ALL INDIA BANK RETIREES' FEDERATION (Regd)

Report of the legal committee

on:

1. Annual Review of Ex-Gratia
2. Direct Dialogue of Retirees with IBA
3. Regulation 35(1) of Pension Regulations, 1995

SUBMITTED BY

K. Vishwanatha Naik	N.S.N. Reddy	R.K.Agarwal
CONVENOR	MEMBER	MEMBER

AIBRF LEGAL COMMITTEE

Submitted to the General Secretary, AIBRF

02.11.2025

"सेवा निवृत्त हितेरत:"

ALL INDIA BANK RETIREES' FEDERATION (Regd.)

LEGAL COMMITTEE
Report - 2

SUBMITTED BY:

K. VISHWANATHA NAIK
CONVENOR

N S N REDDY
MEMBER

R.K. AGARWAL
MEMBER

AIBRF LEGAL COMMITTEE

2nd NOVEMBER,2025

ALL INDIA BANK RETIREES' FEDERATION (REGD)

LEGAL COMMITTEE REPORT- PART-2

This legal Committee of AIBRF was constituted in terms of the decision of the Office Bearers Committee taken at its meeting held at Ahmedabad on 3rd and 4th July 2024. The decision was communicated by Sr. S.C. Jain the General Secretary of AIBRF vide AIBRF communication bearing No. 2024/118 dated 14.7.2024.

The committee consists of the following:

1. Shri. Vishwanatha Naik,K., Joint General Secretary: Convenor.
2. Shri. N. S. N. Reddy, Deputy General Secretary: Member.
3. Shri. R. K. Agarwal, Deputy General Secretary: Member.

This committee is required to study legal aspects of pending issues of retirees and submit its report offering suggestions/ recommendations to Central office for further action.

The committee has already submitted a report dated 17th September,2024 on Recovery of Commutation Amount from the Pensioners.

The General Secretary, AIBRF, vide his letter bearing No. 2025/0055 dated 08.07.2025 has asked the Legal Committee to examine the following 3 issues:

1. Annual Review of Ex- gratia
2. Direct Dialogue of Retirees with IBA
3. Regulation 35(1) of Pension Regulations,1995.

Our committee has examined the above three issues and our report is furnished here under:

INTRODUCTION:

1. Pension schemes form a vital component of social security for employees, ensuring financial stability and dignity in post-retirement life.

The concept of pension originated in ancient civilizations, with evidence of pension-like systems in ancient Rome and Greece. Germany introduced the world's first state-sponsored pension system in 1889 under Chancellor Otto Von Bismarck. Other countries like the United Kingdom and the United States, initiated this process by introducing pension systems for specific groups such as civil servants and military personnel, followed by Social Security schemes for aged, unemployed etc.

The evolution of pension systems globally and in India reflects the growing recognition of the need to provide financial security to individuals in their old age. However, modern pension systems began to take shape in the late 19th century.

2. Evolution of Pension system In India

The pension system in India started under British rule, with the Royal Commission on Civil Establishments awarding pension benefits to government employees in 1881. The first pension regulations were introduced for civil servants in the 19th century. The Government of India Acts of

1919 and 1935 further expanded pension provisions. Initially, pensions ensured that retired British officers and soldiers received financial support, with which Indian soldiers also gradually covered. After independence, India followed a Defined Benefit Pension System mainly for government employees, promising fixed retirement income irrespective of contributions. Gradually the Government of India introduced pension schemes for various groups, including Central government employees, State government employees, and employees of public sector undertakings.

The pension system has undergone significant changes over the years, the latest being introduction of the National Pension System (NPS) in 2004, shifting to a Defined Contribution Scheme claiming that it is for greater sustainability and wider coverage including private and self-employed sectors.

2. The Early Demand for Pension by Bank Employees:

The Bank employees, ever since their organised movement, have been demanding for Pension as a retiral benefit.

Their contention was that the banking workforce must be secured not only during service but also after retirement. Accordingly, they demanded the introduction of a pension scheme in banks, as one of the superannuation benefits.

Over the next several decades, this demand was pressed in successive forums:

Sen Award- 1950
Sastry Award- 1953
Desai Award-1954
Divetia Award- 1962
Singh Award- 1965
Bipartite Settlements from 1st to 5th.

In each of these, the case for pension was presented as a matter of social security and justice. However, successive tribunals' awards and Bipartite Settlements either deferred or did not conclusively accept the demand, leaving employees to rely primarily on gratuity and provident fund (PF) benefits.

RBI Pension Scheme: The Turning Point (1990):

A major turning point came when the Reserve Bank of India introduced a pension scheme in 1990, with retrospective effect from 1st January 1986. The background of introduction of pension scheme in RBI was that the officers and workmen unions in RBI had been clamouring for introduction of Pension Scheme as a third retiral benefit.

To consider the demand, the RBI had constituted a study group during October 1979 under the Chairmanship of Sri. W. S. Tambe, a retired Executive Director of RBI with representatives of recognised officers and workmen unions. The study group submitted its report in 1981. The report recommended equalisation of superannuation benefits in RBI with those available in Central Government by introducing pension at 25% of last pay drawn. This was negated by the Central Government.

Thereafter, in the beginning of the year 1986, a large number of employees of the bank belonging to various classes represented that the bank should at least work out a pension scheme as an alternative to and in lieu of the existing CPF scheme. The Central Govt. ultimately, towards the end of 1989, agreed to the RBI introducing a pension scheme on the pattern of Central Govt Pension scheme as revised by the 4th Central pay commission with effect from 1stJanuary 1986, in lieu of the CPF scheme. This was the date from which the revised Pension Scheme for Central Govt employees was brought into force.

This was a watershed development because it was the first recognition within the financial sector that pension, rather than provident fund alone, was a more appropriate post-retirement benefit.

The RBI scheme not only set a precedent but also gave fresh energy to the demand for pension in commercial banks. Bank unions pointed out that if pension could be implemented in RBI - the apex bank of the country - the same must be extended to employees of commercial banks who worked under similar conditions.

Pension in Banks:

The post-RBI development period saw a renewed phase of agitation by Bank Unions. Massive rallies, strikes, and campaigns were launched across the country, demanding parity with RBI and pressing for pension in banks. The unions consistently highlighted the fact that:

Bank employees retire after a strenuous service.
Provident fund and gratuity benefits are inadequate in times of inflation and rising living costs.
Pension is not a charity, but a deferred wage and a right of employees.

Through sustained campaigns and negotiations, the issue remained alive at every bipartite settlement table.

The Historic Settlement of 1993

After prolonged struggles and negotiations, a breakthrough came on 29th October 1993, when a bipartite settlement was signed between the Indian Banks' Association (IBA) and the unions. This agreement provided for the introduction of a pension scheme in banks in all commercial Banks in India.

The scheme was introduced as a second retiral benefit in lieu of employers' share of Provident Fund, giving employees the option to switch from the Contributory Provident Fund (CPF) to pension. It was structured on the lines of the central government pension scheme, ensuring a defined monthly benefit for life after retirement.

NEW PENSION SCHEME IN BANKS:

The New Pension Scheme with Defined Contribution System was introduced in Banks, with effect from 1.04.2010. Majority of the existing Serving staff (those who have joined PSBs on or after 1.4.2010) are compulsorily covered under the New Pension Scheme and they are demanding roll back to OPS, with Defined Benefits.

In the Banking Industry, the number of employees covered under NPS are more than those covered under the old pension Scheme.

PERIODICAL INCREASE IN PENSION TO CENTRAL GOVERNMENT EMPLOYEES:

The Fourth Central Pay Commission (1983-1986) was the first to recommend upward revision of pension for past pensioners so that they are not left behind compared to serving employees. Before that, pensions were usually revised only prospectively, meaning only those who retired after the new pay scales benefited. The Fourth CPC recognized the hardship faced by earlier retirees and suggested certain measures to update their pensions. Later, the Fifth Central Pay Commission (1996) further strengthened this principle by recommending parity in pension and removal of wide disparities between old and new retirees.

THE STRUGGLE FOR OROP:

The struggle for One Rank One Pension (OROP) stands as one of the most sustained, totally united, long drawn, determined, and morally compelling movements in India's democratic history, with involvement of Ex-servicemen, war widows, veterans, family pensioners and members of the family of the pensioners. It was not merely an agitation-it was a collective expression of monolithic unity, sacrifice, and an unyielding demand for justice from those who had once pledged their lives to the nation.

From the Cabinet Secretary's diluted recommendations in 2009, to the Koshyari Committee's clear endorsement in 2011, and finally to the government's partial implementation in 2015, the OROP journey has been long, painful, and filled with both hope and heartbreak. Each milestone reflected the veterans' unity, patience, their faith in democratic institutions, and their deep sense of duty to future generations of soldiers.

The image of battle-hardened veterans - once the sentinels of our borders - staging peaceful protests at Jantar Mantar, writing petitions in their own blood, and returning their gallantry medals to the President, remains one of the most poignant chapters in modern India's conscience.

While a partial OROP has been implemented, the veterans' movement continues. Their demand for the "real OROP" - equal pension for equal length of service, automatically revised with every pay commission or salary revision - remains unfulfilled. Their struggle transcends personal benefit; it is a united fight to preserve fairness, honour, and institutional trust for generations of soldiers yet to serve. In essence, the OROP movement reminds the nation that its true strength lies not only in how it arms its soldiers during war, but also in how it respects, rewards, and remembers them in times of peace. A brief writeup on the developments relating to OROP is attached as Annexure 1.

PENSION UPDATION IN RBI:

Pension in RBI is governed by Reserve Bank of India Pension Regulations, 1990. Like Bank Employees' Pension Regulations-1995, the RBI Pension Regulations is also on the lines of Civil Services Regulations, Liberalised Pension Rules and the Civil Pensions (Commutation Rules) of the Central Government Employees. Though the RBI Pension Regulations were notified and was applicable to employees who join the RBI services on or after 1st November, 1990, it was also made applicable to those employees who were in the services of the RBI as on 1st January, 1986 and had retired prior to 1st November, 1990 subject to their opting to be governed by the RBI Pension Regulations,1990. Even though there was no specific provision for Pension updation in the Regulations, following united actions by all Unions of Retirees in the RBI, fully supported by Serving Employees' Unions and the support from the Management of the RBI, pension in RBI was updated as follows:

1. Government of India vide its notification dated 05.03.2019 has approved formula for pension updation to RBI pensioners after decade long struggle of employees and retirees.

2. For the purpose of Updation, RBI pensioners have been divided into groups as under:

   a. Retired between 01.01.1986 to 31.10.1987 BPS 4 Group A
   b. Retired between 01.11.1987 to 31.10.1992 BPS 5 Group B
   c. Retired between 01.11.1992 to 31.10.1997 BPS 6 Group C
   d. Retired between 01.11.1997 to 31.10.2002 BPS 7 Group D
   e. Retired between 01.11.2002 to 31.10.2007 BPS 8 Group E
   f. Retired between 01.11.2007 to 31.10.2012 BPS 9 Group F
   g. Retired between 01.11.2012 to 31.10.2017 BPS 10 Group G

3. As per the above notification of the Government, pensions will be updated for the groups as under:

GROUP	INCREASE IN BASIC PENSION
GROUP A	As per Court order + 3.63 times
GROUP B	As per Court order + 3.63 times
GROUP C	As per Court order + 3.63 times
GROUP D	3.63 times
GROUP E	2.44 times
GROUP F	1.76 times
GROUP G	To be negotiated

Analysis as how pension Updation demand has been achieved in RBI:

1. Pension is updated even though there was no specific provision for Pension Updation in RBI Pension Regulations.

2. RBI Central Board sanctioned Updation in 2004 for Pensioners under Group A to C

3. Despite Government of India objection against sanction of the Updation for Pensioners under Group A to C, payments continued through Court intervention.

4. Simultaneously, retirees' organizations in RBI with the support of serving employees' / officers' unions raised demand of pension updation to all pensioners along with each wage settlement from time to time.

5. Employees' / Officers' Unions extended full support to the demand and gave a call of strike and mass casual leave from time to time to put pressure on the Government / RBI.

6. RBI Management also extended support to the demand and successive Governors took up the issue of pension updation with the finance minister / Finance Secretary from time to time.

7. This historical success could be achieved because of the combined efforts of retiree Organizations, employee organizations and support of the Management.

8. In the words of the General Secretary of AIBRF, it is the victory not only for RBI pensioners but for entire financial sector. This achievement has given new hopes and confidence to the Bank retirees to achieve the demand of updation. Important aspect to be noted is that all retiree organisations unitedly fought for the issue and the Management fully supported the Retirees in their struggle.

9. It is a classic example of achieving success through organizational efforts. RBI retirees showed unity, patience and maturity in achieving the demand.

10. With this achievement, updation is likely to become regular feature in RBI.

Pension in Banks: The Struggle for Updation:

Introduction

The pension scheme in the Indian banking industry is a landmark achievement in the history of employees' struggles for social security. Unlike salary, which sustains an employee during service, pension ensures dignity and financial stability after retirement. For employees who dedicate decades to building the banking sector and contributing to the economy, pension represents both security in old age and recognition of past service.

The Supreme court of India has clarified that the Pension is not a charity or bounty nor is it a gratuitous payment, solely dependent upon the whim or sweet will of the employer. It is earned for rendering long service and is often described as deferred portion of compensation for past service. It is in fact in the nature of a social security plan to provide for the December of life of a superannuated employee. Such social security plans are consistent with the socio-economic requirements of the Constitution, when the employer is a State within the meaning of Article 12 of the Constitution.

The journey of pension in banks has been long and arduous, shaped by sustained efforts of trade unions, judicial pronouncements, and bipartite negotiations. Central to this struggle has been the determination of the Bank Employees and Bank Trade Unions, which placed pension on its agenda as early as 1946 and relentlessly pursued the demand until its realization in 1993.

However, it is a matter of total disappointment to note that even after more than 3 decades of its introduction of pension scheme in Banks, the demand for pension updation still a far cry, whereas the clause no. 12 of the settlement dated 29.10.1993 stated as follows:

Clause no.12 of the Bipartite Settlement dated 29.10.1993: Provisions will be made by a Scheme to be negotiated and settled between the parties to this settlement by 31st December 1993 for applicability, qualifying service, amounts of pension, payment of pension, commutation of pension, family pension, updating and other general conditions etc. on the lines as are in force in RBI.

Subsequently, a meeting of the Small Committee constituted for the purpose of discussing pension agreement came to the following understanding as per minutes of the meeting dated 26.3.1994: formulae for updating pension should be on the lines of the same given in the Reserve Bank pension scheme. Any change therein should be introduced only after mutual agreement". Taking the issue forward, the GOI notified the Bank Employees Pension Regulations vide govt. of India gazette dated 29.9.1995.

Regulation 35(1) of the Bank Employees' Pension Regulations, before its amendment stated as follows:

35. Amount of pension:

(1) In respect of employees who retired between the 1st day of January 1986 but before the 31st day of October 1987, basic pension and additional pension will be updated as per the formula given in appendix 1.

The relevant appendix 1 of the BEPR is enclosed to this report as Annexure 2.

Subsequently, the Board of Directors of the concerned banks after receiving a draft amendment from Indian Banks' Association and in exercise of powers conferred by Section (1) of Banking Companies (Acquisition and Transfer of Undertakings) Act 1970, in consultation with RBI and with prior sanction of GOI adopted certain amendments and substituted certain appendices of the Bank Employees' Pension Regulations 1995. These amendments were published in the Gazette of India and were given effect to.

The amended regulation 35(1) reads as follows:

35(1) Amount of Pension:

Basic pension and additional pension wherever applicable shall be updated as per the formulae given in Appendix 1.

The amended appendix 1 is attached to this report.

We will be dealing about this in detail in the later part of this report.

NAKARA CASE- A LANDMARK IN PENSIONERS' LEGAL FIGHT:

In the historical judgement in the case of D. S. Nakara & Others vs Union of India (1983)(Citation:AIR 1983 SC 130; (1983) 1 SCC 305) delivered by Justice Y. V. Chandrachud (CJI), Justice D. A. Desai, Justice O. Chinnappa Reddy, the Supreme Court of India, amongst others, held and stated as follows:
Background:

" The Central Government liberalized the pension formula for government servants with effect from 1 April 1979 but restricted its benefit only to those who retired on or after that date.

" Those who had retired before 1 April 1979 were denied the revised, more beneficial formula.

" Retired civil servants and defence personnel, led by D. S. Nakara (a retired civil servant), challenged this discrimination as violative of Article 14 (Right to Equality) of the Constitution.

Ratio Decidendi (Legal Principle) laid down by Supreme court:

Pension is not a bounty or gratuitous payment but a deferred portion of compensation for past service, and it constitutes a right.

The State cannot arbitrarily create two classes of pensioners - one retiring before a particular date and another retiring after - when both belong to the same class and had rendered similar service. Such classification is unconstitutional and violative of Article 14.

In essence:

" All pensioners form a single homogeneous class.

" Any liberalization or revision in pension rules must apply uniformly to all members of that class, unless there is a valid, rational basis for differentiation.

" The cut-off date (1 April 1979) was held to be arbitrary and therefore invalid.

Key Observations by the Supreme Court:

1. On the nature of pension:

"Pension is a right, not a bounty or a gratuitous payment. It is a social welfare measure rendering socio-economic justice to those who have served the State."

"It is a measure of socio-economic justice which inheres economic security in the fall of life when physical and mental prowess is ebbing."

2. On equality among pensioners:

"If the pensioners form a class, their computation cannot be by different formulae depending upon the date of retirement. The classification based on the date of retirement is arbitrary and violative of Article 14."

3. On the object of pension:

"The basic purpose of pension is to provide a decent standard of life to the retired employees and to avoid destitution in old age."

4. On the welfare state obligation:

"The State cannot take a plea of financial constraints to deny legitimate dues to its retired employees. In a welfare state, pension is a measure of socio-economic justice."

Outcome:

" The Supreme Court struck down the cut-off date (1 April 1979) as unconstitutional.

" Directed that the liberalized pension formula be made applicable to all pensioners, irrespective of their date of retirement.

" The Nakara case became a foundational judgment in Indian service jurisprudence.

" It established pension as a constitutional and enforceable right, not merely a discretionary benefit.

" It influenced later rulings on equality, welfare measures, and rights of retirees - both civil and Defence personnel.

A FEW MORE JUDGEMENTS HAVING BEARING ON BANK EMPLOYEES' PENSION AND THROWING LIGHT ON INTERPRETATION OF LAW/STATUTE:

One of the Supreme Court judgments is the case of State of Rajasthan & Others v. O.P. Gupta, decided by a Division Bench of Justices Indira Banerjee and J.K. Maheshwari on 19 September 2022 (Special Leave Petition (C) No. 16734 of 2022).

Key case details:

Case name: State of Rajasthan & Others v. O.P. Gupta.
Court: Supreme Court of India (Division Bench).
Bench: Indira Banerjee, J.K. Maheshwari, JJ.
Date: 19 Sep 2022.
SLP No.: Special Leave Petition (Civil) No. 16734 of 2022.

Short extract (from the judgment) :

"Pension is a lifelong benefit. Denial of pension is a continuing wrong. This Court cannot also be oblivious to the difficulties of a retired employee in approaching the Court, which could include financial constraints… When financial rules framed by the Government such as Pension Rules are capable of more interpretations than one, the Courts should lean towards that interpretation which goes in favour of the employee." (paras 27-28).

Brief note on the decision:

The Supreme Court dismissed the State's SLP against a Rajasthan High Court order that had allowed pension to a retired employee. The Bench held that pension is a lifelong right and that courts should adopt a purposive interpretation of pension rules when more than one interpretation is possible, the one favouring the retired employee- given the continuing nature of the grievance and the practical difficulties pensioners face- should be adopted. The Court therefore affirmed the High Court's decision awarding pension under Rule 25(2) of the Rajasthan Pension Rules (as applied to the facts).

Supreme Court judgments that affirm the following principle:

"If a statute is capable of more than one interpretation, the interpretation favourable to the weaker or beneficiary party should be adopted."

The following are a few of several authoritative Supreme Court decisions endorsing this principle, particularly in the context of beneficial or welfare legislation, with case titles, citations, and key reasoning:

1. Indian Bank v. K. Usha, (1998) AIR SCW 619; AIR 1998 SC 866

Context: Interpretation of welfare measures under labour law.

Principle: The Court held that "the construction which fructifies a welfare measure has to be preferred as compared to another construction which stultifies a benevolent welfare measure."

2. Madan Singh v. UOI, 1999 AIR SCW 3342

Context: Interpretation of legal provisions with beneficial objectives.

Principle: The Court emphasized that it is the duty of the Court to "interpret a provision, especially a beneficial provision, liberally so as to give a wider meaning rather than a restrictive meaning which would negate the very object of the rule."

3. Cases under Social Welfare Legislation (e.g., ESIC, PF Acts)

Various rulings reflect the norm of liberal interpretation to give effect to social justice provisions:

Cochin Shipping Co. v. ESIC, AIR 1993 SC 252; (1992) 4 SCC 245

Delhi Gymkhana Club Ltd. v. ESIC, (2015) 1 SCC 142

Bombay Anand Bhavan Restaurants v. ESIC, (2009) 9 SCC 61

EPFC v. Official Liquidator of Esskay Pharmaceuticals, (2011) 10 SCC 727

These decisions held that welfare statutes should receive liberal construction to advance their objectives.

4. Jiva Bhai Purshottam v. Chhajan Karson & Others, AIR 1961 SC 1491

Context: Beneficial enactments aimed at specific classes (e.g., tenants).

Principle: Held that any doubt in the meaning of a beneficial statute should be resolved in favor of the persons intended to benefit from the Act.

5. Dahiben v. Vasanji Kewalabhai, AIR 1995 SC 1215

Context: Tenant-friendly amendments to tenancy laws.

Principle: The Court ruled that beneficial legislation should receive liberal interpretation, including retroactive application if it furthers the legislative intent.

6. Smt. Shashi Gupta v. LIC of India, AIR 1995 SC 1367

Context: Interpretation of policies/circulars favoring policyholders

Principle: An interpretation favorable to the insured or policyholder should be preferred.

7. Regional Executive, Kerala Fishermen's Welfare Board v. M/s Fancy Food, AIR 1995 SC 1620

Context: Welfare of fishermen under a state Act.

Principle: Court recognized that a welfare legislation must be construed in a manner consistent with its objective-to promote welfare of fishermen, including broader interpretation when reasonable.

8. Exploitation of Children in Orphanages in the State of Tamil Nadu v. Union of India, AIR 2019 SC 2546

Context: Juvenile justice and child protection.

Principle: Held that definitions such as "child in need of care and protection" must receive broad and purposive interpretation, consistent with social justice objectives and international conventions.

Summary of the above judgements:

Case Citation Principles Affirmed.

Indian Bank v. K. Usha 1998 AIR SCW 619 Welfare measures deserve favorable interpretation.
Madan Singh v. UOI 1999 AIR SCW 3342 Beneficial provisions interpreted liberally.
ESIC / PF Act cases Various (1992-2011) Social welfare statutes construed broadly.
Jiva Bhai Purshottam AIR 1961 SC 1491 Doubt resolved in favor of beneficiary person.
Dahiben v. Vasanji AIR 1995 SC 1215 Benign statutes may apply retroactively if it aligns with intent.
Smt. Shashi Gupta v. LIC AIR 1995 SC 1367 Policyholder-favorable construction.
Kerala Fishermen's Welfare AIR 1995 SC 1620 Welfare acts interpreted to fulfil objectives.
Child Protection (Tamil Nadu) AIR 2019 SC 2546 Definitions interpreted broadly under social justice.

PENSION FUND:

The chapter 3 of the BEPR 1995 deals with the pension fund. Clause no. 5(3) of the Pension Regulations states as follows:

The Bank shall be a contributor to the fund and shall ensure that sufficient sums are placed in it to enable the Trustee to make due payments to beneficiaries under these regulations.

The following tables are attached for proper understanding of the Pension Fund, number of Pensioners and their age profile :

1. Position of Pensioners in Public Sector Banks as on 31st March 2023.
2. Pension Fund position of Public Sector Banks at Fair Value as per AS-15 (Rs. in Crore) - 2025
3. Bank-wise Pensioners and Family Pensioners age-wise as on 31-03-2023.

ALL INDIA BANK RETIREES' FEDERATION (AIBRF)

POSITION OF PENSIONERS IN PUBLIC SECTOR BANKS AS ON 31ST MARCH 2023

SN	NAME	PENSIONERS	FAMILY PENSIONERS	TOTAL PENSIONERS
1	STATE BANK OF INDIA	207904	70866	278770
2	PUNJAB NATIONAL BANK	85045	18408	103453
3	INDIAN OVERSEAS BANK	20500	5498	25998
4	CENTRAL BANK OF INDIA	31683	11613	43296
5	BANK OF INDIA	34892	8647	43539
6	BANK OF BARODA	48853	13665	62518
7	UCO BANK	21938	7196	29134
8	PUNJAB & SIND BANK	8639	2094	10733
9	BANK OF MAHARSHTRA	15271	3169	18440
10	INDIAN BANK	31463	8027	39490
11	UNION BANK OF INDIA	37748	9286	47034
12	CANARA BANK	62628	15138	77766
	GRANT TOTAL	606564	173607	780171
	LESS SBI	-207904	-70866	-278770
	PENSIONERS IN NATIONALIZED BANKS	398660	102741	501401

Pension Fund position of Public Sector Banks at Fair Value as per AS - 15 (Rs.in Crore) 2025

No	Bank	Pension Fund Opening Balance	Income on Inv.		Contributions		Actuaries		Pension Paid		Pension Fund Closing Bal
			2025	2024	2025	2024	2025	2024	2025	2024	
1	SBI & Associates	151644	10963	9786	8116	7635	2791	6240	6083	5165	167431
2	Bank of Baroda	29620	2221	1935	943	4536	212	95	2868	2677	30128
3	Bank of India	19923	1485	1383	2072	2112	321	31	2413	2000	21388
4	Punjab National Bank	50877	3572	3541	4960	1888	750	486	4644	4170	55515
5	Union Bank	31140	2255	2165	2241	2223	278	424	2568	2427	33346
6	Canara Bank	27492	1850	1920	1872	2121	993	408	3999	3668	28208
7	Indian Bank	19070	1529	1399	2308	2216	2	10	2189	1838	20720
8	Central Bank of India	17373	1177	*1153*	*1526*	1342	139	192	2043	1798	18172
9	Indian Overseas Bank	13466	1003	777	1080	333	68	2177	1262	1135	14355
10	UCO Bank	9242	748	716	1450	870	116	6	1531	1215	9793
11	Bank of Maharastra	7283	494	501	906	452	102	42	797	661	7988
12	Punjab & Sind Bank	4664	372	354	372	382	1	14	554	517	4855
	Total	**381794**	**27669**	**25630**	**27846**	**26110**	**5541**	**10063**	**30951**	**27271**	**411899**

Compiled by Mr.NSN Reddy General Secretary
ABREA

BANK-WISE PENSIONERS & FAMILY PENSIONERS AGE-WISE as on 31.03.2023

BANK	PENSIONERS						FAMILY PENSIONERS						PENSIONERS & FAMILY PENSIONERS PERCENTAGE (%)		
	60	61-70	71-80	81-90	>90	TOTAL	60	61-70	71-80	81-90	>90	TOTAL	GRAND TOTAL	PENSI-ONERS %	FAMILY PENSIO-NERS %
STATE BANK OF INDIA	4274	127830	65845	9593	362	207904	5598	22362	28298	11444	3164	70866	278770	74.58	25.42
PUNJAB NATIONAL BANK	6611	55010	20219	3075	130	85045	5298	8048	4059	958	45	18408	103453	82.21	17.79
INDIAN OVER SEAS BANK	228	14570	4898	645	159	20500	1493	2557	1073	322	53	5498	25998	78.85	21.15
CENTRAL BANK OF INDIA	2289	16086	11541	1647	120	31683	2608	4293	3502	1069	141	11613	43296	73.18	26.82
BANK OF INDIA	587	24069	9063	1144	29	34892	640	3777	3096	1005	129	8647	43539	80.14	19.86
BANK OF BARODA	938	29928	15672	2215	100	48853	5491	3585	3093	1246	250	13665	62518	78.14	21.86
UCO BANK	96	12451	7465	1393	533	21938	253	2192	2843	1548	360	7196	29134	75.30	24.70
PUNJAB & SIND BANK	163	5789	2497	184	6	8639	677	983	368	65	1	2094	10733	80.49	19.51
BANK OF MAHARASHTRA	504	9499	4566	657	45	15271	507	1096	1065	406	95	3169	18440	82.81	17.19
INDIAN BANK	1038	19570	9407	1354	94	31463	1284	2778	2697	1027	241	8027	39490	79.67	20.33
UNION BANK OF INDIA	**1246**	**23479**	**11287**	**1623**	**113**	**37748**	**1486**	**3213**	**3120**	**1189**	**278**	**9286**	**47034**	**80.26**	**19.74**
CANARA BANK	2067	38955	18700	2712	194	62628	2421	5244	5083	1936	454	15138	77766	80.53	19.47
TOTAL	**20041**	**377236**	**181160**	**26242**	**1885**	**606564**	**27816**	**60128**	**58297**	**22215**	**5211**	**173607**	**780171**	**77.75**	**22.25**

Regulation 11 of the BEPR further states as below:

11. Actuarial investigation of the fund: The Bank shall cause an investigation to be made by an Actuary into the financial condition of the Fund every financial year, on the 31st Day of March, and make such additional annual contributions to the Fund as may be required to secure payment of the benefits under these regulations: Provided that the Bank shall cause an investigation to be made by an Actuary into the financial condition of the Fund, as on the 31st day of March immediately following the financial year in which the Fund is constituted.

The regulation 56 of the same Regulations stipulates as follows:

56. Residuary provisions: In case of doubt, in the matter of application of these regulations, regard may be had to the corresponding provision of Central Civil Services Rules, 1972 or Central Civil Services (Commutation of Pension) Rules, 1981 applicable for Central Government employees with such exceptions and modifications as the Bank, with the previous sanction of the Central Government, may from time to time, determine.

The Pension settlement dated 29.10.1993 was widely hailed as a historic achievement - not only because it fulfilled a decades-old demand but also because it placed bank employees in line with their counterparts in government services and RBI.

PRESENT POSITION OF RETIRAL BENEFITS IN STATE BANK OF INDIA:

As the successor of the Imperial Bank of India, SBI today provides a comprehensive retiral benefits to its employees:

1. Provident Fund - Like employees of other banks, SBI employees are entitled to Provident Fund benefits.

2. Gratuity -

In SBI, gratuity is paid strictly under the Payment of Gratuity Act, 1972(Statutory Gratuity, with the present statutory ceiling of 20.00 lakhs.

In contrast, in other nationalised banks, gratuity is to be calculated both under the Gratuity Act and as per the Officers' Service Regulations (OSR)/ Bipartite Settlement, and the higher among them, without any ceiling has to be paid.

3. Pension -

In SBI, till recently, there were two slabs of pension rates- 50% and 40% of tye Basic Pay. However, the Tangirala Committee recommended uniform rate of pension to all pensioners at the rate of 50% of Basic Pay. Thus,SBI retirees are now entitled to pension on the same lines as available to employees of other banks, forming the third pillar of their retiral benefits along with PF and gratuity.

However, the Commutation Factor for them is 6.60 as against 9.81 available to Nationalised Banks, for those retiring at the age of 60 years.

Significance:

The journey from the contributory pension of the Imperial Bank to the structured system of SBI reflects the broader struggle of bank employees for social security. The unity of all retiree organisations in SBI and solidarity of Serving Unions with Pensioners and interventions of committees coupled with legal initiatives through Courts ensured that pensions became a standard retiral benefit to SBI Retirees alongside Provident Fund and Gratuity.

A brief report on the pension in SBI and about Tangirala Committee recommndations is attached as Annexure-2.

Challenges and Issues in Pension Improvements in Nationalised Banks and PRIVATE BANKS:

While the 1993 settlement laid the foundation, several issues soon emerged in implementation:

1. Option windows: Employees were initially required to choose between PF and pension. Many who did not/could not opt in the first window, lost out, leading to repeated demands for reopening options in later settlements.
2. Funding: Pension was structured as a self-financing scheme, with contributions from employees and management, creating disputes over funding adequacy.
3. Exclusions: Certain categories of employees, including those who resigned, were kept out leading to grievances. Even though they are given an option in the latest wage revision settlement in March 2024, it is only a half-hearted attempt.
4. Updation of pension: Perhaps the most significant issue has been the lack of updation of pension in banks, unlike in the government and RBI.

Pension Updation - The Continuing Struggle :

While introduction of pension was a milestone, pension updation remains an unfinished agenda. In government services pensions are revised periodically in line with wage revisions as per recommendations of pay commissions, ensuring that older retirees are not left behind.

In RBI also pension revision has taken place twice, once in 2019 and again in 2023.

In banks, however, pensions have not been updated with successive bipartite settlements. The pension settlement was signed on 29.10.1993, i.e. during the period of 5th Bipartite Settlement dated 10.04.1989. Thereafter 7 Bipartite settlements have been signed. But, updation of pension has not taken place. This has created wide disparities: a retiree of the same rank and service but retired years earlier often receives much less than a junior retiree in terms of Basic Pension.

The denial of pension updation has become a major grievance, prompting repeated representations, and agitations by retirees' organizations. AIBRF has been on the vanguard of these agitational programmes. Many individuals as also certain organisations have approached the courts with prayers of pension updation.

Judicial and Policy Interventions:

As stated above various court cases have been filed seeking parity and updation of pension in banks. While courts have recognized pension as a form of deferred wage and social security, updation of pension, the mother of all demands for Bank Retirees, still remains a mirage. Policy makers have also debated the matter in parliamentary forums.

Cases are pending in courts in the matter of Pension updation.

Some of these cases are:

1. SLP No.5561/2016: M.C.Singla case before the Supreme court of India.
2. Writ Petition filed by AIBOA before the High Court of Mumbai.
3. Pension updation case filed by Pensioners of LIC
4. Pension updation case filed by SBI Pensioners.
5. Writ petitions in respect of Pension on Special allowance.

Conclusion

The journey of pension in banks is a story of persistent struggle, resilience, and historic achievement. From the first demand for pension raised during the 1940s to the 1993 bipartite settlement that finally introduced pension, and the ongoing campaign for updation, the movement reflects the determination of bank employees to secure dignity in retirement.

The introduction of pension was a milestone, but the task remains incomplete until regular pension updation is ensured, on par with government and RBI employees. For thousands of retirees who built India's banking sector, pension updation is not only a matter of financial security but also one of fairness, equality, and recognition of lifelong service.

The struggle is still continuing.

LEGAL COMMITTEE'S OPINION ON 3 ISSUES REFERRED TO IT BY THE GENERAL SECRETARY of AIBRF

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While the situation is as above, the General Secretary of AIBRF, vide his letter No. 2025/0055 dated 08.07.2025 has asked the Legal Committee of AIBRF to examine the following three issues on legal parameters based on the relevant record internally and if found necessary may take legal opinion from experienced advocate on the service matter:

1. QUERY FROM AIBRF GENERAL SECRETARY:

Quote

Annual Review of Ex-Gratia: Provision has been made under Para 36 of 12th Bipartite Settlement dated 8.03.2024 for carrying out annual review of ex-gratia commencing from April 2024. Despite continuous follow up by AIBRF, IBA has neither carried out annual review due in April 2024 and April 2025 nor finalized parameters on which review will be done to bring transparency in the whole exercise as required under law. In view of this, AIBRF would like to examine whether provision made under Para 36 gives legal right to beneficiary (retiree) to demand to carry out the exercise on pre- determined para meters and pay additional amount of ex-gratia to the eligible pensioners. **Unquote.**

OPINION OF THE LEGAL COMMITTEE:

The Legal Committee has met several times on Video Conference, collected a lot of data, obtained a legal opinion and has discussed about these issues. The opinion of the Legal committee is as follows:

The IBA in its communication bearing Ref No. HR&IR.GOVT/Q/2025-26/2107 dated 9.5.2025, addressed to the Chief Labour Commissioner(C), as its submission in a dispute raised by a Bank Employees' Organisation, has stated as follows:

"Thus, nowhere "ex-gratia payments would be made in lieu of revision/updation of Pension" has been mentioned. Similarly, to the provisions of the signed bipartite, review of ex-gratia amount has been undertaken in April,2024 and April 2025 in mutual agreement with the Unions/Association."
This letter of the IBA is attached as an Annexure to this opinion.

In view of the above statement of the IBA, the issue has reached a different level, which we do not want to get into.

As already stated, we have obtained a legal opinion from Advocate Muralidhara, an experienced advocate in service matters, practising Law in Bangalore. About this particular issue, his opinion is as follows:

The 12th Bipartite Settlement dated 08/03/2024 is made under Section 2(p) read with Section 18(1) of the Industrial Disputes Act,1947. The settlement brought under Section 18(1) of the I.D.Act binds only those who are members of the signatory unions. Since the Pensioners are not the members of the signatory unions, any settlement made in respect of issues pertaining to retirees may not be binding on the Pensioners. As such, although the pensioners are the beneficiaries of the settlement, yet, it may be difficult for them to enforce the settlement relating to ex-gratia, inscribed in Para 36 of the 12th Bipartite Settlement. The commitment by the India Banks' Association that the next review of ex-gratia amount shall be undertaken in April 2024 and thereafter, shall be subject to review annually is binding between the signatory Unions to the Bipartite Settlement and the IBA. Therefore, it is only the signatory Unions that could take up the issue with the IBA and / or before the Labour Authorities for enforcement of the said commitment relating to review of ex-gratia in April 2024."

Therefore, we are of the following opinion :

Courts can only interpret law, but, organized and united mass movements can create new rights. While the judiciary interprets and enforces rights within legal texts, rights themselves are born in the field through sustained mass movements that transform moral claims into legal recognition. Our Supreme Court has repeatedly acknowledged that creation of new rights lies primarily in the realm of organizational and united struggle. Therefore, and in the background of the legal opinion in the matter, legal recourse in the matter of ex-gratia payment would be of little avail and it may not serve much purpose. Hence, we make no recommendation of any legal steps in the matter.

Organisationally speaking, the need of the hour is to put united and determined efforts to exert pressure by AIBRF on UFBU,IBA and Govt.of India to discuss all pension related issues with Retirees' Organisations and settle the same expeditiously.

2. SECOND QUERY FROM AIBRF GENERRAL SECRETARY:

Quote: Direct Dialogue of Retirees with IBA: This is very important demand for bank retirees to secure legitimacy and credibility to bank retiree movement. AIBRF has been pursuing the demand at the organizational level for last several years for creating some forum at IBA level for retirees so that they can use this window for resolution of their grievances through direct dialogue. **Unquote.**

As per service conditions obtaining in banks, retirees are eligible for many benefits like payment of pension, other superannuation benefits etc. They create legal relationship between bank management and retirees in post-retirement period. However, IBA has been denying this position and to deny this right signed Record note dated 25.06.2015 with Unions.

IBA has also been denying direct dialogue with retirees on the plea that it is unable to do so in the absence of mandate from management of member banks.

However, the facts remain that IBA has been introducing, modifying, altering schemes for retirees periodically based on the mandates given by member banks from time to time. These exercises significantly affect rights and benefits of retirees. However, they are decided without any consultation with the retirees which result in to very confusing and peculiar situation and leads to avoidable litigation besides creating dissatisfaction, resentment and unrest among lakhs of retirees.

The committee is requested to examine whether position taken by IBA adversely affect legal rights of retirees and therefore provides legal right to retirees to approach appropriate legal forum for direction to the IBA/ Government to create appropriate forum (window) for retirees for resolution of retiree grievances at the apex level: UNQUOTE.

OPINION OF THE LEGAL COMMITTEE:

Retirees cease to be "workmen" within the meaning of the Industrial Disputes Act, 1947, and therefore, collective bargaining rights through unions generally do not extend to them. However, their rights to pension, gratuity, provident fund, and other retiral benefits flow from statutory provisions, service regulations, and settlements/awards. In terms of Pension Regulations, they are liable for Disciplinary Action even after retirement, for a specified period. They are required to seek the permission of the Bank, for joining services elsewhere. All these aspects clearly establish the relationship between the Bank and the Pensioner even after retirement. Once accrued, these benefits form an enforceable legal right.

The Supreme Court in D.S. Nakara v. Union of India, (1983) 1 SCC 305 held that pension is not a bounty but a deferred wage, and retirees form a homogeneous class entitled to equality and fair treatment.

In Olga Tellis v. Bombay Municipal Corporation, (1985) 3 SCC 545, the Court reiterated that rights linked with livelihood cannot be arbitrarily taken away. It is in the service law context and hence, it extends to fair treatment of retirees.

Thus, retirees continue to have a legal relationship with their former employer in so far as retiral benefits are concerned.

The IBA acts as a negotiating body on behalf of banks for wage settlements and service conditions. In practice, IBA has introduced or modified retiree benefit schemes (pension, medical benefits, commutation rules, etc.) based on member banks' mandates. These decisions directly affect retirees. The IBA's stand that it cannot directly hold dialogue with retirees is inconsistent with its actual practice of making decisions impacting them without their participation.

This creates a situation contrary to principles of natural justice - i.e., audi alteram partem (no one should be condemned unheard).

Retirees Have a Legal Right to Dialogue:

Retirees, though no longer employees, remain stakeholders in schemes periodically modified by IBA. Excluding them from consultation while altering rights vested in them is arbitrary and is against the principles of natural justice.

Supreme Court precedents CONCERNING PENSIONERS:

D.S. Nakara (1983) - Pensioners form a class; arbitrary exclusion or unequal treatment among them violates Article 14 of the Constitution.
T.S. Thiruvengadam v. Union of India, (1993) Supp (1) SCC 584 - Rights of retirees cannot be tinkered with arbitrarily.

All India Reserve Bank Retired Officers' Association v. Union of India, (1992) Supp (1) SCC 664 - Pension schemes and modifications thereto are subject to judicial review to prevent arbitrariness.

State of Jharkhand v. Jitendra Kumar Srivastava, (2013) 12 SCC 210 - Pension is a property right under Article 300A; cannot be withheld or modified except by authority of law.

From these rulings, it follows that retirees are entitled to representation in decision-making processes that affect their vested rights.

IN CENTRAL GOVERNMENT :

The Central Pay Commissions hold detailed discussions with Organisations of Pensionersjointly, during their proceedings and elicit their views on various issues concerning pensioners. Similar is the situation with State Government retirees also.

Parliamentary Committee Recommendation on Dialogue with Bank Retirees:

1. Committee Meeting under Shri Sudharshan Nachiappan:

On 8 February 2016, a Parliamentary Committee on Personnel, Public Grievances, Law & Justice, chaired by Sri Sudharshan Nachiappan, Member of Parliament (Rajya Sabha), convened to examine long-standing issues faced by bank retirees. Representatives from the All India Bank Retirees' Federation (AIBRF) and the IOB Retirees' Association presented their charter of demands, including pension updates, DA neutralisation, healthcare benefits, and grievance redressal mechanisms. The Chief Executive Officer of the Indian Banks' Association (IBA) and officials from the Department of Financial Services, Ministry of Finance were also present. The Committee expressed sympathy with retirees with concerns and directed both IBA and the Ministry of Finance to hold discussions with retirees' organisations and resolve their issues within two months. The Committee's direction recognized retirees as legitimate stakeholders whose post-retirement benefits and grievances warrant formal consultation. It marked a breakthrough at the policy level, moving from ad hoc advocacy to institutional acknowledgment by both the Parliament and the Government.

The managing committee of IBA in a meeting held on 23rdMarch 2009 approved setting up a Grievance Redressal Forum at the Corporate level of each Bank and issued a circular on 30thMarch 2009 to that effect. At present most of Banks are holding Grievance Redressal Committee Meetings with organisations of retirees jointly.

While the Ministry of Finance was expected to instruct IBA to establish a periodic consultative mechanism, actual implementation remains elusive.

IBA's 2015 Record Note:

The Record Note dated 25.06.2015, signed with unions stated that any demand of retirees can be examined only as a welfare measure as contractual relationship does not exist between banks and retirees. This statement is totally against the established relationship between the Retirees and the Banks and it cannot legally extinguish retirees' rights because of the following reasons:

" Retirees were not parties to this agreement.

" Settlements under the Industrial Disputes Act bind only "employers" and "workmen," not past employees.

" Therefore, such a record note cannot operate to the prejudice of retirees (see LIC of India v. Retired LIC Officers Association, (2008) 3 SCC 321).

LEGAL OPINION BY ADVOCATE MURALIDHARA :

Advocate Muralidhara, from whom we had obtained a legal opinion in the matter, has opined as follows:

"On the issue of creating a forum where IBA could hear the grievances of the pensioners directly with the representative Federations/ unions of pensioners so that the same could be resolved through dialogue amicably, it can not be countenanced that the issue raised by the Federation and justification given in support of the same appears to be valid.

The pension Regulations 1995 have been created by exercising the powers conferred on the Union Government under section 19 of the Banking Companies (acquisition and transfer of undertakings) act 1970. The Pension Regulations, inter alia, has also Chapter IX- General Conditions, which confers disciplinary control and power to the Banks on the Pensioners. Therefore, even after retirement, there exists jural relationship between the Management of the Banks and the Pensioners. If a Pensioner is guilty of any action of misconduct as enumerated in the said chapter, he shall be proceeded against under provisions of the Bipartite settlement or under the Discipline and Appeal Regulations of the Bank. This being the position under the Pension Regulations, it becomes imperative for the IBA and the Banks to consider the Pensioners as part and parcel of the Banks and a grievance resolving mechanism has to be set up. Since the IBA is not in favour of establishing any such forum to resolve the grievances of the pensioners, in spite of repeated representations by AIBRF, the only way out is to approach the court of law (High Court or Supreme Court) , which option, if considered, may fetch some result."

Scope for Judicial Intervention :

Retirees have grounds to approach High Courts under Article 226 or the Supreme Court under Article 32 for:

1. Declaration that denial of dialogue/forum is arbitrary and violative of Articles 14 and 21.

2. Direction to Union of India/IBA to create an appropriate forum for dialogue at the apex level.

The courts may not directly create a forum but can direct the Government/IBA to consider and establish a structured mechanism, in line with precedents where consultation rights have been judicially recognized in service jurisprudence.

In the background of the above, this committee recommends to proceed with filing a Writ Petition either before a High Court or before the Supreme Court of India in the matter.

3. THE THIRD QUERY FROM AIBRF GENERAL SECRETARY:

QUOTE: Regulation No. 35(1) of Pension Regulation, 1995: The committee is requested to examine legal scope, jurisdiction and whether it provides legal right to pensioners for periodical Updation as per the relevant Appendix attached with Pension Regulations, 1995 and the possible purpose of introducing this clause in pension regulation in 2002.

OPINION OF THE LEGAL COMMITTEE:

Background

The Bank Employees' Pension Regulations, 1995 (framed under Section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980, and duly notified by the Government of India, govern the pensionary rights of retired bank employees.

Regulation 35(1), as originally framed, dealt with the manner of computation of pension. Subsequently, an amendment was carried out and notified by the Government of India, which stated that basic pension and additional pension wherever applicable shall be updated as per the formulae given in Appendix-I.

The Appendix I attached to the Bank Employees' Pension Regulations, as amended uptodate says as follows:

"Appendix-I (See Regulation 35):

The formula for updating Basic Pension and additional Pension in respect of employees who retired during the period from 01.01.1986 to 31.10.1987 shall be as under:

Appendix - I (See Regulation 35)

1. The formula for updating basic pension and additional pension in respect of employees who retired during the period 1.1.1986 to 31.10.1987 shall be as under:-

(1) A.

(a)	*50 percent of first Rs.1000 of the average emoluments reckonable for pension.*	*Rs.*
(b)	*45 percent of next Rs. 500*	*Rs.*
(c)	*40 percent of the average emoluments reckonable for pension exceeding Rs. 1500*	*Rs.*
	Total of (a+b+c)	*Rs.__________(A)*

B.	*50 percent of the average monthly emoluments for the last 10 months in service prior to retirement*	*Rs.__________(B)*
C.	*Dearness Relief at Index Number 600 in the All India Average Consumer Price Index for Industrial Workers in the series 1960= 100, on basic pension calculated at (A) above, as per Table given below.*	*Rs.__________(c)*

D. Totalbasic pension
= (B) +© X Number of years of qualifying service (Max. 33 years) / 33 — Rs. ____________(D)

E. Basic pension as on 1.11.1993 (Rounded Off to the next higher rupee) — Rs.____________(E)

(2) Special allowances to the extent of the amount ranking for making contributions to the Provident Fund in terms of the Bipartite Settlement dated 10th April, 1989 or Officers' Service Regulation, as the case may be, corresponding to the special allowances drawn at the time of retirement shall be reckoned for the purpose of additional pension.

Rates of dearness relief worked out at index number 600 in the All India Average Consumer Price Index for Industrial Workers in the series 1960 = 100 for all classes of employees who retired during theperiod 1.1.1986 to 31.10.1987:

(a) Employees in subordinate Staff Cadre — 80.40 percent of pension calculated at A above

(b) Employees in clerical staff cadre drawing pension upto Rs. 756/- per month. — 67 percent of pension calculated at Aabove

(c) Employees in clerical staff cadre drawing pension of Rs. 757/- per month and above will be eligible for dearness relief as under:-

Amount of basic pension Drawn per month	The amount of dearness relief admissible
757-796	508.00
797-804	534.00
805-824	540.00
825-844	553.00
845-864	567.00
865-884	580.00
885-904	593.00
905-924	607.00
925-944	620.00
945-964	634.00
965-984	647.00
985-1004	660.00
1005- 1024	674.00
1025- 1044	687.00
1045- 1064	701.00
1065- 1084	714.00
1085&above	727.00

(d) Employees in officer cadre shall be eligible for dearness relief as under:

(i) For those drawing basic amount pension upto Rs.765/- per month — 66percentofthepension calculated as at A above, subjecttoamaximumof Rs.500.

(ii)	For those drawing basic pension from Rs. 766/- to Rs.1165/- per month;	Rs.500/-
(iii)	For those drawing basic pension of Rs.1166/- per month or above;	42.90 percent of amount of pension calculated as at Aabove, subject to a max. of Rs. 715/-.

2. The formula for updating basic pension in respect of workmen who have retired on or after the 1st day of November, 1992 but before the 1st day of September, 1993 and in respect of officers who have retired on or after the 1st day of July, 1993 but before the 1st of May, 1994 shall be as under:

(1)	Total of pay drawn as per the old scales for the month/s during the last 10 months of qualifying service.	Rs.
(2)	Total of dearness allowance actually drawn or dearness allowance at 1148 points, whichever is less, for each month of pay calculated as (1) above	Rs.
(3)	Total of pay drawn as per (1) above plus total of dearness allowance drawn as per (2) above	Rs.
(4)	Total of pay drawn as per revised scales of pay for the month/s during the last 10 months of qualifying service including the month in which the employee retired.	Rs.
(5)	Total of columns (3) and (4)	Rs.
(6)	Average emoluments for the purpose of pension i.e. Total as per (5) above / 10	Rs.
(7)	Updating basic pension 50% of (6) above X Number of years of qualifying service (Max. 33 years) / 33	Rs.
(8)	Basic Pension (Rounded off to next higher rupee)	Rs.

3. In respect of workmen who have retired on or after the 1st day of November, 1992 but before the 1st day of November , 1994 and in respect of officers who have retired on or after the 1st day of July, 1993 but before the 1st day of November, 1994 the amount of special allowances in terms of Bipartite Settlement dated 14th February, 1995 or the Officers Service Regulations, as the case may be, corresponding to the special allowances actually drawn at the time of retirement shall be reckoned for the purpose of computation of additional pension w.e.f. 1st November, 1994:

Provided that for the period from 1st day of November, 1992 or from the date of retirement, whichever is later, till the 31st day of October, 1994 the amount ranking for provident fund at pre-revised rates shall be reckoned for the purpose of computation of additional pension.

4. Inrespect of employees who have retired on or after the 1st day of November, 1994 and have drawn special allowance both at the pre-revised and revised rates during the last10 months of service before retirement, the amount of special allowance in terms of the Bipartite Settlement dated 14th

February, 1995 or the Officers Service Regulations, as the case maybe, corresponding to the pre-revised special allowance actually drawn at the time of retirement shall be reckoned for the purpose of computation of additional pension.

Note: *The amount of revised special allowance drawn on or after the 1st day of November, 1994 shall be reckoned for computation of basic pension.*

5. In respect of subordinate staff who have retired on or after the 1st day of November, 1992 and have drawn pre-revised special allowance as also those who have retired on or after the 1st day of November, 1994 and have drawn special allowance both at the pre-revised and revised rates during the last ten months of service before retirement, the amount of special allowance actually drawn at the pre-revisedrates shall be reckoned forthe purpose of computation of basic pension and shall draw dearness relief at the rates for every rise or fall of 4 points over 600 points in the quarterly average of the All India Consumer Price Index for Industrial Workers in the series 1960=100

Because of this Appendix, the amended regulation, though has statutory force, has become a matter of different interpretations. There are arguments asserting that the Regulation 35(1) is applicable to only those who had retired during the period from 01.01.1986 to 31.10.1987. But, before drawing such an inference, it is necessary to go through the following Regulations and the Appendices thereto: Regulation: 37:

(1) Dearness relief shall be granted on Basic Pension or Family Pension or Invalid Pension or on Compassionate Allowance in accordance with the rates specified in Appendix II.

(2) Dearness relief shall be allowed on full basic pension even after commutation.

The Appendix II under Regulation 37 states as follows:

Dearness Relief on basic pension shall be as under:

Appendix II
(See regulation 37)

(As per Pension (Amendment) Regulations, 2017)
Dearness relief on basic pension shall be as under:-

(1) In the case of employees who were in the workmen cadre and who retired on or after the 1stday of January, 1986, but before the 1stday of November, 1992; and in the case of employees who were in the officers' cadre and who retired on or after the 1stday of January, 1986, but before the 1stday of July, 1993, dearness relief shall be payable for every rise orbe recoverable for every fall, as the case may be, of every 4 points over 600 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960 =100. Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below:-

	Scale of basic pension Per month	The rate of dearness relief as a percentage of basic pension
	(1)	(2)
(I)	UptoRs.1250	0.67percent
(ii)	Rs.1251 to Rs.2000	0.67percent of Rs.1250 plus 0.55 per cent of basic pension in excess of Rs.1250.
(iii)	Rs.2001 to Rs. 2130	0.67percent of Rs.1250 plus 0.55 per cent of the difference between Rs. 2000 and Rs.1250 plus 0.33 per cent of basic pension in excess of Rs.2000.
(iv)	Above Rs. 2130	0.67 percent of Rs.1250 plus 0.55 percent the difference between Rs. 2000 and Rs.1250 plus 0.33 per cent of the difference between Rs.2130 and Rs.2000 plus 0.17 per cent of basic pension in excess of Rs.2130.

(2) Inthecase of employees who are in workmencadreand who retire on or after the 1stday of November, 1992; and in the case of employees who are in the officers' cadre and who retire on or after the 1stday of July, 1993, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 1148 points in the quarterly average of All India Average Consumer Price Index for Industrial Workers in the series 1960 = 100.Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below :-

	Scale of basic pension per month	The rate of dearness relief as a percentage of basic pension
	(1)	(2)
(I)	Upto Rs. 2400	0.35 percent
(ii)	Rs. 2401 to Rs. 3850	0.35 percent of Rs. 2400 plus 0.29 percent of basic pension in excess of Rs. 2400
(iii)	Rs. 3851 to Rs. 4100	0.35 percent of Rs. 2400 plus 0.29 percent of the difference between Rs. 3850 and Rs. 2400 plus 0.17 percent of basic pension in excess of Rs. 3850

(iv)	*above Rs. 4100*	*0.35 percent of Rs. 2400 plus 0.29 percent of the difference between Rs. 3850 and Rs. 2400 plus 0.17 per cent of the difference between Rs. 4100 and Rs. 3850 plus 0.09 per centof basic pension in excess of Rs. 4100*

(3) In the case of employees who retire on or after the 1stday of April, 1998, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 1616 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960=100.Such increase or decrease in dearness relief for every said four points shall be calculated in the manner given below :-

	Scale of basic pension per month	The rate of dearness relief as a percentage of basic pension
	(1)	*(2)*
(I)	*Upto Rs. 3380*	*0.25 percent*
(ii)	*Rs. 3381 to Rs. 5420*	*0.25 percent of Rs. 3380 plus 0.21 percent basic pension in excess of Rs. 3380*
(iii)	*Rs. 5421 to Rs. 5770*	*0.25 percent of Rs. 3380 plus 0.21 percent of the difference between Rs. 5420 and Rs. 3380 plus 0.12 per cent of basic pension in excess of Rs.5420.*
(iv)	*Above Rs. 5770*	*0.25 percent of Rs. 3380 plus 0.21 percent of the difference between Rs. 5420 and Rs. 3380 plus 0.12 per cent of the difference between Rs. 5770 and Rs. 5420 plus 0.06 per cent of basic pension in excess ofRs.5770.*

3. Provided that on or from the 1st day of May 2005 in the caseof employees who retire on or after the 1st day of April 1998 but on or before the 31st October 2002, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 1684 points in the quarterly average of the All India Average Consumer Price Index for Industrial Workers in the series 1960=100. Such increase or dearness relief for every said 4 points shall be calculated in the manner given below:

	Scale of Basic Pension Per month	TherateofDearnessReliefasa percentage of Basic Pension
(I)	*Upto Rs. 3520*	*0.24 percent*
(ii)	*Rs. 3521 to Rs. 5650*	*0.24 percent of Rs. 3550 plus 0.20 percent basic pension in excess of Rs. 3550*
(iii)	*Rs. 5651 to Rs. 6010*	*0.24 per cent of Rs. 3550 plus 0.20 per cent of the difference between Rs. 5650 and Rs. 3550 plus 0.12 of basic pension in excess of Rs. 5650*
(iv)	*Above Rs. 6010*	*0.24 percent of Rs. 3550 plus 0.20 percent of the difference between Rs. 5650 and Rs. 3550 plus 0.12 per centof the difference between Rs. 6010 and Rs. 5650 plus 0.06 per cent of basic pension in excess of Rs. 6010.*

1) In respect of employees who retire on or after the 1st day of May, 2005, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 2288 points in the quarterly averageof the All IndiaAverage Consumer PriceIndex for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief forevery said 4 points shall be calculated at the rate of 0.18 percent of basic pension:

Provided that on and from the 1st day of May 2005, in respect of employees who retired on or after 1st day of November 2002 but on or before 30th dayof April 2005, dearness relief shall be payable in terms of this clause:

Provided further that inrespect of employeeswho retired on or after the 1st day of November 2007, Dearness Relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 2836 points in the quarterly average of the All India Average Consumer PriceIndex for Industrial Workers in the series 1960=100. Such increase or decrease in dearness relief for every said 4 points shall be calculated at the rate of 0.15 per cent of basic pension.

Provided also that in respect of employees who retired on or after 1st dayof November 2012, dearness relief shall be payable for every rise or be recoverable for every fall, as the case may be, of every 4 points over 4440 points in the quarterly average of the All India Average Consumer PriceIndex for Industrial Workers in the series 1960=100 and such increase or decrease in dearness relief for every said 4 points shall be calculated at the rate of 0.10 per cent. of basic pension. (As per Pension (Amendment) Regulations, 2023)

(5) Dearness relief shall be payable for the half year commencing from the 1stday of February and ending with the 31st day of July on the quarterly average of the index figures published for the months of October, November and December of the previous year and for the half year commencing from the 1st day of August and ending with the 31st day of January on the quarterly average of the index figures published for the months of April, May and June of the same year.

(6) In thecase of family pension, invalid pension and compassionate allowance, dearness relief shall be payable in accordance with the rates mentioned above.

(7) Dearnessreliefwillbeallowedonfullbasicpensionevenafter commutation.

(8) Dearnessreliefisnotpayableonadditionalpension.

(9) Pensioner whose basic pension is less than minimum pension but the aggregate of basic pension and additional pension is more than theminimum pension shall draw dearness relief as applicable to minimum pension.

Similarly, the Appendix in relation to regulation 39 relating to the amount of family pension payable is also not updated in tune with the changes and the increase that have been agreed in respect of the family pension.

The above instances of variations and discrepancies between the regulations, the Appendices and what is in force clearly establish the fact that the Appendices are out dated and that they are not updated in tune with the changes that have been agreed and introduced in terms of the subsequent and latest bi-partite settlements and joint notes.

In earlier parts of this report, we have dealt elaborately about interpretation of statutes/ laws. Continuing the same, we wish to state the following:

Legal Position

The Supreme Court has held that pension is a lifelong right and that courts should adopt a purposive interpretation of pension rules. When more than one interpretation is possible, the one favouring the retired employee- given the continuing nature of the grievance and the practical difficulties pensioners face- should be adopted. The Court therefore affirmed the High Court's decision awarding pension under Rule 25(2) of the Rajasthan Pension Rules (as applied to the facts).

Supreme Court judgments that affirm the following principle:

"If a statute is capable of more than one interpretation, the interpretation favorable to the weaker or beneficiary party should be adopted."

Statutory Character of Regulations

- o The Pension Regulations, being framed under statutory authority, have the force of law. They cannot be overridden by administrative instructions or circulars of the Indian Banks' Association (IBA) or individual banks.
- o [Canara Bank vs. Debasis Das, (2003) 4 SCC 557] - service regulations framed under statutory power are enforceable as law.

Binding Effect of Amendment

- o Once the amendment to Regulation 35(1) is notified with Presidential sanction, it becomes binding and requires implementation in letter and spirit.
- o Banks and IBA cannot refuse updation on the ground of financial burden, since financial implications cannot override a statutory right.
- o [D.S. Nakara vs. Union of India, (1983) 1 SCC 305] - pension is not a bounty but a right, and pensioners form a homogeneous class entitled to equality of treatment.

Principle of Fair Interpretation

- o The Supreme Court has consistently held that if a provision relating to social welfare (such as pension) is capable of two interpretations, the interpretation beneficial to the retired employee must be adopted.
- o [Bihar State Electricity Board vs. Bihar State Electricity Board Retired Employees Assn., (2019) 16 SCC 529].

Suggested Steps:

In view of the above, we suggest as follows:

Legal Notice / Representation

- o A consolidated representation may be submitted to the Ministry of Finance, DFS, and IBA, citing the amended Regulation 35(1), requesting immediate implementationof pension updation with retrospective effect.

Possible legal steps:

- o We have furnished in the foregoing paras various possible interpretations of law. The Supreme Court has consistently held that if a provision relating to social welfare (such as pension) is capable of two interpretations, the interpretation beneficial to the retired employee must be adopted. AIBRF being a responsible organisation, committed to achieve pension updation treating it as a mother of all demands and having taken it on a missionary zeal may take the step which is in the interest of the anxiously waiting senior citizens.

POSSIBLE PURPOSE OF INTRODUCING AMENDMENT TO REG.(35)1:

The General Secretary of AIBRF in his letter dated 8.07.2025 has also asked us the possible purpose of introducing this clause in pension regulations in 2002. We have culled various sources and searched all documents available in public domain. We could not get any written document on the above. In the absence of any credible and reliable document, any inference or conjecture only remains as an assumption without any basis. It depends upon subjective considerations and the understanding of the person venturing into such inference. The only possible route to find out the purpose of the amendment is to get the back ground papers under RTI Act from all possible sources like the concerned Banks, the Reserve Bank of India, the Ministry of Finance and/or the Loksabha and Rajya Sabha secretariats. Our Federation may entrust this job to some of our representatives and proceed further on getting the relative, relevant and connected documents.

CONCLUSION :

Notwithstanding Regulation 35(1) and the amendment thereto, basing upon Nakara case and subsequent pension jurisprudence, we have sufficient legal grounds to urge for pension updation seeking parity with Central Govt and RBI pensioners on principles of equity and fairplay.

In the given situation the ideal and seemingly effective step is to put totally united, pointedly focussed and unshakably determined organisational steps to realise this long overdue demand.

The argument that the issue is sub-judice and hence it cannot be settled is not on sound foundation as any civil dispute is amenable to out of court settlement and conditional settlement. This has been done in the 12th Bipartite itself in the matter of Pension option to Resignees. They were asked to opt for pension subject to withdrawal of cases, if any, filed by them in various courts. This was also the situation when the second option for pension was extended in 2010.

If organisational channels fail, the appropriate and effective remedy is to approach the constitutional courtsthrough writ jurisdiction, seeking enforcement of parity with Central Government and RBI pensioners, quoting Supreme Court decisions.

If there are any limitations on the organisation to file the writ, some of our affiliates and their members may be guided and supported to do the needful in the matter.

As far as the legal opinion from Advocate Muralidhara in respect of Reg. 35(1) is concerned, it says that there cannot be any dispute regarding updating basic pension and additional pension, if the same is decided as per Appendix-1. Since the appendix has notincorporated thesubsequent settlements/ joint notes, having regard to various supreme court judgments and observations, which we have quoted in this report, we are of the opinion that the interpretation of this Regulation be left to the courts.

(K. VISHWANATHA NAIK)	**(N S N REDDY)**	**(R.K. AGARWAL)**
Jt. Gen. Secretary, AIBRF	Dy. Gen. Secretary, AIBRF	Dy. Gen. Secretary,AIBRF
CONVENOR	MEMBER	MEMBER

AIBRF LEGAL COMMITTEE

ANNEXURE - 1

1. Struggle for OROP :

The Struggle for One Rank One Pension (OROP)

Introduction

The demand for One Rank One Pension (OROP) has been one of the longest, most emotional, and determined struggles in post-independence India. For soldiers, it is not merely about monetary parity but about justice, respect, and national recognition of their sacrifices. OROP means that a soldier of the same rank and with the same length of service should receive the same pension, regardless of the date of retirement.

The issue has been discussed in multiple pay commissions, parliamentary committees, and government panels over four decades. Yet, successive governments hesitated in implementing the demand in full. The persistence of ex-servicemen, war widows, and families - from petitions to hunger strikes at Jantar Mantar, to writing appeals in their own blood, to the dramatic act of returning war medals to the President of India - kept OROP alive in the national conscience.

Origins of the Demand (1973 Onwards)

Until 1973, pensions of the armed forces broadly kept parity across different retirement dates. The Third Central Pay Commission (1973) altered this, reducing the pension formula for soldiers and creating wide disparities between earlier and later retirees. A soldier retiring in the 1960s drew far less than a junior retiring after 1973 with identical service.
This was the seed of the OROP movement. Veterans argued that soldiers cannot be treated like ordinary government employees - their careers are shorter, retirement earlier, and risks far greater.

Key Committees and Reports on OROP

1. Koshyari Committee (2011) - Rajya Sabha Petition Committee

- Date: December 2011
- Chairman: Shri Bhagat Singh Koshyari
- Recommendation: The Committee strongly recommended immediate implementation of OROP, declaring it "a long-pending and legitimate demand." It emphasized that denial of OROP had caused deep resentment among the armed forces community.
- Impact: This report became the moral backbone of the veterans' struggle, as it was a parliamentary endorsement of their demand.

2. Parliamentary Standing Committee on Defence (2003, 2004, 2006, 2008, 2010)

- In multiple reports across these years, the Committees reiterated the need for OROP, calling the disparities "grave injustice."
- They noted that soldiers retire much earlier than civilian employees and thus require special pension protection.

3. Cabinet Secretary Committee (2009)

- Date: 2009 (appointed by UPA government)
- Chairman: Shri K.M. Chandrasekhar (Cabinet Secretary)
- Recommendation: While the Committee did not endorse full OROP, it suggested improvements in pension and limited parity measures.
- Impact: Veterans rejected this as "half-measures," leading to escalation of protests.

4. Prime Minister's Announcement (2014)

- Date: February 2014
- Prime Minister: Dr. Manmohan Singh
- Announcement: Government accepted "in principle" the demand for OROP, and included provisions in the interim budget.
- Impact: While the announcement gave hope, no concrete scheme was rolled out before the 2014 general elections.

5. Modi Government Implementation (2015)

- Date: 7 November 2015
- Defence Minister: Manohar Parrikar
- Decision: OROP notified for defence forces with effect from 1 July 2014.
- **Features:**
  - Pensions equalized for same rank and length of service.
  - Arrears paid in four instalments.
  - Revision every five years (instead of annual).
- Veterans' Response: Called it "OROP diluted," since revision once in 5 years violated the core principle of continuous parity.

6. Judicial Interventions & Committees (2016-2023)

- 2016: Veterans approached courts, arguing that OROP was not fully implemented as promised.
- 2022: The Supreme Court upheld the government's OROP scheme but directed that arrears must be paid within a fixed time frame.
- 2023: The government began releasing arrears in installments, but protests by veterans continued for "full OROP."

The Jantar Mantar Struggle (2015-2016)

The most visible chapter of the OROP agitation was written at Jantar Mantar in New Delhi, where thousands of ex-servicemen and their families gathered in peaceful protest.

- **Hunger Strikes:**/Many veterans went on indefinite hunger strike, some collapsing due to age and illness.
- **Medals Returned:**/War heroes and families of martyrs returned medals — including Vir Chakras and Sena Medals — to the President of India in symbolic protest.
- **Appeals in Blood:**/Letters written in their own blood were sent to the Prime Minister and President, symbolizing the sacrifices already made on the battlefield.
- **Widows and Families:**/War widows ("Veer Naris") held photographs of their husbands and appealed for justice, adding moral weight to the agitation.

These acts captured national attention. Pictures of decorated veterans sitting on pavements with their medals went viral, shaking the conscience of citizens.

Symbolism and Sacrifice

For the soldiers, the protest was not about money alone. It was about dignity, parity, and national recognition. A medal is not a piece of metal - it is a piece of a soldier's life. To return it is to say, "If the nation cannot honor its promise, the honor these medals represent is meaningless."

Impact of the Struggle

- The government's 2015 notification was a partial victory. It established OROP in principle but in diluted form.
- The agitation ensured that OROP entered the mainstream of national debate.
- The Supreme Court's rulings gave legal clarity, though many veterans still believe the original Koshyari Committee spirit has not been fully honored.
- Public empathy for veterans grew, as ordinary citizens realized the post-retirement hardships of soldie

Conclusion

The struggle for OROP has been one of the most sustained and symbolic movements in India's democratic history. It combined moral force, discipline, and sacrifice. From the Koshyari Committee's endorsement in 2011, to the Cabinet Secretary's diluted recommendations in 2009, to the government's partial notification in 2015, the journey of OROP has been long and painful.

The sight of soldiers - once guardians of the nation's borders - protesting at Jantar Mantar, writing in blood, and returning their medals to the President, will remain etched in India's memory.

While partial OROP has been implemented, the veterans continue to fight for the "real OROP" as envisioned: equal pension for equal service, updated automatically with every revision. Their struggle is not just for themselves, but for generations of soldiers to come. It is a reminder that a nation's strength lies not only in how it equips its soldiers in war, but also in how it honours them in peace.

ANNEXURE - 2

PENSION IN SBI: FROM SASTRY TRIBUNAL TILL TANGIRALA COMMITTEE:

One of the important issues referred to the Sastry Tribunal (1953) was:

"Pension, including the question whether any pension scheme should be introduced in banks having provident fund and/or gratuity schemes."

At that time, not all banks had pensionary benefits. However, the following banks were already operating pension schemes for their employees:

1. Allahabad Bank Ltd.
2. Calcutta National Bank Ltd.
3. Chartered Bank of India, Australia and China
4. Grindlays Bank Ltd.
5. Hyderabad State Bank
6. Imperial Bank of India
7. Lloyds Bank Ltd.
8. Mercantile Bank of India Ltd.
9. National Bank of India Ltd.
10. Netherlands Trading Society

PENSION IN IMPERIAL BANK OF INDIA (NOW STATE BANK OF INDIA):

The Imperial Bank of India, governed by the Imperial Bank of India Act, 1920, was a pioneer in introducing a structured pension system in Indian banking.

This Bank had Pension Scheme right from the year 1806. (REF; AISBOF Circular No. 24 dated 15.04.2024). It established a Pension and Guarantee Fund in 1921, which was contributory in nature, with contributions from both the Bank and the employees.

Employees were required to contribute to the fund, in addition to substantial contributions made by the Bank itself from out of its profits.

When employees demanded abolition of the compulsory contribution clause, the Bank argued that the actuarial strength of the fund required employee contributions to ensure sustainability and long-term security of pensions.

The Sastry Tribunal, however, rejected this contention. It held that compulsory employee contributions to the pension fund were unjustified. The Tribunal directed that so long as compulsory contributions continued, the Bank must pay a special gratuity to the employees, equal to their contributions along with accrued interest. This resulted in three retiral benefits to the retirees of Imperial Bank of India - now State Bank of India.

This marked a significant step in aligning banking pensions with the broader principle that retirement benefits should primarily be an employer's responsibility.

EVOLUTION OF AND COMMITTEES ON PENSION IN SBI:

Over the long period of time, the pension scheme of the Imperial Bank (now SBI), which was in vogue since the days of Presidency Banks established in 1806, underwent several modifications. Expert committees were appointed to review and strengthen the framework. The following are two latest committees:

Murmu Committee - examined sustainability and structure of the fund. (Constituted on 10th February, 2016. Chairman: Shri. G.C.Murmu, Addl. Secretary, DFS)

Tangirala Committee - further streamlined pension provisions and aligned them with broader banking industry standards. (Constituted on 14th June, 2013. Chairman: Shri. Dr. M.P. Tangirala, Addl. Secretyary, DFS.)

The following aspects of the Tangirala Committee are worth noting from a historical and academic perspective:

" The Federation of SBI Pensioners Associations, filed a Writ Petition before the Supreme court of India, bearing No. WP 184/2011. This WP was later transferred to High Court of Delhi, in CWP No.1875/2013.

" The prayer was to pay pension at the uniform rate of 50% to all retirees.

" At the relevant time there were two slabs of pension. 50% where the average of monthly substantive salary drawn during last 12 months for those with upto 80,450/ and at 40% beyond that, with a minimum of 40,225/-

" High Court of Delhi, vide its order dated 13.04.2023 directed the Petitioner, i.e. the Federation of SBI Pensioners Associations to submit a representation to the Ministry of Finance highlighting the grievance and the MoF will get the grievance examined by a panel of experts .

" The Petitioner submitted a representation dated 27.04.2023.

" The MoF constituted a committee under the Chairmanship of Sri. M.P.Tangirala, Additional Secretary, DFS, along with officials of various other Departments and IBA .

" The terms of reference to the committee are as follows:

1. To examine/review the extant concept of payment of pension at the rates of 50% and 40%.
2. To examine the suggestions of retirees for payment of pension at the rate of 1/60th for every completed year of pensionable service as provided in rule no.23(1) of SBI Pension Regulations.
3. To examine the issue of neutralization of dearness allowance on pension for all those who retired before 2002.
4. To examine the issue of updation of pension with every wage revision/settlement.
5. To suggest the course of action while balancing the cost of retiral benefits and the financial implication on the Bank.
6. During deliberations of the committee, representatives of IBA mentioned that since the issues mentioned in point 1.5(3) and 1.5(d) i.e. issues relating to neutralization of DA and updation of pension have industry wise ramifications, the same may be dealt with separately. Accordingly,

the committee decided that these issues shall be dealt separately and not by this committee as the scope of these issues is not limited to SBI only.

7. The representatives of SBI informed the committee that 83% of the post 1999 pensioners are getting pension at 50% and only 17% of retirees(at senior levels) of the same period are getting pension at 17%. He further stated that in Nationalized Banks, all retirees are getting pension at the uniform rate of 50% pay and the same may be approved for SBI also.

8. Keeping in view the three benefits in SBI, i.e. CPF, apart from Pension and Gratuity, Indian Banks' Association was asked whether there has been any demand from Nationalised Banks for CPF and also, any possibility that this demand may arise in future, in case the instant demand of SBI of 50% rate for calculating pension is agreed to. Representatives from IBA informed that no such demands have been received from Nationalised Banks.

9. The representatives of SBI further stated that there should not be any disparity among different groups of pensioners for calculating pensionary benefits.

10. In respect to the possibility of Nationalised Banks raising a demand for CPF, IBA apprised the committee that no such demand has been received till date.

11. Representative from the DoP&PW brought to the notice of the Committee that prior to 1986, both CPF and pension schemes were prevalent for the Central Government employees, and the employees were covered by either of the two schemes and the CPF beneficiaries had been given option, from time to time, to switch over to pension scheme. However, in 1987, it was decided that all employees would be deemed to be in pension scheme w.e.f. 01.01.1986 except for those who specifically opted to continue with CPF.

12. Representative from DoE pointed to the fact that the pension system in Central Government is different from the one which exists in PSBs.

13. Stating the historical background of retiral benefits in SBI and other nationalized banks, representatives of FSBIPA mentioned that right from the inception of the bank, the SBI employees were getting both Pension as well as Contributory Provident Fund (CPF). After the enactment of the Gratuity Act in 1972, Gratuity was also introduced in SBI. Whereas, in Nationalised Banks (NBs), retiral benefits included only service gratuity and CPF. However, in 1995, pension scheme was introduced in Nationalised Banks in lieu of bank's contribution to Provident Fund.

14. Based on the request dated 25.08.2023 made by the All India State Bank Officers' Federation (AISBOF), a meeting of the committee was held on 14th of September, 2023 to hear the views / suggestions of the representatives of AISBOF. Sh. Rupam Roy, President, AISBOF along with three other members attended the meeting. Mr. G D Nadaf, Former General Secretary, AISBOF, on behalf of the federation stated that pension in SBI was there since the days of imperial Bank and is not a contributory scheme. Representative of the Federation, while giving the background of the 50%/40% concept and other retiral benefits in SBI, submitted that only a small section of officers (17% of the employees) is being adversely affected by the 50%/40% concept of pension calculation in SBI.

15. It was also submitted by the Federation that SBI has a robust Pension Fund corpus, which is more than sufficient to absorb the incremental cost that would arise as a result of pension calculation at 50% for all grades of employees.

16. Shri Sunil Mehta, Chief Executive, Indian Bank's Association was requested to give his comments. Shri Mehta stated that anomaly does exist in SBI as 83% of the employees are already getting pension at the rate of 50% of their basic pay and only remaining 17% that too senior level officers, are getting pension at the rate of 40%, He further stated that this anomaly needs to be corrected as different rates for employees of same organisation is not justified. He further stated that the pension at uniform rate of 50% should be fixed in line with that of other organisations.

17. Thereafter, representative from Department of Expenditure, Shri B K Manthan asked Shri Mehta whether there has been any demand from Nationalised Banks (NBs) for contributory Provident Fund (CPF) in addition to pension, which is already prevalent in SBI. Shri Mehta informed the committee that there has never been any demand for CPF from any of the Nationalised Banks. Further, CPF and Pension in SBI have been there since very long time whereas pension in Nationalised Banks was introduced in 1995 and that too in lieu of CPF. Shri Manthan further asked about industry wide repercussions, that may arise, in case the uniform rate of pension in SBI is agreed/approved, to which, Mr. Mehta informed that it may not arise as 83% of retirees of SBI are already getting pension at the rate of 50% along with CPF.

18. The committee observed that before 01.03.1999, remaining 17% officers were also entitled to pension @ 50% (with monetary ceiling) and the concept of 50%/40% (without monetary ceiling) was introduced thereafter. Therefore, payment of pension at the uniform rate of 50% will only be restoration of the original rate at which pension was earlier being given to this set of employees.

19. Recommendations of Indian Banks' Association

IBA vide its letter dated 25.08.2023 informed that the matter was discussed in the meeting of HR Committee of the IBA on 14.08.2023 and subsequently in the Management Committee of IBA on 18.08.2023 wherein it has been decided to recommend that SBI should be permitted to fix the basic Pension @ 50% of the Pay of all its retirees as against dual rate calculation of pension for different classes maintained at present (i.e. 50% of Pay upto maximum of JMG Scale I & 40% of the Pay above that). This modification will eliminate the anomaly where pensioners retired from higher scales in scale-II and above are getting pension, almost equal to that of officials retired at basic pay below the maximum of JMG scale-I.

20. FINANCIAL IMPLICATIONS:

As regards to the financial implication related to Pension Computation at uniform rate of 50%, it was seen from the letter dated 17.07.2023 of SBI that the additional pension outgo has been estimated at approximately 283 Crores per annum and the one-time cost of provisioning for implementation of uniform pension at rate of 50% at approximately 5400 Crores. SBI further informed that the total corpus of the SBI Employees' Pension Fund is 1,56,966.26 Crores as on 31.03.2023 and annual earnings from the corpus is approximately 8,714.10 Crores. The total pension payment of SBI at present is 10,696.19 Crores. (OUR COMMENT: It can be seen from the above data that the annual earnings from the corpus was 8714.10 Crores as against the annual payment of 10,696.19 Crores. Deficit per annum was 1982.09 Crores. With an estimated additional outgo of 283 Crores, the total deficit, after introduction of 50% uniform pension, the deficit would be 2265.09 Crores. Yet, the SBI Management did not raise the issue of deficit. Instead, they strongly recommended increase in and uniform payment at 50%.)

OBSERVATIONS OF THE COMMITTEE

21. In SBI, both Pension and CPF were in vogue even prior to SBI coming into existence pursuant to SBI Act, 1955. Pension scheme of SBI is altogether different from NBs and Central Government as in the latter organisations, pension is in lieu of CPF.

22. Earlier, pension scheme of SBI was a contributory scheme i.e. every employee used to contribute 5% of their salary subject to a maximum of 90/- per month. However, in the year 1968, the contribution was stopped and the monetary ceiling limit continued on the pension.

23. Prior to 1987, ceilings on pension were 750/- and 1000/- due to which two classes of employees were there. However, Supreme Court in its decision dated 23.02.1989, while removing these two ceiling limits, fixed monetary ceiling on pension at 2400/-. This monetary ceiling limit fixed by the Supreme Court happened to be 50% of the highest pay per month in the bank at that time. Thus, anomaly of two classes of employees in same organization was corrected by this decision of Supreme Court at that time.

24. Further, this monetary ceiling of 2400/- was revised to 4250/- w.e.f. 01.11.1992 after pay revision, which again was 50% of the highest pay per month in the bank at that time. Since this ceiling limit was not linked to wage revision in the bank, over a period of time, it again led to an anomalous position where officers at Senior and Junior levels were getting same amount of pension. (for example, the effective pension of Deputy Managing Director was approximately at the rate of 28% whereas many officers at junior levels were getting pension at rate of 50%).

25. Based on the request received from bank, the issue was examined in DFS and in the year 1999, concept of 50%/40% for calculation of pension in place of monetary ceiling was introduced in SBI. Since then, pension calculation/payment in SBI is at dual rate. However, this concept also created two classes of employees in same organization. Such situation did not exist in any other organization.

26. Removal of monetary ceiling limit and introduction of the concept of pension calculation at dual rate (50%/40%) had given relief to officers at senior levels.

27. It was observed by the committee that approximately only 17% of the total employees of bank at senior levels are getting lower pension at the rate of 40% and remaining approximately, 83% of employees are already getting pension a the rate of 50% of pay, other retiral benefits being same for all the employees. It is only for small set of employees at senior levels where lower rate of pension has been implemented.

27. Committee further observed that in all Nationalised Banks, RBI and Central Government, retirees are paid pension at a uniform rate of 50% of their pay.

28. IBA has also mentioned that there is an anomaly, where pensioners retired/retiring from higher scales are getting pension almost equal to that of officials retired/retiring at basic pay below the maximum of Junior Management Grade Scale-I and recommended that this anomaly may be eliminated by permitting the SBI to fix the basic pension at 50% of the Basic Pay of all its retirees as against the two different classes maintained at present.

29. IBA has further informed that the issue of 'Dearness Allowance/Dearness Relief Neutralization' and "Pension Updation" relates to the banking industry as a whole and does not relate only to SBI employees/pensioners and may be deliberated separately. Accordingly, in the meeting of

the committee, held on 07.07.2023, it was unanimously decided that these issues shall be dealt separately and not by this committee as the scope of these issues is not limited to SBI only.

30. As regards the financial impact of the proposal of pension at the uniform rate of 50% for all retirees in SBI, based on the data/information provided by SBI, it has been observed by the committee that total corpus of the SBI Employees' Pension Fund is 1,56,966.26 crores as on 31.03.2023 and annual earnings from the corpus is approximately approx. 8,714.10 crores out of which the present total pension payment of SBI is approx. 10,696.19 crores. The additional pension outgo has been estimated by SBI at approximately 283/- crore per annum. The one-time cost of provisioning for implementation of uniform pension at rate of 50% has been estimated to be approximate 5400 crores by the Bank. Thus, SBI has the ability to pay /bear the cost of additional pay out from of its pension fund in case the uniform pension at the rate of 50% for all pensioners is to be paid.

31. The anomaly and dual rate of pension can be rectified by bringing uniform rate of pension calculation for all employees within the same organization.

CONCLUSION AND RECOMMENDATIONS OF THE TANGIRALA COMMITTEE:

" In view of the extensive deliberations held during the meetings of the committee and based on the facts presented, the committee is of the opinion that the anomaly of calculation of pension at dual rate within an organization (SBI), needs to be rectified. Accordingly, the committee is of unanimous view that the pension in SBI may be calculated at uniform rate of 50% for all the pensioners and this opinion of the committee may be placed before the competent authority for taking a final decision on the same."

Above development reveals the following, which are of vital importance to us:

1. All the Retiree Organisations in SBI were totally united on the issue.
2. The management of SBI fully supported the demands of the Retirees.
3. Even though there was deficit in the returns on the Pension Fund, the SBI management never raised it in proceedings.
4. The Unions of Serving Employees fully supported the demand of the retirees and ably complimented their arguments.
5. The IBA fully supported and favourably recommended the demand of the SBI Retirees.

PRESENT POSITION OF RETIRAL BENEFITS IN STATE BANK OF INDIA :

As the successor of the Imperial Bank of India, SBI today provides a comprehensive retiral benefits to its employees:

1. Provident Fund - Like employees of other banks, SBI employees are entitled to Provident Fund benefits.

2. Gratuity - In SBI, gratuity is paid strictly under the Payment of Gratuity Act, 1972(Statutory Gratuity, with the present statutory ceiling of 20.00 lakhs.

In contrast, in other nationalised banks, gratuity is to be calculated both under the Gratuity Act and as per the Officers' Service Regulations (OSR)/ Bipartite Settlement, and the higher among them, without any ceiling has to be paid.

3. Pension - SBI retirees are entitled to pension on the same lines as available to employees of other banks, forming the third pillar of their retiral benefits along with PF and gratuity.

However, the Commutation Factor for them is 6.60 as against 9.81 available to Nationalised Banks, for those retiring at the age of 60 years.

Significance :

The journey from the contributory pension of the Imperial Bank to the structured system of SBI reflects the broader struggle of bank employees for social security. The unity of all retiree organisations in SBI and solidarity of Serving Unions with Pensioners and interventions of committees coupled with legal initiatives through Courts ensured that pensions became a standard retiral benefit to SBI Retirees alongside Provident Fund and Gratuity.

Muralidhara M.A.,LLB.,
ADVOCATE

Ph : 080-2661 1544
Mob : ~~9762641168~~ 9980856744

Date: 29.07.2025

To

Sri Viswanath Naik,
Member, Legal Committee,
All India Bank Retirees Federation [R]
Bengaluru.

Respected Sir,

LEGAL OPINION

I have been asked to give my legal opinion on the following points, as could be gathered from the letter dated 08.07.2025 issued by Sri S.C. Jain, General Secretary, All India Bank Retirees Federation, a copy of which has been furnished to me. Apart from furnishing a copy of the above mentioned letter, the following documents have been furnished for my perusal

i) Extract of Chapter XXVIII of Bank Employees Pension Regulation, 1995.

ii) Copy of the 9th Joint Note dated 08.03.2024 between Indian Bankers Association (IBA) and All India Bank Officers' Association.

iii) 12th Bipartite Settlement, dated 08.03.2024 between Indian Banks' Association (IBA) and the Unions of Bank Employees.

iv) Copy of the Canara Bank (Employees) Pension Regulations, 1995.

Muralidhara

Legal Cell, No.3, 2nd Floor,(Above Canara Bank), Diagonal Road, V.V.Puram, Bangalore - 560 004
Email : muralidharac@yahoo.com

v) Copy of the Constitution of All India Bank Retirees Federation.

The Points on which legal opinion is sought:

a) Whether the provision made under Para 36 of 12th Bipartite Settlement dated 08.03.2024 gives legal right to the retirees of the Bank, who are in fact the beneficiaries, to seek the Indian Banks Association to conduct review in respect of the issue of ex-gratia, as committed in Para 36 of the 12th the Bipartite Settlement and for payment of additional amount of ex-gratia to the eligible pensioners?

b) Whether the Bank Retirees Federation can approach appropriate legal forum to get a direction to the Indian Banks Association/Government/Banks to create an appropriate legal forum so as to enable the Bank Pensioners/ Associations/Federations to espouse and to get the grievances of retirees redressed?

c) Whether Bank Employees Pension Regulations, 1995 at Para 35 (1) gives a legal right to the pensioners for claiming periodical updation of pension?

It is after examining the legal position on the basis of facts of case, I hereby tender my considered legal opinion on each of the above three points as below:

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On point (a)

As we have noticed earlier that the 12th Bipartite Settlement dated 08.03.2024 is between Indian Banks Association (IBA) and Negotiating Bank Employees Unions. The Bank Employees Unions, not only raise the demands in the case of serving employees, but they also place demands pertaining to pensioners and enter in to agreement with the Indian Banks Association. The negotiating Unions take up the demands relating to pension as the same is part of the service conditions of employees.

The 12th Bipartite Settlement dated 08.03.2024 is made under Section 2 (p) read with Section 18 (1) of the Industrial Disputes Act, 1947. The settlement brought under Section 18(1) of the I.D. Act binds only those who are members of the signatory Unions. Since the pensioners are not the members of the signatory Unions, any settlement made in respect of issues pertaining to retirees may not be binding on the pensioners. As such, although the pensioners are the beneficiaries of the settlement, yet it may be difficult for them to enforce the settlement relating to ex-gratia, inscribed in Para 36 of the 12th Bipartite Settlement. The commitment by the Indian Banks Association that next review of the ex-gratia amount shall be undertaken in April 2024 and thereafter shall be subject to review annually is binding between the signatory Unions to the Bipartite settlement and the IBA. Therefore, it is only the signatory Unions that could take up the issue with the Indian Banks Association and/or before the Labour Authorities for enforcement of the said commitment relating to review of ex-gratia in April 2024. I am afraid that the provisions of Section 29 of the I.D. Act relating to breach of settlement could be pressed in to service by the Federation.

I notice from the Bi-partite Settlement dated 08.03.2024 at Para 36 that the issue regarding updation of pension is already sub-judice before various courts including the Hon'ble Supreme Court. The Federation can get itself added as a necessary and relevant party in any one or more Writ Petitions pending before Courts, including Supreme Court. That would give an opportunity to the Federation to make their submission regarding updation as well as ex-gratia.

On point (b)

On the issue of creating a forum where Indian Banks Association/Banks could hear the grievances of pensioners directly with the representative Federations/Unions of pensioners so that the same could be resolved through dialogue amicably, it cannot be countenanced that the issue raised by the Federation and justification given in support of the same appears to be valid.

The Pension Regulations, 1995 have been created by exercising the powers conferred on the Union Government under Section 19 of the Banking Companies (Acquisition, and Transfer of Undertakes) Act, 1970. The Pension Regulations, inter alia, has also Chapter IX - General Conditions, which confer disciplinary control and power to the Banks on the pensioners. Therefore, even after retirement, there exists jural relationship between the Management of the Banks and the Pensioners. If a pensioner is guilty of any act of misconduct as enumerated in the said Chapter, he shall be proceeded against under the provisions of the Bi-partite settlement or under the Discipline and Appeal Regulations of the Bank. This being the position under the Pension Regulations, it becomes imperative for the Indian Banks Association and the Banks to consider the pensioners as part and parcel of the Banks and a grievance resolving mechanism has to be set up. Since the IBA is not in favor of establishing any such forum to resolve the grievances of the pensioners, in spite of repeated representations by AIBRF, the only way out is to approach the court of law (High Court or Supreme Court), which option, if considered, may fetch some result.

On point (c):

As regards point (c), Regulation 35 (1) states that the formula for updating basic pension and additional pension in respect of employees retiring during different periods, is as per the formula given in Appendix-I. As such it does not give any right to seek pension updation as a matter of right. There cannot be any dispute regarding updating Basic Pension and Additional Pension, if the same is decided as per Appendix-I.

It is with the above legal opinion on the points (a), (b) and (c) raised by the Federation, I part with the documents furnished to me by Sri Viswanath Naik.

Thanking You,

Yours truly,

(Muralidhara)

All India Bank Retirees' Federation

AIBRF

सेवा निवृत्त हितेरत