



ALL INDIA BANK RETIREES' FEDERATION

D-1/1, Sector-C, Scheme-71,
Near Kasara Bazar School, Indore – 452 009.

Chairman

Sri S.R.Kulkarni

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Sri S.M.Deshpande

Vice President

Sri P.S.L.M.Haragopal

Sri D.A.Masdekar

Sri M.V.G.Nair

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Sri B.G.Raithatha

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Sri Anindya K. R. Basu

Treasurer

Sri M.S.Chourey

Special Invitees

Sri Pratap Shukla

Dr.G.S.Jog

Ref: 2012 /925

Date: 4th July,2012

Shri Harsh Vardhan
Hon'ble Member of Parliament (Lok Sabha)
Maharaj Ganj (U.P.)

Respected Sir,

Re: Abolition of Discriminatory Dearness Relief

Pension Scheme in banks was introduced consequent upon signing of an agreement between India Banks' Association and Central trade Unions in banks. In regard to payment of Dearness Relief i.e. Dearness Allowance payable on the rise in Consumer Price Index it was stated that the same would be in line with the pattern followed for the pensioners in Reserve Bank of India. Clause 6 of the Memorandum of Settlement dated 29.10.1993 reads as under:

“Dearness Relief to Pensioners will be granted as at such rate as may be determined from time to time in line with Dearness Formula in operation in Reserve bank of India.”

The agreement was between the Management of 58 banks as represented by the Indian Banks' Association and their workmen represented by the All India Bank Employees' association under Section 2 (p) and Section 18 (1) of Industrial Dispute Act, 1947 read with Rule 5 b of Industrial Disputes (Central) Rules – 1957.

At the time of introduction of pension scheme, the Dearness Allowance for employees and its version “Relief” for pensioners, paid on rise in Consumer Price Index, was calculated on the basis of different slabs of Basic Pay / Basic Pension of the pensioners. The first slab enjoyed 100 percent compensation against price rise and the remaining slabs at higher stages used to get Dearness Relief at lesser rates bringing down total compensation much lower than 100 percent.

In the Pay Revision settlement popularly known as the Bipartite Settlement in banks solemnized on 2nd May, 2005, the system of paying different rates of Dearness Allowance on different slabs of pay was discarded and one uniform rate of D. A to ensure 100 percent compensation against price rise was introduced. This revised D. A pattern was effective from 02.05.2005 but the IBA arbitrarily fixed a cut-off date on 01.11.2002 by dint of which bank employees and officers retiring on and after 01.11.2002 have been enjoying 100 percent compensation against price rise but the pensioners retired prior to 01.11.2002 have been getting compensation against price rise at much lesser rates as per slab system that was in vogue prior to 02.05.2005 settlement. In Reserve Bank of India there is no such discrimination on the basis of any arbitrarily set cut-off date, and, all pensioners irrespective of the date of retirement have been drawing Dearness Relief at uniform rate ensuring 100



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percent compensation against price rise. Public Sector banks have violated the terms of Pension agreement by not allowing Dearness Relief at the rate in vogue in Reserve Bank of India.

Sir, all our efforts made so far have not evoked any response either from IBA or from the Government. This discriminatory treatment of public sector bank pensioners continues dividing the pensioners in two classes, one enjoying 100 percent compensation against price rise and the other receiving the same at much lesser rates. We seek your good office to influence the government to do away with the discriminatory rates of Dearness Relief by extending one uniform rate available to pensioners retired from service on or after 01.11.2002.

Regards,

Yours Sincerely

(S. C.Jain)
General Secretary