

COORDINATION OF BANK PENSIONERS' AND RETIREES ORGANISATIONS

AND

ALL INDIA BANK RETIREES' FEDERATION

J-208, Vijay Rattan Vihar, Sector-15, Part II, Gurgaon-122001

Tel: 0124-4270198 Mob: 9868220338

Email: acharyavedavyasa46@gmail.com

Dated: 01.10.2018

Shri Narendra Modi ji
Hon'ble Prime Minister of India
Prime Minister's Office
South Block
New Delhi-110 001

Respected Sir,

PENDING ISSUES OF BANK PENSIONERS AND RETIREES

We wish to introduce ourselves as a Coordination of the Organizations of Bank Pensioners and Retirees representing 100% of Bank Pensioners and Retirees numbering more than 5,00,000 members. We have been engaged in taking up the grievances of Bank Pensioners and Retirees with the Banks, Department of Financial Services, Ministry of Finance, Indian Banks' Association and also with the Department of Pension and Public Grievances. To recapitulate, the following issues were taken up by us with the IBA and Government:

1. Uniform 30% Family Pension as available to the employees of Central Government and Reserve Bank of India,
2. Updation of Basic Pension and Additional Pension as applicable to the employees of Central Government and also provided under Bank Pension Regulation 35(1),
3. 100% DA neutralization to Pensioners who retired before 01.11.2002 as applicable to those who retired after 01.11.2002.
4. Pension for those who resigned after completing pensionable service of 20 years.
5. Reckoning of Special Allowance, which is akin to Grade Pay in Government Service, for the purpose of computing Pension and Gratuity.
6. Enhanced ceiling of Gratuity from Rs. 10,00,000/- to Rs. 20,00,000/- to be effective from 01.01.2016 as given to Government employees instead of 29.03.2018.
7. Medical Insurance Premium for Retired Bank Employees and Officers to be borne by the Banks as in case of Retired EDs, MDs, CMDs and serving employees.
8. Addition of upto 5 years to the qualifying service in case of those Officers who joined the Bank with Specialist qualification or experience in Scientific, Technical or Professional fields – Pension Regulation no. 26.

9. Computation of Basic Pension on the basis of last drawn Pay by striking down the explanation incorporated in Pension Regulation no. 2 (s).
10. Allowing to exercise Pension option to those who were compulsorily retired-Pension Regulation no. 33.

But we have been experiencing that despite there being a well defined National Litigation Policy, the Bank Pensioners are constrained to knock the door of judiciary even for interpretation and implementation of clear provisions in the Pension Regulations. It was only through the judicial process that the last three issues listed under Sl. nos. 8-10 hereinabove were settled ultimately at the level of Hon'ble Supreme Court of India at a huge cost in terms of time and money witnessing unfortunate demise of several of the Pensioners who could not derive the benefit of the settlement of the issues during their life time.

Hon'ble Sir, you will agree and appreciate that the Public Sector Banks being instrumentalities of the Government are State within the meaning of Article 12 of Constitution of India. The Government of India therefore exercises administrative, functional, pervasive and partially the regulatory control over the Public Sector Banks. The serving and retired employees of the Banks are therefore entitled to be treated equally and equitably in terms of Article 14, 16 and 21 of the Constitution of India. The appointment of Senior functionaries in Public Sector Banks are within the domain of Appointments Committee of the Cabinet (ACC). The Personnel policies in the Banks are largely based on the policies framed by Ministry of Personnel as also communicated to the Banks through Department of Financial Services. This has been the rationale to frame Pension Regulations for the Banks in exercise of the powers conferred by Section 19 of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 after consultation with the Reserve Bank of India and with the previous sanction of Central Government. These Regulations were akin to the CCS Pension Rules 1972. Hence Bank Pension Regulation 56 (of 1995) provided as under :

“In case of doubt, in the matter of application of these Regulations, regard may be had to the corresponding provisions 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”.

It is in this background that we had taken up pending issues pertaining to Pension related grievances of Bank Pensioners with Dr Jitender Singh, Hon'ble Minister of State for Personnel, Public Grievances and Pensions after fixing prior appointment on 18th Sept 2018 and submitted our grievances to him with a request to help the Bank Pensioners to get early resolution of their genuine grievances.

The Hon'ble Minister regretted his inability to even go through the issues mentioned in our letter for the reason of not having any powers and advised us to approach Pension Adalat which was being held in DRDO Complex on that day i.e. 18.09.2018. When we submitted to him that the said Pension Adalat was meant for only Government Pensioners and not entertaining the grievances of

Banks Pensioners, we meant it with all seriousness without craving for any opportunity for photo shoot as misunderstood by the Hon'ble Minister who reiterated his suggestion to go to Pension Adalat". He then called his Secretarial Staff and told him to guide us to Pension Adalat. True to our apprehensions, when the officials of Pension Adalat were contacted over phone by his Staff, they responded by telling that the Adalat was not meant for Bank Pensioners' grievances. We thus returned disgusted and disappointed. As representatives of more than 5,00,000 Senior/Super Senior Citizens who had contributed their sweat and toil for the economic growth of our Nation and taking the Banking to nook and remote corners of the country and implementing various schemes of the Government, we have expected at least a courteous treatment from a Senior functionary of the popular and people friendly Government.

An unexpected and agonising treatment from the Hon'ble Minister, we were also amused to learn that the Department of Personnel and Public Grievances which also looks after Pension and Pensioners' welfare of Government employees is not entertaining the grievances of Public Sector Bank Pensioners who were the public servants. Under such circumstances we are at a loss to comprehend the Government machinery which is competent to look into and redress the grievances of Bank Pensioners like us. We therefore humbly request your honourable good self to consider our grievances as the ultimate head of the Government. The settlement of our pending issues by the Government will save the poor Bank Pensioners the time and money involved in judicial resolution in the face of lavish and hefty fee which is incurred by Bank Managements who view every case filed by the Pensioners as a prestigious issue to be won at any cost. It demonstrates a callous and cynical disregard to the Gazetted Regulations and also the provisions of National Litigation Policy of the Government.

It is pertinent to mention that the Pensionary Benefits including updation and up gradation of Pension to the Government Pensioners are paid out of Budgetary allocations despite there being perennial and perpetual fiscal deficit which is nothing but a loss. It is thus a settled issue that Pensionary Benefits can neither be denied nor curtailed on the pretext of cost considerations or intermittent loss incurred by the Banks. However, the Bank Pensioners are denied the above benefits despite the Pension Funds of the Banks being robust with Rs. 3,00,000 crores and self sufficient to meet all the above mentioned demands without adversely affecting the profits of the Banks. The present disbursements out of the Pension Funds are in the range of 30-40% of the accretion to the fund on account of interest, mandatory contributions and other yields. The Bank losses are largely on account of huge provisions made for Non Performing Assets of large corporate defaulters which are now termed as telephone sanctions.

We are enclosing a copy of our letter submitted to the Hon'ble Minister of State with an earnest request to your good self to look into our grievances and direct the appropriate Ministry/Department, competent to redress our grievances and oblige.

We are writing this letter on International Senior Citizen Day with a fond hope that your honourable good self will understand our pain and agony and render justice to us by looking into our long pending grievances and provide us succour and relief expeditiously.

With regards


Yours faithfully



(A. Ramesh Babu)
Joint Conveners, CBPRO



(K.V. Acharya)
Joint Conveners, CBPRO



(S.C. Jain)
General Secretary, AIBRF

Encl: As above

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Dated: 13.09.2018

Dr Jitendra Singh Ji,
Hon'ble Minister of State,
Prime Minister's Office,
Government of India,
New Delhi

Hon'ble Sir,

Bank Pensioners' Issues

We sincerely thank you for giving us an opportunity to discuss the grievances of Bank Pensioners and Retirees and request you to help resolve the issues which are mentioned in the enclosed note. We consider it our special privilege to request you on behalf of 100% of the Bank Pensioners and Retirees numbering more than Five Lakhs.

A perusal of the issues contained in the enclosed note would reveal that some of them like Updation of Pension are more than 20 years old in spite of there being very clear provision in Bank Pension Regulations (Regulation 35(1)) which are framed by the Government of India under the powers conferred by Section 19 of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1969 with concurrence of Reserve Bank of India duly adopted by the Boards of Directors of Public Sector Banks and Gazetted by the Government.

The issues like improvement in Family Pension are very emotive and dear to our hearts as majority of the Family Pensioners are aged widows of the deceased Employees/Pensioners and their Family Pension ranges between Rs. 4,000/- and Rs.14,000/- which is grossly inadequate to meet the ends at old age. When Family Pension in Government and RBI is paid @ 30% of Last Drawn Basic Pay of the deceased Employee/Pensioner and our Pension Regulation 56 Provides for similar treatment, it is painful that the issue is unnecessarily protracted on frivolous pretext like affordability.

The elaborate details are mentioned in the enclosed note against each of the issues for your kind consideration.

We request you to do the needful for early resolution of our pending issues.

With regards

Yours faithfully,



K V Acharya

Dated: 13.09.2018

A NOTE ON PENDING ISSUES OF BANK PENSIONERS AND RETIREES FOR KIND AND SYMPATHETIC CONSIDERATION OF DR. JITENDRA SINGH, HON'BLE MINISTER OF STATE, PRIME MINISTER'S OFFICE, GOVERNMENT OF INDIA, NEW DELHI

1. Uniform 30% Family Pension :

- a. Family Pension in Banks is payable @ 30%, 20% and 15% of last drawn pay where lower percentage being assigned to higher pay with a specified ceiling on the amount of Basic Family Pension.
- b. The above mythology effectively resulted in the Family Pension working out to nearly 7 to 10% of last drawn pay restricting Basic Family Pension to a meagre sum of Rs. 4,000/- to Rs. 14000/-.
- c. Government and RBI Pensioners are paid Family Pension uniformly at 30% of last drawn pay without any ceiling.
- d. Un-affordability of Family Pension Cost is being arbitrarily quoted to deny improvement despite there being adequate provision made during the service tenure of the employee by the Bank for payment of full Pension to the employee. Thus Family Pension being lesser than the Pension of the Employee involves a negative cost to the Pension Fund. Hence the contention of IBA/Government about cost consideration defies logical, economic sense.....
- e. Family Pension being a highly emotive issue needs to be resolved urgently.

2. Updation of Pension:

- a. Pension Regulation 35(1) provides for Updation of Basic Pension and Additional Pension in respect of those Employees/Officers who retired between 01.01.1986 and 31.10.1987 and at the time of introduction of Pension Scheme in Banks during 1995-96 it was so given to them as they alone were entitled for Updation at that stage.
- b. Pension Regulation 35(1) was amended vide Gazette Notification dated 09.03.2003 providing for Updation of Basic Pension and Additional Pension wherever applicable thus making it an open ended scheme to provide the benefit of Pension Updation to all Retirees who become eligible on periodical revision of Pay through Industry level Wage Settlements.
- c. IBA/Government has been denying the benefit of Pension Updation despite clear provision in Pension Regulation 35(1) quoting cost consideration.
- d. Pension is a Deferred Wage and a property under Articles 19(1) (f) and 31(1) of Constitution of India and hence a statutory obligation of the Banks which are State within the meaning of Article 12 of Constituents of India.
- e. Pension including updated Pension and Family Pension become payable out of Pension Fund. The present Pension Fund of the Public Sector Banks including State Bank of India is quite robust and healthy at about Rs. 300,000

crores (approx) with potential to afford payment of 3 to 4 times of present disbursements on account of Pension and Family Pension.

- f. Provision for Pension Fund is a charge on Profit & Loss A/c and hence is not payable out of net profit of the Banks. Net profit has to be arrived at only after making all provisions including for payment of Salary and Pension which are statutory in nature. Statutory payments cannot otherwise be denied for cost considerations.
- g. Banks have introduced New Pension Scheme for those employees who have been recruited after April 2010 and there is separate Fund created for the same. This limits the number of Pensioners under Old Pension Scheme and even this number is subject to reduction with every passing year. Ultimately when all Pensioners die their Pension Fund which is held in Trust shall remain hugely underutilised. This further strengthens our contention for improvement in pension by periodical updation so that the Pension fund of the Retired Employees is put to better use.

3. **100% DA Neutralisation:**

- a. Government of India introduced 100% DA Neutralisation in lieu of tapering DA vide 5th pay Commission (1996). Subsequently 100% DA neutralisation was extended to all Pensioners of the Banks except those who retired before 01.11.2002. It was on account of wrong interpretation of the provisions of Bipartite Settlement/Joint Note signed during 2005 between IBA and Unions/Associations.
- b. Aggrieved Employees approached the Courts and were awarded relief but Management of United Bank of India filed SLP in Hon'ble Supreme Court. During the final hearing and finding merits the arguments of the Employees, the Hon'ble Judges of Supreme Court observed that they had already passed an adverse order in a similar case and hence reversal of that order could be done only by a larger Bench. Alternatively the Employees in whose case the adverse order was passed should file a review petition which could be tagged with the case of United Bank after condoning the delay. Accordingly the review petitions were filed, delay condoned and petitions tagged with the case of United Bank of India. The Hon'ble Supreme Court yet again passed an adverse order without any justification merely by stating that since earlier appeals of the employees were dismissed, the appeal of United Bank Management is allowed.
- c. The Judgement of the Hon'ble Supreme Court came as a bolt from the blue to the employees.
- d. 100% DA Neutralisation to Similarly placed Pensioners is made available to the Pensioners of RBI and LIC of India. Hence denial to a small section of Bank Pensioners is beyond reasonable comprehension.
- e. Compelling Senior Citizens to knock the doors of judiciary to realise their legitimate claims and aspirations is against the spirit of Litigation Policy of the Government.

4. Pension for those who Resigned after completing 20 years of Service:

- a. IBA had been denying Pension option to those who had resigned from the service of the Bank after completing minimum qualifying Pensionable service in the Bank. Aggrieved resignees sought judicial remedy and ultimately in case of the Employees of Vijaya Bank the Hon'ble Supreme Court ordered extension of the benefit of Pension option to the petitioners who were allowed to opt for Pension.
- b. IBA has refused to extend the benefit of the order of the Hon'ble Supreme Court to similarly placed persons in Vijaya Bank and also in other Banks. Expecting every individual to go to Supreme Court and struggle for several years for final judgement is unfair and also against the spirit of Litigation Policy of the Government.
- c. IBA was kind enough to extend the similar benefit to all the compulsorily retired people after few of the compulsorily retired people got favourable judgement from the Hon'ble Supreme Court. Hence denial of Pension option to resignees is unfair and illogical.

5. National Litigation Policy: The policy is a good initiative of Government of India. But various instrumentalities of the Government including Public Sector Banks which are State under Article 12 of the Constitution of India have been driving their Employees/Pensioners to seek legal remedy on settled issues, thereby defying the spirit of Nation Litigation Policy. Such a situation causes a huge drain on the resources (judicial) of the Government while forcing avoidable financial burden on the Employees/Pensioners. It is requested to ensure creation of a mechanism for resolving the anomalies created by wrong interpretation of the settlements or the provisions of settlements or wrong implementation and interpretation of various Regulations despite their being subordinate legislation – statutory in nature. To obviate and resolve such anomalous situations we suggest the following:

- i) The Organisations of Bank Pensioners and Retirees should be provided a structured forum to discuss their issues with Indian Banks' Association.
- ii) Anomaly Resolution Committee should be constituted to look into the grievances of Bank Pensioners and Retirees.

6. There are other pending issues agitating the minds of Bank Pensioners and Retirees and the same are being actively taken up with Indian Banks' Association for early resolution. Such issues include Rationalisation of Medical Insurance Scheme for Bank Retirees and Reckoning of Special Allowance Component of Pay which attracts Dearness Allowance for the purpose of computing Pension and Gratuity as is in the case of LIC of India.

We request necessary help in resolving these issues early.

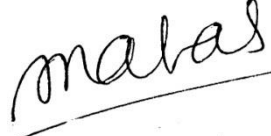


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