



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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6th Conference Slogan- Pension Updation is Right of Bank Retirees

Ref. No. 2025/005

Date: 14.02.2025

The Chief Labour Commissioner (Central)
Government of India, Ministry of Labour & Employment
NEW DELHI

Respected Sir,

**Re: Dispute of Grievances of lakhs of Bank Retirees in the matter of
Group Medical Scheme & other retiree issues.**

We wish to invite your kind attention on your letter No. **F. No. 10(20)2022-R** dated 12.01.2024 addressed to Shri Gopal Bhagat, Dy. Chief Executive, Indian Banks' Association (IBA) asking them to send their comments on AIBRF representation No. 2023/118 dated 21.10.2023, in the light of minutes of the meeting held on 23.09.2023.

2. More than one year has passed since sending letter by your office. But IBA has not submitted any reply to your communication.

3. AIBRF has also sent reminders in the matter to IBA. However, they also remain un-replied. IBA is not ready to hold discussion on group medical insurance scheme with AIBRF despite agreeing to do so in the joint meeting dated 23.09.2023 held in your office.

4. In the meantime, because of CLC advice and intervention of DFS, IBA modified the settlement on group medical insurance scheme and agreed to issue combined medical insurance policy for employees and retirees on the same term and conditions and pricing. It may be recalled that in various joint meetings held in your office, IBA was refusing time and again to issue combined policy for employees and retirees at the same premium and arguments lead by AIBRF quoting various provisions of the settlement dated 25.05.2015 were rejected by IBA representatives. However, because of stand taken by CLC, finally IBA agreed

to issue combined policy for 2024-2025. It has provided much needed relief to the retirees for which AIBRF has been fighting for last several years. This year instead of increase in premium for retiree policy which had become common feature for last 5 years, premium on retiree policy has come down by 47 percent in 24-25. **AIBRF is grateful to you, Sir and also to team of officials from your office for taking sympathetic view on our representation and taking appropriate steps which has resulted in to providing much needed relief to 1.60 lakhs retirees and stopping violation of the provisions of the settlement.**

5. The above developments also indicates that if IBA leaves its strict and adamant stand of not talking to retirees, issues of retiree can be resolved through amicable discussion. If the decision of combined policy had been taken 5 years back, **on an average 1.5 lakhs retirees would not have been required to pay Rs. 1000 crore extra payment unnecessarily which has hit them financially very heard.**

6. Though IBA has followed tender process for awarding contract to L1 bidder for base policy to employees and retirees which is right procedure and has resulted in to reduction in premium by 47 per cent in 2024-25, IBA is not following L1 tender procedure for "Super Top Policy" for retirees. Instead IBA has given full authority and freedom to L1 of base combined policy (this year, National Insurance Company) to charge any amount of premium for Super Top Policy floated for retirees.

GRIVANCE ON SUPER TOP POLICY FOR RETIREES:

7. We have to bring to your kind notice that IBA decision not to follow L1 tender procedure for Super Top policy for retirees for 2024-25 is violative of provisions of the Bipartite Settlement and also violative to the procedure laid down by the Government of India/Vigilance Commission for inviting tenders for procuring goods/services. Because of this violation, 7 lakhs bank retirees are adversely affected. Because of giving freedom to National Insurance Company to charge any amount of premium for Super Top policy for retirees by IBA, National Insurance Company has fixed exorbitantly high premium for super top policy for retirees for 2024-2025 which is as high as 4 times more than premium payable by employees and also 4 times more than rates prevailing in the market this year for the same terms and conditions.

8. Because of this arbitrary act of IBA violative to the provisions of the settlement,

lakhs of bank retirees' interests are adversely affected. There is huge disappointment and anger among bank retiree community because of this position. **It is genuine and serious grievance of bank retirees.**

9. As representatives of bank retirees and being registered under Trade Union Act, we are approach to your good selves with humble request seeking your intervention to ask Indian Banks' Association and Department of Financial Services, Government of India, New Delhi who are controller of Banking Industry and Public Sector Banks to follow L1 tender procedure for Super Top Policy for retirees.

10. Before approaching to your office in the matter and submitting this representation, we have earlier submitted representation to IBA office in Mumbai for discussion and resolution of the issue, but IBA as usual refused to entertain our request for discussion on the plea that it does not have mandate from member banks to hold discussion with the representatives of retirees. Because of this stand of IBA, we are required to approach your office for resolving grievance of retirees in this important matter.

11. We also humbly request you to simultaneously examine the following important issue

- (a) IBA has formed group medical insurance for retirees certainly with the mandate and authority of member banks as at their own, being voluntary and professional organization claimed by them, they cannot form the scheme for retiree.
- (b) In group medical scheme meant for retirees, retirees are the beneficiaries as well as important stake holders in view of the fact that entire premium of the scheme is borne by them.
- (c) Because of violations committed by IBA, retirees who are beneficiaries, their interests are adversely affected, IBA stand of refusing to entertain grievances of retirees for resolution in the name of mandate is legally not tenable. As nodal agency responsible to design the scheme, frame rules for implementation, what is their legally accountability towards beneficiary group.
- (d) This stand of IBA, according to us, is not logical and legally tenable. If they are allowed to frame and execute any scheme with zero accountability towards beneficiary group, it will establish new system in the country which will force the beneficiaries with only option to approach courts on each occasion.

12. We forward the following documents in support of this representation

(a) Tender document for 2024-2025 floated by IBA inviting tenders for employees and retirees group insurance policy. Your kind attention is invited on Para (e) Of Commercial Bid setting terms for quoting for super top policy. (Flag – A)

(b) IBA Circular No. H & IR/MBR/ MEDINS/ 1421 dated 18.09.2024. (Flag – B)

(c) PNB issued Circular No. 789/2024 dated 09.10.2024 (Flag – C), as per the guidelines of IBA;

(d) PNB issued Circular No. 790/2024 dated 09.10.2024 (Flag – D), as per the guidelines of IBA;

13. We are forwarding copy of this representation to the following

(a) The Chairman, Indian Banks' Association, Mumbai

(b) The Department of Financial Services, Government of India, New Delhi

14. Submitted for your kind consideration and with the request for appropriate action on it.

With Respectful Regards,

Yours Sincerely,



**SC JAIN
GENERAL SECRETARY**

C.C. to

- 1. The Director (IR) Department of Financial Services, Government of India**
- 2. The Chairman, Indian Banks' Association (IBA), Mumbai**