



ALL INDIA BANK RETIREES' FEDERATION (REGD.)
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6th Conference Slogan- Pension Updation is Right of Bank Retirees

Ref No. 2025/0118

Date: 22.01.2026

The Secretary
Department of Financial Services (DFS)
Ministry of Finance
Government of India
New Delhi

Respected Sir,

Subject: Non-implementation of Annual Review of Ex-gratia Payable to Bank Pensioners under Para 36 of Bipartite Settlement dated 08.03.2024 – Request for DFS Intervention

We wish to draw the kind attention of the Department of Financial Services to serious non-compliance and lack of transparency by the Indian Banks' Association (IBA) and member banks regarding the annual review of ex-gratia payable to pensioners as mandated under Para 36 of the Bipartite Settlement dated 08.03.2024.

2. Para 36 clearly stipulates that "ex-gratia payable to pensioners shall be reviewed annually commencing from April 2024." Accordingly, the first review was due in April 2024 and the second in April 2025. However, till date:

1. No review exercise has been carried out or disclosed for April 2024 and April 2025.
2. If any review has been undertaken internally, the outcome has not been communicated to pensioners or retirees' organizations.
3. No parameters, benchmarks, methodology or indices on which such annual review was to be conducted have been fixed, notified or shared with stakeholders.
4. The entire process has been kept closed, opaque and non-transparent, defeating the spirit of the settlement.
5. This non-implementation directly affects nearly 7 lakh bank pensioners, many of

whom are fully dependent on pension and ex-gratia for their livelihood in an environment of rising inflation and healthcare costs.

3.A bipartite settlement is a binding agreement, and its provisions cannot be kept in abeyance or implemented selectively. Non-adherence to the mandated annual review undermines the credibility of collective bargaining and erodes the confidence of retirees in institutional commitments.

4.As per the settlement, ex-gratia was fixed ranging from 2% to 17% of pension payable as on 31.10.2022, depending upon the date of retirement. Recognizing that inflation and increase in Dearness Relief (DR) would progressively erode the real value of this fixed amount, the settlement rightly provided that ex-gratia shall be reviewed annually commencing from April 2024. However, the annual review due in April 2024 and April 2025 has not been carried out.

5.It is pertinent to point out that during the last three years, Dearness Relief has increased by nearly 10%. In the absence of annual revision, the real purchasing value of ex-gratia has substantially declined, defeating the very purpose for which the review clause was incorporated in the settlement.

Creation of Fresh Discrimination due to 100% DA Grant

6.Serious anomaly was corrected by grant of **100% DA to pensioners retired prior to 01.11.2002**, after a long gap of almost 20 years, with effect from **01.11.2023**. While this step removed long-standing discrimination in DA entitlement, the benefit has **not been factored into the base pension amount for calculation of ex-gratia**, since ex-gratia was linked to pension payable as on 31.10.2022.

As a result, a fresh discrimination has been created:

- One group of pensioners receives the benefit of **100% DA in pension in ex-gratia computation**. (Those retired on 1.11.2002 onwards)
- Another group not getting benefit of 100 per cent DA in computation of ex-gratia (Those who retired prior to 1.11.2002)

Thus, while one anomaly was corrected, a new inequity has been unintentionally created in ex-gratia benefits among pensioners.

Exclusion of Private Sector Bank Pensioners under IBA Scheme

7.It is further submitted that **pensioners of private sector banks who have opted for the IBA pension scheme have been kept outside the ambit of ex-gratia payment**. This exclusion is discriminatory and unjustified, especially when these pensioners are governed by the same settlement framework and pension regulations. This unequal treatment violates the principle of parity and fairness.

Need for DFS Intervention

8.Nearly **7 lakh bank pensioners** are affected by these issues. A bipartite settlement is a binding instrument and its provisions must be implemented both in letter and spirit, with

transparency and fairness.

9. We therefore respectfully request DFS to kindly:

1. Direct IBA and member banks to immediately conduct the pending annual reviews of ex-gratia for April 2024 and April 2025.
2. Mandate transparent disclosure of the parameters, methodology and index used for such review.
3. Ensure restoration of real value of ex-gratia keeping in view the rise in DR and inflation, with arrears wherever applicable.
4. Remove the anomaly arising out of non-grant of 100% DA to pre-01.11.2002 retirees by appropriately adjusting the base for ex-gratia computation.
5. Extend ex-gratia benefit to eligible pensioners of private sector banks who have opted for IBA scheme, ensuring parity and non-discrimination.
6. Put in place a time-bound and transparent annual review mechanism going forward.

We seek your kind and urgent intervention in the interest of justice, equity and faithful implementation of the settlement.

With Respectful Regards

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'mahal', written over a horizontal line.

(S. C. JAIN)
GENERAL SECRETARY

C.C. to

1. Chairman, Indian Banks' Association, Mumbai
2. Chief Executive, Indian Banks Association, Mumbai
3. Senior Advisor (HR), Indian Banks' Association, Mumbai
4. General Secretaries, AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBOC, INBEFE NOBOW, NOBRO