

ALL INDIA BANK RETIREES' FEDERATION (REGD.)

(A.I.B.R.F.)

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“सेवा निवृत्त हितैस्तः”

CHARTER OF DEMANDS

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PREFACE

All India Bank Retirees' Federation (AIBRF) believes in bipartite mechanism in deciding service conditions of bank employees including superannuation benefits and Pensionary benefits to the retirees. This system is in existence in banking industry for last 50 years and has been by and large able to meet expectations and desires of work force and retirees. AIBRF is conscious that pension scheme in the banking industry in the present format is also result of the negotiated settlement.

AIBRF has been making efforts since its inception in 1996 that various provisions of the settlements are implemented in letter and spirit, interest of the retirees is taken due care in the settlements arrived, retirees get due share in the allocation made in the settlements and retirees get due role in negotiation as important stakeholder in pension scheme. We find that AIBRF efforts have brought some positive results but largely the above aspects have not received due attention during negotiations in previous settlements. Under the circumstances, AIBRF had to resort to struggle path to achieve the desired results and to protect interest of retirees. **But our belief and faith in negotiation process remain unshaken.**

We find that the government has taken imitative this time to complete negotiation to finalise next wage settlement before the expiry date of 31.10.2017 of the present settlement. We welcome this move of the government. We find that accordingly, Indian Banks' Association has since commenced negotiation process.

We are also conscious and well aware about the various challenges in the form of increasing NPA of banks, declining profitability's of banks, RBI putting several restriction on operation of weak banks, role of BBB, government move to merge some public sector banks, introduction of various reforms, move of bank wise wage settlements etc. which are likely to visit during the negotiation process and may create hindrance and bottlenecks in smooth settlement. However we are confident that

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parties to the settlement will overcome these likely hindrances successfully and will come out with respectable and dignified settlement for the employees and retirees and maintain glorious past of 50 years of bipartite settlement in banking industry.

We hope that in the next wage settlement retiree issues will get required attention of the parties to the settlement. Retiree issues/demand will be addressed effectively. Backlog of long pending issues which are causing huge frustration, disappointment and feeling of injustice among more than 3.5 lakhs retirees will be disposed of in the objective manner.

We are happy to note that in Charter of Demands submitted by constituents of UFBU , retiree issues have found place. We hope that UFBU and its constituents will pursue them for final approval with all seriousness and will not allow IBA to keep them under carpet in the name of no time for necessary cost study or no-required mandate from member banks to discuss them etc. We are sure unions will appreciate the important fact that forthcoming wage settlement is the last hope for retirees. In case retirees' expectations are not met in this settlement, we are afraid they may lose faith in the process of negotiated settlement forever.

We also expect and hope that AIBRF will be consulted and taken in to confidence during the negotiation process which will eliminate and reduce dispute on settlement which have been phenomena in the past.

We enclose list of retiree demands for the active consideration of the authorities who are directly and indirectly involved in the process of negotiation and its final approval for wage settlement in the banking industry.

(D.A.MASDEKAR)
CHAIRMAN

(S.M. DESHPANDE)
PRESIDENT

(S.C.JAIN)
GENERAL SECRETARY

AND

OFFICE BEARERS AND CENTRAL COMMITTEE MEMBERS
AND MORE THAN 1.6 LAKHS PRIMARY MEMEBERS AIBRF

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CHARTER OF DEMANDS FOR RETIREES

01. MANDATE TO HOLD DISCUSSION WITH RETIREES

Bipartite process involves series of discussion, negotiation among the parties to the issues and reaching to point of agreement for final settlement. This procedure is being followed by parties to the settlement in Indian Banking industry for arriving at wage settlements in last 50 years.

So far, to finalise 10 wage settlements in banking industry, parties involved in bipartite negotiations have been unions under banner of United Forum of Bank Unions representing employee and officer staff and Indian Banks' Association representing bank managements on the front and government of India as promoters of PSUs and RBI as regulator for final approval.

In last 15 years, in wage settlements signed through bipartite mechanism, pension related issues have emerged as very important points of discussion and negotiation among parties of the bipartite settlements. Retiree class drawing pension has also emerged as fast growing group due to high number of retirements and special VR scheme 2000 implemented in the banking industry. Today pensioner number in banking industry is approximately 3.5 lakhs and likely to be around 5 lakhs in near future. Despite the above facts, in bipartite negotiations, the group of retirees, their views and their demands remain unrepresented. This is not happy situation for any body and leads to unwarranted dispute, litigations and agitations. Therefore there is need for urgent review of the present stand by the authorities.

Simultaneous Discussion with the representatives of retirees on pension related issues concerning to them and thereafter reaching to final conclusion will bring better creditability to the settlement and reduce disputes. It is high time for Government/ Bank Managements/ IBA/ Service Unions to take reasonable call on

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this issue instead of out rightly rejecting the demand of retirees for holding discussion with them also.

Indian Banks' Association in its communications to AIBRF has taken stand that it functions as professional independent body and renders services to the bank management on the basis of mandate given to it. At present, it does not hold mandate from bank managements to discuss the issues with the representatives of retirees. Therefore it is unable to meet request of AIBRF to hold discussion. This stand needs to be reviewed urgently.

In view of the above, AIBRF demands that

- (a) Government of India should immediately intervene in the matter as promoters of public sector banks and as final authority of banking system in the country and ask bank managements to immediately give required mandate to IBA to hold discussion with the retirees.
- (b) Managements of member banks should immediately examine the matter and provide necessary mandate to IBA to hold discussion on pension related issues with the retirees during process of negotiation for next wage settlement.

02. COMMITMENTS MADE IN RECORD NOTE DATED 25.05.2015 SHOULD BE IMMEDIATELY APPROVED AND IMPLEMENTED.

At the time of signing of last wage settlement, Indian Banks' Association and unions signed a document known as Record Note dated 25.05.2015 on pending issues of bank retirees.

In this document, the following issues of retirees were raised, discussed and action plan for implementation was approved by the parties to the settlement.

- (a) LFC & hospitalization should be reimbursed

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- (b) Revision in the rates of family pension on the same lines of Govt./ RBI schemes
- (c) Extending 100 per cent compensation to all pre- November 2002 pensioners
- (d) Upgrading the basic pension of all the pensioners at the common and uniform index of 4440 points
- (e) Updation of the basic pension of all the pensioners and family pensioners.
- (f) Periodical Updation / improvement in pension along with wage revision of in-service employees on the lines of central government.
- (g) Uniform percentage of allocation from welfare funds towards schemes pertaining to retirees.

We demand that IBA and Unions should take immediate steps to approve the above demands as per the commitment made in the above settlement before commencement of negotiation for the next settlement.

03. GRANT OF 100 PER CENT DEARNESS RELIEF TO PRE-NOVEMBER 2002 RETIREES

- (a) Implementation of clause 7(2) of wage settlement dated 02.06.2005 for those retired prior to November 2002.
- (b) Scrap Annexure III of IBA circular No. CIR/PD/76/D/2005-06/557 DATED 28.08.2005 containing administrative instruction in respect of dearness relief payable to those retired prior to November 2002 which is not in accordance with the provisions of settlement dated 02.06.2005.
- (c) Scrap clause no 16(3) of wage settlement dated 27.04.2010 which contain clause pf retrospective effect and is disadvantageous to the pensioners retired prior to November 2002. Such provisions with retrospective effect are bad in law.
- (d) Implement clause No. 6 of the bipartite settlement dated 29.10.1993 incorporating DA formula applicable for pensioners.

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- (e) Implement judgment of Kolkata High Court in respect of 100 per cent dearness relief to pre- November 2002 retirees.

04. IMPROVEMENT IN FAMILY PENSION

- (a) AIBRF demands that family pension should be revised on the lines of RBI/ Government formula and make it applicable to all the existing family pensioners. This is the most vulnerable group among bank pensioners and have been finding very difficult in most of the cases to meet their basic needs out of present pension income. More than 90 per cent of family pensioners are ladies. It is bounded duty of the government/ IBA/ bank managements to provide much needed help to this group of the society.
- (b) Pension should be paid to the unmarried daughter for life after death of the spouse and to the parents after the marriage/death of the daughter.
- (c) Enhanced family pension should be paid for first 7 years or 67 years age instead of present 65 years .

05. UPDATION OF BASIC PENSION

- (a) Dearness Relief payable on basic pension to all pensioners retired up to 31.10.2017 should be merged in basic pension at the index level to be agreed for employees in the forthcoming wage settlement effective from 01.11.2017.
- (b) Revised basic pension should be computed after merger of dearness relief as above.
- (c) After merger of dearness relief, increase in basic pension should be given on the basis of negotiated settlement.

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06. PENSION OPTION TO COMPULSORILY RETIRED EMPLOYEES & RESIGNEES & OTHER LEFT OVERS

- (a) Compulsorily Retired Employees should be given pension option as per the provisions of clause 2(l) (a) of the Bipartite Settlement dated 27.04.2010.
- (b) The above referred settlement include all retirees who joined the bank before the stipulated dates eligible for pension option. Therefore administrative instructions issued by IBA excluding compulsorily retired employees from pension option which is not in accordance and in conformity of bipartite settlement should be scrapped.
- (c) Supreme Courts as well many High Courts have given judgments directing banks to give pension option to the compulsorily retired employees as per the settlement dated 27.04.2010. IBA should ask member banks to implement court order for eligible compulsorily retired employees instead of providing benefit only to petitioners and dragging others to avoidable litigation.
- (d) Resignees and other leftovers should be given pension option in terms of settlement dated 27.04.2010.

07. SPECIAL ALLOWANCE TO BE RECKONED FOR SUPERANNUATION BENEFITS INCLUDING PENSION BENEFITS:

- (a) Thousands of employees who retired after 31st October, 2012 have been put to serious disadvantageous position for pension benefits and their pension quantum getting reduced due to introduction of clause no 9 of Bipartite Settlement dated 25.05.2015 which excludes special allowance of 7.5 per cent from superannuation benefits.

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- (b) AIBRF demands that this provision of last settlement should be reviewed and pension benefits should be extended on this component of salary also with effect from 01.11.2012.

08. GROUP MEDICAL INSURANCE SCHEME FOR RETIREES

- (a) It should be available to all retirees on automatic basis
- (b) Premium for insurance cover should be borne by banks on the lines for employees
- (c) Suitable scheme of Top up cover for retirees should be introduced on optional basis.

09. WELFARE SCHEME FOR RETIREES

- (a) Allocations for retirees from welfare funds should be based on negotiated formula and uniform in all banks.
- (b) Separate staff welfare committees should be formed in banks.

10. ISSUES OF ASSOCIATE BANKS, PRIVATE BANKS , FOREIGN BANKS & RRBS.

- (a) Pension related issues arisen out of merger of associated banks should be discussed with AIBRF and settled.
- (b) Foreign & Private banks who are members of IBA and parties to the settlement should be asked to implement provisions of the settlement regarding group insurance scheme, payment of DA and other facilities to the retirees, set up grievance cell etc. fully.
- (c) Pension Scheme should be implemented in all RRBS.

11. GRIEVANCE CELL SETUP FOR RETIREES IN BANKS

- (a) All banks should be asked to implement IBA scheme for set up of Grievance Cell for retirees to be headed by officer not below the rank of General Manager.

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(b) Fresh guidelines should be issued by IBA for effective functioning of grievance cell in banks.

11. PENDING LEGAL CASES ON RETIREES ISSUES IN DIFFERENT COURTS.

(a) AIBRF demands that High Power Committee should be appointed by the government to review the pending cases of retirees in different courts and appropriate decisions should be taken on them to reduce unwarranted litigation.

(b) Permission of the High Power Committee should be made mandatory for banks before going in appeal in higher court in the cases decided against banks.

(c) Once the case is decided in favour of retiree, the benefit should be passed on to all the affected retirees as per the provisions of National Litigation Policy and public announcement of the honorable Prime Minister in this regard.

12. MANAGEMENT OF PENSION FUNDS

(a) In public sector banks, pension funds have been created as per provisions of pension regulations. Combined corpus in pension funds in all banks put together runs in to more than one lakh crores. These pension funds are managed and administered by trusts created in each bank.

(b) One of the critical factors for smooth running of pension scheme in banks is efficient management of pension funds involving huge outlay.

(c) **AIBRF has noticed following area of concern in management of the pension funds.**

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(i) In many banks, it is seen that trusts set up for management of pension funds are not registered under any law which reduces their accountability.

(ii) Each pension fund trust has its own investment policy for deployment of funds. Accordingly, each bank takes investment decisions for deployment of pension funds. Under this situation benefits of bulk investment are normally lost affecting yield adversely. It may be seen that yield varies from 100 basis points to 150 basis points from one bank to another. On combined fund of more than 1 lakh crores, 100 basis points reduction in yield reduces income by about Rs. 1000 crores. No pension trust has full time professional fund managers.

(III) It is seen that In many banks, there is tendency to invest large amount of pension funds in its own term deposit schemes that too for short duration term deposits to suit bank management priorities. It also affects yield adversely. This is happening because of absence of uniform investment policy at the industry level.

(iv) It is reported that many banks have not yet fully contributed required additional funds for implementing Special VRS 2000 which provided pension benefits from date of retirement to VRS optees.

(V) One more pension option was given to serving employees and retirees in 2010. As per the settlement banks had to contribute additional amount to pension funds to meet pension liability for new members. However, RBI permitted to amortize additional liability and pay the amount in 5 installments. There are reports that many banks have failed to meet the liability as per the scheme possibly because of their poor performance during this period. This has put unwarranted strain on pension funds.

(vi) It is seen from audited accounts of some banks that they are transferring amounts from pension funds to the bank's profit and loss account in the name of excess provisions possibly to augment their profitability. This is very serious matter.

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(vii) It is seen that Quality of annual actuary reports to determine pension liability in many case is not up to the mark and in objective manner and rather influenced by management stand. Further banks also do not provide full amount toward pension funds as per the actuary report in many cases.

In view of the above , AIBRF demands

- (a) CAG audit should be carried out of pension trusts of public sector banks. Necessary action should be taken based on CAG report to streamline functioning of pension funds.
- (b) There should be uniform investment policy at industry level to invest pension funds.
- (c) Professional fund manager should be appointed at the industry level for investment of pension funds above certain limits.
- (d) Retiree representatives should be appointed in pension trust.
- (e) Banks should be asked to register pension funds under appropriate law in variably in all cases.

13. IMPROVEMENT IN EX- GRATIA AMOUNT PAYABLE TO THOSE RETIRED PRIOR TO 1986 AND THEIR SPOUSES.

Ex- gratia amount payable to those retired prior to 1986 and their spouses was last revised about 6 years back . Their number is fast depleting due to mortality factor. In the entire banking industry, total such retirees and their spouse may not be more than 2000. They all are above 85 years of age and are Super Senior Citizens. To provide much needed financial assistance to show them respect, we demand that the quantum of Ex- gratia amount should be doubled.

(S.C.JAIN)
GENERAL SECRETARY

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