



## **ALL INDIA BANK RETIREES' FEDERATION (REGD.)**

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**6<sup>th</sup> Conference Slogan- Pension Updation is Right of Bank Retirees**

Ref. No. 2025/004

Date:08.01.2025

### **AIBRF PETITION TO PARLIAMENTARY COMMITTEE ON PETITION (RAJYA SABHA)**

Honorable Chairman  
Parliamentary Committee on Petition (Council of States-Rajya Sabha)  
New Delhi

Respected Sir,

#### **Re: AIBRF PETITION**

Respectfully, we below submit the petition on bank retiree grievance for kind consideration of the Honorable Parliamentary Committee on Petition (Council of States - Rajya Sabha) and appropriate action on fit deemed fit by the committee.

2. Petitioner is apex level organization of bank retirees. Brief details of the organization are as under

- (a) Formed in 1995 after introduction of Pension Scheme in banks in 1995.
- (b) Its present primary membership is about 3 lakhs.
- (c) AIBRF provides affiliation to bank wise organizations
- (d) Presently there are 40 bank affiliates of AIBRF
- (e) AIBRF is registered under Trade Union Act, 2026 since 2017. Copy of the Registration Certificate is enclosed for ready reference. (A-1)
- (f) AIBRF organizational set up consists of (I) General Council (AGM) meets once in three years (ii) Core Committee- 11 members – meets as when needed to address retiree issues of urgent nature. (III) Office Bearers Committee- meet once in 6 months (IV) Central Committee – 250 Members- Meet once in a year and has power to take policy decisions as per direction of General Council.

- (g) AIBRF has 19 State Committees covering 28 states which function to coordinate retirees from different affiliates and implement call given by the central office at the state level
- (h) General Secretary (Central Office) is the Principal Executive functionary in the organization and entire day to day affairs are attended by him.
- (i) AIBRF is the largest retiree organization in the banking industry.

### **3. PRESENT GRIVANCE OF BANK RETIREES SUBMITTED TO THE HONORABLE COMMITTEE**

3.01 In Banking industry since 1966 service conditions of employees and officers including Superannuation benefits are determined through negotiated settlements. Negotiations to decide service conditions are held between Unions (representing workmen and Officer staff) and Indian Banks Association (IBA) once in 5 years. Since 1966, so far 12 Wage Settlements have been signed in the banking industry. Last one was signed on 8<sup>th</sup> march, 2024.

In order to give final shape to the settlement, Indian Bank Association attends the following function

- (a) It accepts Charter of Demands for the settlement from Unions on expiry of period of 5 years
- (b) It considers the Charter of demands submitted by Unions and give counter offer from the management/ government side
- (c) It holds discussion with Union Representatives from time to time through various committees constituted by IBA for this purpose
- (d) IBA maintains liaison with Department of Financial Services (DFS) Government of India to get approval/ clearness on various proposals negotiated by Unions.
- (e) Department of Financial Services (DFS), Government of India exclusively deals with IBA on various aspects of the settlement and proposals of the wage settlement
- (f) Indian Bank Association (IBA) signs Wage Settlements with Unions on behalf of member banks.
- (g) Wage Settlements signed by IBA is legally binding document to member banks and Unions. No individual bank management has any authority to make any modification and alteration in the settlements approved and signed by IBA.
- (h) In case of any legal dispute on wage settlements and related matters, IBA appears in various courts to defend the settlements.
- (i) As far as HR Matters in banking industry are concerned, IBA is the supreme and final authority
- (j) Besides the HR matters, Government of India consults IBA on various important/ Policy matters.

3.02 Service Conditions of bank employees can be broadly divided in to two parts

- (a) Service conditions like salaries, allowance and other benefits payable to the employees during the service period.
- (b) Superannuation benefits payable to the employees at the time of retirement and after the retirement on recurring basis.

Both the above two categories of benefits are determined through negotiated settlements as explained above.

Bank Retirees have direct interest in the following superannuation benefits

- (a) Pension Benefits payable to bank retirees after the retirement during his/her life time and to the spouse by way of family pension after his/ her death
- (b) Medical facilities/ Insurance benefits to the retirees as per provisions of settlements/ agreements
- (c) Staff Welfare Funds benefits as per advice/ direction of the government
- (d) Higher Rate of Interest on deposits of retirees
- (e) Concessions in service charges levied by banks
- (f) Ex-Gratia benefits to those retired prior to 1986 and their spouses not covered under Pension scheme.

In order to ensure that these benefits are extended to retirees strictly as per the rules and provisions of the relevant schemes/ settlements and to protect interest of the retirees from any adverse situation, retirees have organized themselves independently as laws of the country do not permit In-service Unions to continue membership of the employees after the retirement.

It may be mentioned that all benefits payable to retirees are finalized by Indian Bank Association and it also exclusively handles the relevant points with the government, bank managements, bank unions and other parties. Any modifications and alterations in the scheme meant for retirees are done with the consent of IBA. It may also be mentioned that schemes meant for retirees have been modified on several occasions by IBA in last 20 years.

### **DEMAND OF RETIREES FOR FORUM AT IBA LEVEL FOR DISCUSSION ON RETIREE ISSUES**

AIBRF and other bank retiree organizations have been demanding from IBA that it should provide some forum to retiree organizations for discussion and offering suggestions on retiree issues for consideration of IBA so objective and proper view can be taken on retiree issues before taking final view on them. Bank Retirees are important stakeholders in the scheme meant for them. Principle of natural justice demands that the concern stakeholders i.e. bank retirees' views/ suggestions should be considered by IBA on their issues before taking decision on them.

IBA has been consistently refusing to create any forum for discussion with retiree organizations on retiree issues. AIBRF has been submitting several representations to IBA on retiree issues offering suggestions and also raising several issues and inconsistencies in schemes. However, our letters are neither acknowledged nor invited for discussion on them. Because of this situation, retirees have to face several injustice and financial loss because of violation of the relevant provisions at the implementation stage. When such violations are brought to the notice of banks at the implementation stage, they express their inability to make required corrections without specific instructions of IBA. There are several examples of this nature. A few may be quoted below

- (a) Benefit of additional stagnation increment was granted to those retirees under 10<sup>th</sup> & 11<sup>th</sup> settlements. It took more than 8 years in implementation that too partially as IBA was not ready to provide necessary clarifications to member banks for several years and banks were expressing their inability to pay benefits to the retirees as per the settlement in the absence of specific clarifications from IBA. AIBRF has raised the issue through several letter written to IBA on the subject. But, IBA has not taken notice of our communication and about 10000 retirees who retired in 10<sup>th</sup> and 11<sup>th</sup> settlements continued to suffer financially for several years and some of them left this world with enjoying the legitimate rights.
- (b) Scheme for medical insurance for retirees was prepared by IBA in 2015 and it became part of the Wage Settlement dated 25.05.2015. According to the provisions of the scheme, insurance cover to the retiree was to be provided on the same terms and conditions applicable to in service employees. However, from 2018-2019 onwards, IBA unilaterally decided to charge higher rates of premium to retirees by calling separate tender for retirees and it resulted in to increase of premium 4 times for retirees by 2022-23. We approached to IBA several times to IBA for holding discussion with AIBRF so violation can be stopped and some acceptable solution can be found to the issue. But IBA refused to call us for discussion during 5 years of violation. AIBRF was forced to approach Chief Labour Commissioner (Central), New Delhi. After CLC intervention, from 2024-25 (current year) IBA has agreed to issue combined medical insurance policy to employees and retirees on the same terms and conditions and pricing. It has provided relief of 47 percent to retirees this year. This problem could have been resolved much earlier through discussion with the retirees. But because of illogical and arbitrary stand of IBA not to hold discussion with retirees, more than 1.70 lakhs retirees were forced to pay additional about Rs. 1000 crores more by way of higher premium during 5 years from 2018 to 2024.
- (c) IBA is not ready to hold discussion with AIBRF to find out the way to pay commutation difference to eligible retirees as Honorable Supreme Court Judgment of 2018. The matter is hanging because of adamant stand of IBA not to hold discussion with retirees.

The above few instances are quoted here. However, there are many more such examples where issues can be resolved through discussion.

It is ironical that IBA is not ready to provide any forum to retirees at IBA level for discussion to find out solution on retiree issues. But when retirees approach to courts to secure their rights, IBA is first to come to the court as defendant and advance several arguments which could be very well become part of the discussion between retirees and IBA. IBA stand of not talking to retirees is simply results in to avoidable litigation and retirees are forced to go for it which is against the state policy and expensive and time consuming for retirees.

### **IBA ARGUMENT FOR NOT HOLDING DISCUSSION WITH RETIREE ORGANISATIONS:**

IBA authorities argue that they do not hold discussion with retiree organizations as they do not requisite mandate from member banks to do so. IBA is voluntary organization and they act and function as per the mandate given by member banks.

This stand of IBA does not hold water according to us for the following reasons

- (a) Member banks give mandate to IBA for deciding superannuation benefits to retirees like pension scheme, group medical schemes.
- (b) After getting mandate from member banks on retiree issues, IBA takes several steps like framing the scheme, holding discussion on it, securing government approval on it and issuing detailed instruction to member banks and signing of the settlement etc. They carry out these functions with absolute authority and power. Therefore, their effective role is much more than voluntary organization.
- (c) While framing any scheme for retirees on the basis of mandate from member banks, it is implied that retirees who have organized independently will also be consulted and their views will be taken in to consideration before taking final decision. No mandate can put a condition that while framing the scheme for a particular group, representatives of the group will not be given opportunity to place their views. Therefore, IBA stand that in the absence of mandate from member banks they can not talk to retirees looks illogical and not maintainable argument before law.
- (d) IBA has framed the group medical insurance scheme in 2015 where retirees are required to pay insurance premium from their pockets. But on this scheme also, they are not ready to talk with retiree representatives. IBA refuse to talk and refuse to reply AIBRF communications. Scheme is meant for retirees and cost is borne by retirees, but they are kept at distance. It is against spirit of welfare and gross violation of the spirit. Such approach of the organization who has been given unlimited authority to deal public matters should not be allowed in Welfare state.

## **Humiliating Treatment to Retirees and their representatives by IBA**

- (a) There are 7 lakh bank retirees in the country who are eligible for defined benefit pension scheme. Our organization, AIBRF represents 3 lakh bank retirees.
- (b) However, IBA is neither ready to talk to us on any retiree issues and also does not reply our representations.
- (c) IBA does not give appointment to retirees to meet them. Retiree entry is virtually banned in IBA office in Mumbai.
- (d) Retiree representatives are given very shabby and raw treatment. They are stripped off their mobile phones and lot of attack is mad on them. Situation becomes very humiliating for retirees in IBA office.
- (e) In order to prevent retirees from holding direct dialogue in IBA, IBA signed Record Note dated 25.05.2015 (copy enclosed – A-2) that retiree do not have any contractual relationship with their ex- employers ignoring the fact that contractual relationship between ex-employer and retiree continues even after the retirement, under legal obligation employer is liable to discharge to its duty to pay pension t and retiree enjoys legal right to receive pension from his- employer. Any violation is legally enforceable right and can be resolved through option of holding discussion. Therefore, inserting such clause in Record Note is illogical and an attempt of IBA from depriving retirees from their right to hold discussion with them.

### **AIBRF APPROCHING PARLIAMENTARY COMMITTEE ON PUBLIC GRIVANCES (RAJYA SABHA) IN 2008.**

AIBRF had submitted representation to the Parliamentary Committee on Law, Justice & Public Grievances (Rajya Sabha) in 2008 seeking its intervention to ask IBA to provide suitable forum to bank retirees for redressal of their grievances.

The honorable committee was kind enough to convene joint meetings with the representatives of IBA and AIBRF. On the advice of the committee, IBA agreed to provide forum to retirees for resolution of grievances of retirees.

Accordingly, IBA advised member banks to establish Grievance Redressal Cell in their banks and hold half yearly meetings with representatives of retirees to discuss retiree issue across the table for resolution. IBA issued the following two circulars addressed to member banks

- (a) CIR/HR&IR/G5/2008-09 dated 30.03.2009 (A-3) &
- (b) CIR/HR&IR/G5/2015-16 dated 0903.2016 (A-4)

We are happy to mention that Grievance Redressal Mechanism (GRM) has since been established in most of the Public Sector banks and periodical meetings are arrangement

by bank managements with the representatives and decision taken in the meetings are monetized under joint signatures. This system is working well largely and has help in resolving thousands of cases of individuals through discussion. In the absence of GRM, large number cases would have gone in litigation.

IBA while implementing Parliamentary Committee advice in 2009, it excluded itself and did not take any step to establish GRM at IBA level. AIBRF continuous representations to IBA to establish suitable forum in their office for resolution of retiree issues remain pending without any action on it. In the absence of this, Bank retirees pending issues are increasing which result in to huge disappointment and frustration among 7 lakhs bank retirees.

### **AIBRF HUMBLE SUBMISSION TO THE HONRABLE COMMITTEE**

We approach to the Honorable Parliamentary Committee on Petition (Rajya Sabha) with the humble request to ask IBA to create suitable forum at apex level for retirees for discussion and resolution of retiree issues. It will help 7 lakhs retirees in reducing their grievances and also reduce litigation in banks.

With Respectful Regards,

**Yours Sincerely,**

A handwritten signature in cursive script, appearing to read 'mabas', is written over a horizontal line.

**SC JAIN**  
**GENERAL SECRETARY**

**Record Note of Discussions between Indian Banks' Association and United Forum of Bank Unions on the issues and demands relating to retirees of the Banks held on 25th May, 2015 at Mumbai.**

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In the Charter of Demands submitted by the Workmen Unions/Officers Associations for revision of wages and service conditions, certain demands pertaining to the superannuation benefits /issues of retirees were raised. These issues were discussed in detail on various occasions during course of negotiations on the Charter of Demands.

**IBA maintained that any demand of retirees can be examined only as a welfare measure as contractual relationship does not exist between banks and retirees.**

The periodic wage revision exercise based on mandate from member banks cover only wages and service conditions of serving employees. **Retirement benefits are based on service conditions prevailing at the time of retirement of an employee and these do not change with subsequent settlements.**

Referring to repeated comparison of pension scheme in banks to Government pension scheme, IBA stated that while the Government pays pension out of Budgetary allocation, bank pension is a funded scheme. At the time of retirement of an employee, the bank is expected to ensure that adequate funding is made for payment of pension/family pension with provision for periodic updation of dearness relief payable. **As such there is no provision for updation of pension in banks.** Financial implications will need to be fully examined before any change in benefits payable to pensioners can be considered.. The following table gives the details discussion/ conclusion reached on various issues raised:

<b>Issues raised by the United Forum of Bank Unions</b>	<b>Response of the Indian Banks' Association</b>
<b>01. LFC and Hospitalization reimbursement should be extended to retired bank employees/officers</b>	<p><i>A revised hospitalization/medical expenses reimbursement scheme is being finalised for the in service employees and officers and the benefit of the coverage of this same Scheme would be extended to retirees also subject to the condition that the cost of the insurance premium under the Scheme would be payable by retirees.</i></p> <p><i>Extending Leave Fare Concession facilities to the retirees is not possible.</i></p>
<b>02. Revision in the rates of Family Pension on the same lines of the Central Government scheme and RBI scheme</b>	<p><i>While the IBA is sympathetic to the issue, the <b>cost involved</b> is significant and unaffordable at the present juncture. IBA will examine cost implications and sustainability of each bank, at a future date.</i></p>



<p><b>03. Extending Dearness Relief at 100% compensation to all pre-November, 2002 pensioners as in the case of post November, 2002 retirees.</b></p>	<p><i>Firstly, the matter is sub-judice as certain cases on this issue are pending for a decision with Supreme Court. As such, IBA cannot take a decision on this issue at this stage. From a humanitarian point of view, IBA may examine feasibility of providing 100%dearness relief neutralization to pre November retirees Based on a detailed costing exercise.</i></p>
<p><b>05.Upgrading the Basic Pension of all the pensioners at the common and uniform index 4440 points</b></p>	<p><i>IBA would examine the cost implications and sustainability of member banks.</i></p>
<p><b>06.Updation of Pension for all existing pensioners and family pensioners</b></p>	<p><i>This being a funded scheme in lieu of contributory PF.As it is Banks are contributing several times the statutory PF contribution towards funding pension scheme every year.Hence providing for <b>the periodical updation is not possible</b> as this will have serious impact on the working of banks.</i></p>
<p><b>07.Uniform Percentage of allocation for welfare fund towards schemes pertaining to retirees</b></p>	<p><i>Govt. guidelines permit banks to provide benefits to retirees out of welfare fund</i></p> <p><i>This may be taken up at the bank level</i></p>

On Monday, May 25, 2015 at 3:26:01 PM UTC+5:30, PM wrote:



PM unread,