation by the Executive itself is inexplicable and a blatant reflection of anarchy under a Government which considers the redressal of genuine grievances of the Senior Citizens, close to its governance philosophy.

We have been sending letters and memoranda to the Chairman/CEO, IBA and the Secretary, DFS, MOF, GOI on the same issue. The latest being our comprehensive and elaborate letters sent to, the Secretary DFS, the Joint Secretary, DFS, MOF and the Chairman, IBA, on 5th December, 6th December, and 30th November, 2023 respectively.

This is very disappointing to note that the IBA and the Government officials being well aware of the legal position of the issues in favour of Updation of Pension for the Bank Retirees, have been showing an oblivion towards Pension Regulation 35(1) despite the fact that PSB are having robust Pension Corpus to absorb the cost of updation, which already been denied to us from 1992 onwards. **The significance of the adequacy of Pension Funds can be underscored from the cost analysis sheets submitted by us to IBA/DFS which evidence huge net accretion to Fund year after year and it presently stands at around Rs.4.0 lakh crore. We once again request a perusal of our worksheets submitted to IBA/DFS in respect of each bank showing the cost of pension updation vis-a-vis the affordability of the Pension Funds to establish that the exercise of updation does not entail any hit to the Balance sheets of the Banks at this juncture as Funds available are adequate. The current profits of the PSBs being all time high, there would not arise any need for the Government to recapitalise the banks.**

While we have been maintaining complete transparency in our calculations, the IBA/Government are feeling shy to share their actuarial calculation sheets with us or point out any error in our exercise.



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3. We wish to just mention in brief the cardinal points for your kind consideration:

a) Bank Employees Pension Regulations (1995) is a subordinate legislation and hence a statutory provision which is binding on State. Our Pension Scheme is a Defined Benefit Pension Scheme and the Employers are under a statutory obligation to implement its provisions including Regulation 35(1) which provides for Updation of Pension after each Wage revision Settlement.

b) BEPR (1995) is modelled on the pattern of the Pension Rules of Central Government and RBI Pension Scheme and it was so reiterated by IBA vide its letters written to the then General Secretary, All India Bank Officers' Confederation during the years 1993 & 1994. Copies of those letters have already been made available to IBA.

Updation of Pension has been allowed by GOI to the RBI Pensioners from 1st March, 2019 and subsequently to NABARD Pensioners too. Although we are entitled to the benefit of Updation since beginning as per Regulation 35(1), we have rationalized our demand to extend the benefit of Updation from 1.3.2019 as done for RBI Pensioners. IBA continues to be in a denial mode despite your advice to resolve the issue.

c) Regulation number 35(1) – was amended in the year 2003 when Shri Atal Behari Vajpayee Ji was the illustrious Prime Minister. The said amendment (duly notified in the Gazette of Union Government) made Pension Updation an open-ended scheme universally applicable for all eligible Pensioners.

d) IBA and DFS were under a statutory obligation to notify the Pension Updation formulae in respect of each wage revision settlement but the same has not been done. IBA having understood the import and applicability of Regulation 35(1) has mentioned to us in our meeting with them that having taken a position in the Hon'ble Supreme Court, to the effect that there was no provision for updation in the Regulations, it is difficult and embarrassing for them to take a 'U' turn. Their stand is unethical, illegal and ridiculous to say the least especially when the Bankers routinely enter in to the Out of Court Settlements with Loan defaulters even at huge 'hair cut'. Why cannot they resolve our Pension Updation issue outside the court and save huge money in the form of arrears since 1992 wage revision? We promise to bear the 'hair cut' by foregoing our arrears on the lines of RBI.

e) This is very unfortunate to bring to your kind knowledge that the Hon'ble Ministers of State (Finance) were made to give replies at different points of time to the questions of Hon'ble Members of both Houses of Parliament which are absolutely far from True and contrary to the factual provisions made in the Bank Employees Pension Regulations - (Regulation 35.1).

On each occasion, we have written to MOF, GOI that the reply reportedly prepared by IBA is untrue. We have also told that Updation of Pension is already incorporated in BEPR (1995) and it is very unfair to say that there is no such provision. This has been repeatedly said so at the behest of IBA in Parliament, Courts, Parliamentary Committee on Subordinate Legislations (Rajya Sabha) and Committee on Petitions (Rajya Sabha). It is so done with impunity.

4. Meanwhile, an important event has taken place in the Industry. At the instance and advice of MOF, GOI, IBA and UFBU completed Wage revision Settlement within one year of its becoming due. This is an all-time record at the instance of your Ministry that the IBA has ensured the conclusion of signing MOU with the Unions of Bank Employees and Officers on 7th December 2023. The Government definitely deserves high praise and appreciation for this.

Long before the finalization of the Wage Settlement, we have repeatedly written to IBA and MOF that we the Bank Pensioners are the real stake holders as 8 lakhs of Pensioners and Family Pensioners are there who do not belong to the Unions of Serving Organizations that represent a lesser number than the pensioners. That was exactly the reason why we had serious apprehension that our cases would not be properly represented by the Unions of Serving Employees and Officers in the Negotiations with IBA. We made



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repeated appeals to DFS and IBA to consult us about the very long pending Principal Issue of Updation of Pension and the Formulae vide Regulation 35(1).

* Just before finalization of the Bipartite Settlement, we came across with the disturbing statements from Leaders of Negotiating Unions (UFBU), that the IBA had been thinking of giving some relief to the Pensioners instead of Actual Updation of Pension as per Pension Regulations 35(1).

Immediately, we wrote to IBA -

- a) What was the Actuarial calculation?
- b) Has it been shared with UFBU and the Retiree Organizations?

As usual, no reply came from any quarter.

The final blow to the senior citizens of the Industry came past midnight on 7th December, 2023 in the form of an MOU signed by the representatives of IBA and UFBU.

This MoU contained a paragraph on Retirees which reads as under.

“Without prejudice to the demand of unions/associations for updation of pension for all retirees, it is also agreed that as a one-time measure applicable for the current bipartite/Joint Note period, monthly ex-gratia amount will be considered along with pension by PSBs to pensioners, who were drawing pension as on 31/10/2022. The applicability of the Ex-gratia amount shall be discussed further. The said ex-gratia amount will not attract any other allowance including dearness allowance.”

* A study of the aforesaid paragraph gives rise to the following issues:

A) Monthly ex-gratia has been proposed as alms whereas the pensioners are entitled to get Pension Updation as per expressed provision of Regulation 35(1) – Appendix 1 with amendment in 2003.

B) This amount of mercy has been proposed as a one- time measure for the current Bipartite.

C) Nothing has been told about the quantum and basis of computing this “disrespectful ex-gratia.”

D) There has not been any application of mind in the real sense of the term. IBA has just proposed at last minute and UFBU have merrily accepted it without verification of its desirability and deferring the long overdue updation of pension. It is simply because the pensioners are not the members of Unions/Associations of serving employees/officers. We say so with conviction.

E) It is beyond comprehension as to why an “Ex-gratia” which was neither demanded nor available within the framework of our Pension Regulations is proposed to be given by keeping the legitimate demand of Updation of Pension on the Back-burner? We strongly believe that Government giving any additional benefit (ex-gratia) will have sanctity only after meeting the legitimate demand of Updation of Pension which is our statutory right and pre-existed in Pension Regulations.

5. The Retirees throughout the country have suffered humiliation of worst kind. What is due to them in the most ordinary course of business as per provision of law is being denied on unfounded grounds and certain humiliating offers of ad-hoc nature have been made not knowing the full consequences of what they have done. A few pertinent questions come:

Although a wide spread misconception is spread that the so- called ex –gratia is a precursor to Pension Updation real, we view it with askance because of the objective circumstances prevailing in the industrial relation scenario. This is just a ploy to kill time with the ultimate intention of burying a



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legitimate demand of Pension Updation. We have time and again said that the Pension Updation, if worked out on the RBI formulae, will not affect the Balance Sheet and the existing corpus at about Rs.4.0 lakh crore is sufficient to absorb the updation cost. We have explained our stand before the officials of the Ministry and the IBA and there is no rebuttal from their side.

We may point out that IBA has a history of seriously hurting the interests of Bank Pensioners right from the year 1999 by violating the Statutory Provisions of Pension Regulations on half a dozen vital issues which were ultimately set aside by the Hon'ble Supreme Court. Senior Citizens Litigations policy of the Government is time and again thrown to the winds by IBA in the guise of Settlements forcing the Pensioners and Retirees to approach the Courts during the evening of their life.

We are certain that our Government known for its Sympathy and Empathy for the aging Pensioners will direct IBA/DFS to make the necessary and inevitable Course Correction and honour the Statutory Provision for Updation of Pension. The Government of the day which has helped every section of the Society with its innovative Welfare Programmes, will also come forward rendering Justice to us specially when we are entitled as per the Regulations as available to RBI Pensioners and ensure No Discrimination.

You have been very considerate to us. But despite Your clear message to IBA to resolve our issues they are dragging the issue of Updation of Pension wantonly and also misleading the Government. In view of this peculiar situation, we have no other way except to approach You again.

Gross injustice has been meted to the senior citizens of the Banking Industry on the basis of certain wrong perceptions and prejudices. Ex-gratia that is agreed to between the IBA and UFBU is an awful alms thrown at the Bank Pensioners by an insensitive IBA and at this age and stage of our life we would not like to be reduced to mere receivers of Some Gratis, to put it mildly. We Bank Pensioners are hurt deeply at the treatment meted to us that too after waiting for 30 years to get our Pension Updated. We are certain that Your Good Self will ensure Self Respect and Self Dignity to us.

We solicit your kind and early intervention.

With kind regards,

Yours faithfully,

K V Acharya
President, AIBPARC
& Joint Convener, CBPRO

Suprita Sarkar
General Secretary