



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

Ref. No. 2025/006

Date:17.01.2025

Shri Sanjiv Bandlish
Convener, United Forum of Bank Unions (UFBU)
CHANDIGARGH

Dear Sir

Re: Review of Ex-gratia amount payable to Pensioners

AIBRF is thankful to UFBU Convener and leadership of UFBU for introducing provision for payment of ex-gratia amount as interim relief to pensioners retired up to 31.10.2022 w.e.f. 1.11.2022.

2. Provision of ex-gratia has been incorporated under **Para 36 of the Bipartite Settlement/ Joint Note dated 08.03.2024. Further provision has been made under Para 36 for review of ex-gratia amount on annual basis commencing from April, 2024, which reads as under:**

“The next review of ex-gratia amount shall be undertaken in April, 2024 and thereafter shall be subject to review annually agreed between the IBA and the Unions/ Associations.”

3. On analysis of the above provision, the following facts emerge

- (a) This clause is exclusively meant for benefit of pensioners in the post retirement period.
- (b) From language of the provision, review is mandatory for parties to the settlement and needs to be done on due dates**
- (c) IBA and Unions/ Associations have taken responsibility to ensure effective implementation of the provision and carry out mandatory exercise on due dates in transparent manner under well-defined formula/ parameters.

(d) Non-carrying out the exercise on due dates constitutes violation of provisions of the legally enforceable settlement and gives right to the adversely affected retirees (beneficiaries) to raise and pursue the violation at the appropriate forums.

4. Factual position in this regard is as under

(a) No review of ex-gratia amount as provided under Para 36 has been undertaken by IBA in April, 2024. In this regard, UFBU communication issued in this regard which is under circulation is that review of ex-gratia amount due in April, 2024 will be undertaken subsequently by IBA after announcement of audited financial results for 2023-2024 by banks.

(b) We find that even after lapse of considerable time since declaration of financial results by all banks, no review exercise as provided in the settlement and mandatory in nature has been undertaken by IBA. We do not find any communication of UFBU on the subject in recent past demanding for early review of ex-gratia amount as provided in the settlement.

(c) According to our analysis, logic and driving force behind incorporating provision of annual review is that the amount of ex-gratia provided in the settlement is fixed in nature and inflation is constantly increasing and therefore pensioners should be suitably compensated for increase in DR in the intervening period by way of annual review exercise. Quantum of ex-gratia for different groups of pensioners was fixed on the basis of pension amount payable as on 31.10.2022. Since then, 30 months have passed. DR for pensioners have been reviewed (increased) 4 times in February, 23, August, 23, February, 24, and August, 24. Another DR review for pensioner is due next month in February, 2025. During last 4 half yearly review, Consumer Price Index (CPI) applicable to pensioners eligible for ex-gratia has gone up as under:

CPI – August, 22	8456.00
CPI- August, 24	9218.74
Increase in CPI	762.74
Percentage Increase	9.02

(d) Having agreed for annual review of ex-gratia amount by the parties to the settlement, some scientific, logical and transparent formula need to be worked out for annual review to fulfill the objective of this clause. The review can not be and should not be entirely left on the perception of the management, otherwise very purpose of this

provision will get lost. Logical formula can be that annual review should be linked with movement of CPI in the intervening period.

- (e) Considering the above facts, logically ex-gratia amount should be increased on CPI of 9218.74 minimum.
- (f) Other issues which need immediate review are: one grant of 100 per cent DA benefit in computing ex-gratia amount to those retired before November, 2002 and second grant of ex-gratia amount to pensioners from private sector banks.

5. We request UFBU leadership to consider above facts and immediately take up the issues with IBA for review of ex-gratia due in April, 2024 at the earliest to ensure object and effective implementation of provisions of the settlement dated 8.03.2024.

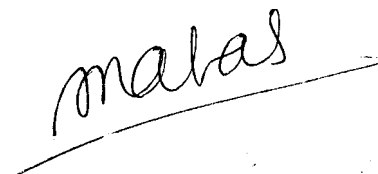
6. AIBRF will continue to pursue the matter which directly affect about 6.50 lakhs bank pensioners adversely at all levels to ensure that violation of settlement provisions is immediately stopped and provisions are effectively and in transparent manner are implemented. No step taken by IBA on this count is nothing but violation of provisions of the settlement.

7. AIBRF will be grateful and thankful to UFBU Convener and leadership of UFBU to give us appointment to hold discussion and offer our suggestions to make the things happen at the earliest.

8. We also appeal all constituents of UFBU to take up the matter for early resolution

With Respectful Regards,

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'mabas', written over a horizontal line.

(S. C. JAIN)
GENERAL SECRETARY

