



ALL INDIA BANK RETIREES' FEDERATION

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

Chairman Sri S.R.Kulkarni	Ref: 2013/380	Date:26.05.2013
President Sri S.M.Deshpande	Shri P.K.Sarkar	
Vice President Sri P.S.L.M.Haragopal Sri D.A.Masdekar Sri M.V.G.Nair Sri J.B.Dave Sri F.Martis Sri B.Ramji Sri M.K.Jha Sri C.Gopinathan Nair	Convenor, UFBU Kolkata	
General Secretary Sri S.C.Jain	Dear Sir	
Dy. Genl. Secretary Sri R.S.Desai Sri D.P.Gupta Sri S.V.Srinivasan Sri Debesh Bhattacharya	Re: Coordination & Consultation on Retirees' Issues	
Organising Secretary Sri P.P.Karandikar Sri Kalyan Sengupta Sri V.K.M.Varma Sri M.N.Pandit Sri B.G.Raithatha Sri C.N.Prasad Sri Kishore Gujarati Sri A.L.Chandramouli Sri C.Gopinathan Nair Sri A.K.Bansal Sri Sunil Srivatsava Sri Dilip Ghosh Sri S.Velayoudam Sri Anindya K. R. Basu Sri Pratap Shukla Dr.G.S.Jog	You will please recollect that we had met you in delegation in your office in Kolkata in the second week of August 2012 and submitted Charter of Demand on retirees' issues to be taken up in the next wage settlement. You were kind enough to extent warm welcome to us. During the deliberations, you had categorically assured that UFBU would take up all issues of retirees for the solution and also assured to work for effective coordination and consultation between UFBU and the retiree organisations. After meeting you, we have written many communications to you on this matter during last 9 months. However, we note with disappointment that you have maintained complete silence and have not responded any of our communications-written or otherwise.	
Treasurer Sri M.S.Chourey	2. Further, we would like to mention for your kind information that when we approached some constituents of UFBU with the request to invite retirees for consultation and coordination, all have agreed with our views and assured to pursue the matter for such meeting at the earliest.	
	3. We strongly believe that there should be periodical consultation between	



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Sri Kishore Gujarati

Sri A.L.Chandramouli

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Sri Sunil Srivatsava

Sri Dilip Ghosh

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Treasurer

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UFBU and retiree organisations to understand retirees' perceptions on their issues and take them into consideration while negotiating with IBA/government so the settlement arrived should be hassle free and without any controversy and litigation in post-settlement scenario. We find that talks on wage settlement have already commenced and may enter into crucial phase in coming months. Keeping the above developments in mind, we request you to urgently hold consultation with the retiree organisations on the following points:

SUPERANNUATION BENEFITS

Various demands included in the charter of demands submitted by UFBU for the next wage settlement can be divided into two parts (a) benefits/improvements available to the employees during the service period (b) improvements in retrial benefits available to the employees after the retirement as well as to the existing retirees. At this stage we would like to discuss the following issues with UFBU on the superannuation benefits and place our perception and certain critical inputs for effective negotiation.

a) We wish to know UFBU approach in allocation of funds for superannuation benefits out of the total allocation for the next wage settlement. On analysing data of fund allocation under 9th wage settlement, we find total financial impact was as under

i) Wage increase per year	Rs. 4816 crores
ii) Contribution to pension fund (employees)	Rs. 4200 crores
iii) Contribution to pension fund (retirees)	Rs. 2100 crores
iv) Additional Cost for pension	Rs. 900 crores
Total	Rs. 12016 crores

The above total cost can be divided into two parts



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	ii) Superannuation benefits	Rs. 7200 crores												
President Sri S.M.Deshpande	Total	Rs. 12016 crores												
Vice President Sri P.S.L.M.Haragopal Sri D.A.Masdekar Sri M.V.G.Nair Sri J.B.Dave Sri F.Martis Sri B.Ramji Sri M.K.Jha Sri C.Gopinathan Nair	Since contribution towards superannuation benefits under 9th settlement were on one time basis , if we divide the total figure of Rs. 7200 crores by 5year life of the settlement, annual cost on superannuation benefit comes to Rs.1440 crores. Total cost can be summarised as below													
		<table border="1"><thead><tr><th></th><th>Amount</th><th>Percentage</th></tr></thead><tbody><tr><td>Wage increase per year</td><td>4816 crores</td><td>77</td></tr><tr><td>Superannuation benefit</td><td>1440 crores</td><td>23</td></tr><tr><td>Total</td><td>6256 crores</td><td>100</td></tr></tbody></table>		Amount	Percentage	Wage increase per year	4816 crores	77	Superannuation benefit	1440 crores	23	Total	6256 crores	100
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Treasurer Sri M.S.Chourey	(c) Dearness Formula need detailed discussion. This issue has various facets. The top most priority has to be to remove discrimination meted to pre-November 2002 retirees under the 8th wage settlement with back period arrear In fact this issue need to be settled outside the wage talk. Another discrimination in case of retirees which need to be removed is the periodicity of DA review from existing half yearly to quarterly as applicable to employees. We find that UFBU has demanded new DA formula for employees like change in base year of index, periodicity of review from quarterly to monthly, higher rate of compensation from the existing 100 percent etc. We want that these improvements should be made available to													



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the retirees including past retirees .The most important thing we would like UFBU to ensure is that while finalising DA formula no fresh anomaly/ discrimination is created among the pensioners. We request you to hold discussion on this issue so we can place certain inputs on this count for your consideration.

(d) Updation of basic pension of the past retirees is the another important issue which will come for discussion during the negotiation. We feel it needs detailed study and deliberations to formulate proper strategy. Updation concept has to be broadly defined. Whether it will be simply merger of DA with the basic pension or updation on the lines of 6th Pay Commission. We would like to place many important points on this issue before the UFBU for consideration.

(e) We find from charter of demands of UFBU that approach to achieve demands in respect of superannuation benefits would be to discuss and settle the issues OUTSIDE THE WAGE COST. We broadly concur with the approach as we are of the view that it could ensure better results for the retirees without creating conflicting situation for employees and retirees interest. But we have certain inputs in this regard to be placed for consideration of UFBU.

(f) Similarly, on many other areas of pension and retiree demands like improvement in family pension, uniform medical scheme etc, we have many suggestions connecting with the developments taking place in the banking industry as well as in the country as a whole like improvements brought in RBI pension scheme, improvements brought in pension benefits under 6th pay commission etc to place before UFBU



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MANAGEMENT OF PENSION FUNDS

Present system of management of pension funds need various improvements/ changes. The following points need re-look

- a) Monthly contribution to pension fund by the employer in lieu of PF contribution need to be made at par with PF contribution as per provisions of PF Act and there should be punitive clause for non-payment of contribution
- b) There should be proper monitoring mechanism to ensure that additional contributions agreed in settlements are made by banks in time.
- c) Uniform investment policy for investment of pension funds
- d) Quality of Actuary Reports on pension funds need examination
- e) Representation of retiree representatives in pension trust

We would like to discuss issues related to management of pension funds in detail.

PARTICIPATION OF RETIREES IN WAGE NEGOTIATION

While UFBU is negotiating on superannuation benefits, the retiree organisations would like to place their views before IBA. We therefore request UFBU to ask IBA to call retirees for consultation.

With Regards

Yours Sincerely

(S.C.JAIN)

C.C. to Affiliates of UFBU

With the request to pursue the matter.