

**BANK RETIREES ARE ANXIOUS ABOUT UPDATION OF  
PENSION AND ARE ALSO JUSTIFIABLY DEMANDING  
100% DA ON THEIR FULL PENSION.**

Three prime issues that are being seriously and anxiously expected by the bank retirees - be it a subordinate staff or a clerk or an officer not excluding even top Executive retirees are 1. Updation of Pension 2. 100% Neutralisation of DA on full Pension and last but not the least 3. Uniform Medical Aid/Hospitalisation Scheme covering the retirees from all banks either through hassle-free insurance scheme or 100% reimbursement under the hospitalisation scheme of the Banks without any ceiling.

The retirees are looking to the in-service unions at Bank level, UFBU at the industry level or for that matter the Bank Retirees' Federation for resolution of these issues of great importance to them.

With regard to payment of 100% DA on Pension sans any tapering, there is absolutely justification in the demands of the retirees, since the in-service employees who were having different DA slabs operating on the Pay {Basic Pay + Special Pay + PQP or Educational Qualification Allowance + FPP} upto 30.04.2005 have been receiving 100% DA with only one slab operating for their full Pay with effect from 01.05.2005. Hence the retirees after 01.01.1986 and who while being in service were being governed by the various slab rates of DA compensation from 100% to 25% should be extended the benefit of one slab of 100% DA compensation on the entire pension from the same date.

Similarly, with regard to Updation of Pension, the Pension Settlement signed between the IBA and the Unions which were party to the historic pension settlement entered into on 29th October 1993 had made a mention about the updation of pension as and when the wage revisions take place in future. Individual Bank's Pension Regulations dated 29th September 1995 introduced an updation formula for the retirees after 01.01.1986 fitting them into the Pay Structure which came into existence from 01.11.1987 and accordingly the eligible retirees prior to 01.11.1987 had their Basic Pension updated on the formula of 50% of the Pay upto the Pre-revised scale of pay of Rs.1000/-, 45% for the next Rs.500/- of the Basic Pay; 40% of the Basic Pay beyond Rs.1500/- and adding DA upto 600 points to arrive at new Basic Pay. 50% of it was Basic Pension. The V Pay Commission recommendations as well as its implementation has given an unambiguous updation formula which is in force even now. It is clear that any retiree prior to the period of the V Pay Commission i.e. 01.01.1996 will have his/her pay taken on notional basis to that of the V CPC assuming that the concerned officer had remained in service during the period and the pension will be worked out to 40% of

the Pay. If he was a retiree during the V CPC period, then it would be 50%. This has ensured an anomalous-free updation formula till date. When the pension settlement was signed in the banking industry or when the Pension Regulations have been adopted by respective Bank Board, it is with the clear dictum that bank pension rules is modelled on central government pension rules, called as CCS Rules and that of the RBI Pension Regulations. Hence there is an absolute need for updation of pension. The loss to the pensioners is very huge and there is no justification what so ever as to why the updation is denied to them.

If we look to the sufferings of the retirees who are refusing to go for even check up, much less getting hospitalised, it is surely because of the commercialisation that rules the roost when it comes to exorbitant charges that are being levied even by mediocre hospitals/nursing homes or pathology units. It is for this sheer reason that introduction of uniform medical aid/hospitalisation scheme for the retirees from all banks brooks no delay.

**A WORKING ON THE 100% DA FOR ALL RETIREES PRIOR TO 01.11.2002  
AND UPDATION OF PENSION FOR ALL RETIREES UPTO 31.10.2007**

<b>RETIREES DURING THE PERIOD 01.11.1987 TO 31.10.1992</b>					
Basic Pay	Pension	Pension + DA	If 100% DA is paid	50% Updation Pension + DA	40% Updation Pension + DA
1670	835	6581	6581	10680	8544
3220	1610	12244	12688	19148	14773
4520	2260	15765	17359	24594	19675
5050	2525	16493	19394	27572	22058
5650	2825	17316	21698	32508	26007
7000	3500	19170	26883	44252	35402
<b>RETIREES DURING THE PERIOD 01.11.1992 TO 31.10.1997</b>					
6420	3210	12777	13209	19148	15318
9200	4600	16597	18929	25274	20220
10450	5225	17723	21501	30806	24645
12650	6325	19704	26027	39827	31861
14000	7000	20920	28805	44252	35402
<b>RETIREES DURING THE PERIOD 01.11.1997 TO 31.10.2002</b>					
5850	2925	8232	8232	11361	11361
10880	5440	14739	15310	19828	15863
14240	7120	17566	20038	25275	20220
15760	7880	18671	22177	28338	22671
17280	8640	19776	24316	33444	26755
21300	10650	22698	29973	44252	35402

Basic Pay	Pension	Pension + DA	If 100% DA is paid	50% Updation Pension + DA	40% Updation Pension + DA
<b>RETIREES AFTER 01.11.2002</b>					
9180	4590	9588	9588	11701	9361
16570	8285	17307	17307	20509	16407
21040	10520	21976	21976	25275	20220
23520	11760	24567	24567	28338	22671
25380	12690	26509	26509	32508	26006
27300	13650	28515	28515	36763	29410
28660	14330	29935	29935	38806	31044
30020	15010	31356	31356	40933	32746
31600	15800	33006	33006	43146	34516
32600	16300	34051	34051	44252	35402

The above table is prepared on an illustrative basis and hence not exhaustive. We have in fact made working for all the 36 possible stages on which retirement normally takes place in all cadres from subordinate staff to General Manager cadre and based on the August 2012 month DA paid to the bank retirees, after one completes the minimum full qualifying service of 33 years in order to get full basic pension of 50% of last drawn basic pay. Only the basic pay has been taken into account and the FPP, PQP, SPECIAL PAY & Educational allowances drawn by the retiree at the time of retirement have not been reckoned. The columns above are: Basic pay drawn at the time of retirement, basic pension at 50%, the present basic pension + DA drawn, if 100% DA is conceded, what would be the amount of basic pension + DA @ 100%, updation of basic pension at 50% of the IX Bipartite/joint note effective from 01.11.2007 for all retirees upto that period and the assumption that if the updation is done for past retirees at 40% of the basic pay of 01.11.2007 on the lines of the central government CCS Rules governing Pension.

The working has been done taking into account approximately 1,23,500 retirees upto 31.10.2007 from the inception of pension implementation i.e. all those who have retired after 01.01.1986.

Based on the working for the entire number of retirees who have to get the advantage of 100% DA, updation of pension till 31.10.2007, costing exercise has been undertaken. It is found that if 100% DA is to be paid to all retirees upto 31.10.2002 for the entire basic pension instead of the present system of DA compensation which is based on four slabs of 100% for a small part of pay for officers, 82.5% for a part, 50% for another small part and for a major part at 25% compensation of DA [Since all retirees after 1.11.2002 are being paid 100% DA on full basic pension with single slab of DA @ 0.18% for all from sub staff to General

Manager] then the annual costing of implementation of 100% for all past retirees comes to Rs.291 crores.

In respect of updation of pension at 40% updation, on the lines of central government pension rules for retirees prior to the date of the present pay commission period, upto the retirees of the period i.e. 31.10.2002 and 50% updation for the retirees after 01.11.2002 [since for them 100% DA has already been implemented and the 40% updation for them would be adverse] the annual costing comes to Rs.431 crores.

If pension updation is done at 50% of the notional pay taking all retirees basic pay to the equivalent stage in the present scale of pay effective from 01.11.2007, then the annual cost of pension updation for the 1,23,500 retirees comes to about Rs.1082 crores.

Calculations have been done on exact basis though the number of retirees from sub staff cadre to the General Manager cadre in respect of all the retirees from 01.01.1986 may vary based on certain number in each stage of retiral level. It can very confidently be said that the cost mentioned cannot be more than the above working and hence cannot go beyond this amount. In fact, cost would be less only.

For information of all concerned, it is stated that the total establishment expenses in the banking industry as of 31.03.2012 for the entire in-service employees and officers - numbering about 8,00,000 - as has been furnished to the Negotiating Unions for the X Bipartite Settlement/Officers wage revision - has been given as Rs.56292 crores. Under this circumstance, conceding the 100% to the entire about 1,23,500 retirees comes to just Rs.291crores which would be just a meager 0.55% of the total establishment expenses.

Similarly for 40% updation of pension upto 31.10.2002 and 50% for retirees during 1.11.2002 to 31.10.2007, it comes to Rs.431 crores i.e. 0.76% of the establishment expenses as of 31.03.2012.

For 50% updation of pension which is our demand as well as that of the Bank Retirees' Federation, if conceded for all the retirees upto 31.10.2007, then the annual costing which is estimated at Rs.1082 crores is just 1.92%.

**Source: AIBOA House Magazine - Two Roses - May 2013**