



## **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. 2026/0152**

**Date: 04.04.2026**

Office Bearers / Central Committee Members / State Committee Chiefs

A.I.B.R.F

Dear Sir,

**Re: Direct Dialogue with AIBRF on Retiree Issues at IBA Level**

**Re: Writ Petition Filed in Mumbai High Court**

The bank retirees' movement has grown significantly over the past two and a half decades, particularly in the last 15 years following the introduction of the second pension option in 2010. Today, there are approximately 7 lakh bank retirees, a number comparable to the serving workforce of about 6.5 lakh employees.

2. AIBRF, established in 1995, has consistently worked towards addressing retirees' issues at various levels to ensure justice and dignity. With a membership base of around 3 lakh and registration under the Trade Union Act, AIBRF stands as a strong and legitimate representative body of bank retirees.

3. In the banking industry, service conditions of employees and superannuation benefits are determined through a structured negotiation process that has existed for over six decades. The key stakeholders in this process are:

- Indian Banks' Association (IBA)
- In-service unions under UFBU
- Government of India (DFS)
- Reserve Bank of India (RBI)

Within this framework, **IBA exercises a dominant and निर्णायक role** in the following matters concerning retirees.

- Periodic modifications in pension schemes
- Interpretation of pension regulations
- Advising the Government on retiree welfare policies
- Signing settlements on pension and superannuation benefits
- Issuing implementation guidelines to member banks
- Designing and implementing various welfare schemes including health insurance

4. Decisions taken by IBA and agreements entered into with unions have a direct and significant impact on more than 7 lakh retirees. Despite retirees being independently organized under lawful frameworks, their views are neither sought nor considered. This is contrary to the principles of natural justice.

AIBRF has repeatedly requested IBA to establish a structured and institutionalized consultative mechanism for retirees. Over the past 10 years, more than 51 representations have been submitted to IBA and DFS. Unfortunately, none have been acknowledged or responded to, which amounts to gross injustice and denial of fair representation.

5. AIBRF has also approached in-service unions under UFBU, urging them to formally consult retirees and support the demand for direct dialogue. However, the response has been indifferent. Decisions affecting retirees continue to be taken unilaterally, without consultation or transparency.

6. In the absence of a consultative mechanism, retirees have suffered serious disadvantages. Some notable examples include:

**(i) Pension Updation (1993 Settlement):.**

In the settlement of 1993, which introduced the pension scheme in banks, a clear provision was made to hold discussions and evolve a mechanism for pension updation. However, even after the lapse of more than three decades, no concrete steps have been taken to implement this provision.

The right to pension updation through negotiation has also been judicially recognized in the landmark *M. C. Singla case* by both the Single Bench and Division Bench of the Punjab & Haryana High Court. Further, this position was acknowledged and recognized by IBA itself in its Circular No. **HR & IR/R/KU/2015-16/G2/1506 dated 17.10.2015**, thereby reinforcing the legitimacy of this long-pending demand.

Despite these clear provisions and recognitions, there has been no visible inclination on the part of authorities to initiate the process or arrive at a settlement on Updation. Pension updation, therefore, remains the most critical and pressing demand of bank retirees, with nearly 7 lakh pensioners continuing to await justice for an unreasonably long period.

**(ii) 6th Bipartite Settlement (1998):**

In 6<sup>th</sup> Bipartite Settlement, basic pension for a group was fixed on a notional pay structure instead of actual pay (1616–1684 issue), resulting in nearly 18% reduction in basic pension. Retirees had to struggle and pursue through legal remedies for nearly 20 years up to the Supreme Court to secure justice. Justice was finally available to affected retirees in 2018.

**(iii) 7th Bipartite Settlement (2005):**

100% DA benefit was denied to retirees prior to November 2002. It took nearly 18 years for justice to be delivered in 2023. For long period two artificial and discriminative classes exist.

**(iv) Special Allowance (2012 onwards):**

Exclusion of Special Allowance from pension calculation continues to adversely impact lakhs of retirees who retired after 2012.

**(v) 12th Bipartite Settlement (2023):**

Change in DA base year from 1960 to 2016 was not extended to retirees prior to October 2022, creating disparity.

**(vi) Systemic Issue:**

Successive settlements, one after another after introduction of pension scheme in 1995 have introduced discriminatory provisions affecting retirees in various forms.

7. These examples clearly demonstrate that major decisions affecting retirees have been taken without consultation, leading to prolonged injustice and discrimination. It is imperative to take decisive steps to prevent such occurrences in the future.

Further, the magnitude of retirees' stake makes their exclusion even more untenable:

- Retirees constitute a group **equal in size to serving employees**, yet are denied representation.
- While employees are consulted in all service-related matters, retirees are **systematically excluded** from discussions impacting them.
- Pension funds in public sector banks amount to approximately **₹3.70 lakh crore**, primarily benefiting retirees, yet they have **no role in governance or oversight**.
- Group insurance schemes involving **₹500–600 crore**, fully funded by retirees, are managed without any consultation with them.

This situation is **arbitrary, discriminatory, and fundamentally opposed to the principles of equity and natural justice.**

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8. After exhausting all organizational efforts, AIBRF has now taken a historic step by seeking legal intervention. **A Writ Petition has been filed before the Hon'ble Mumbai High Court with the following primary prayer:**

to issue a writ of mandamus or a writ in the nature of mandamus or any other appropriate writ, order or direction under Article 226 of the Constitution of India to the Respondents:

**(i) to constitute and operationalize a structured, transparent and periodic consultative mechanism with the Petitioners, as representative bodies of bank retirees, for effective engagement on all policy matters affecting bank retirees, including but not limited to:**

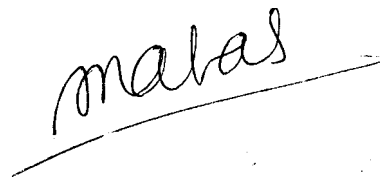
- (a) Periodical review, modification and improvement of group medical insurance schemes, base and top-up policies, for bank retirees;
- (b) Framing of fair and transparent procedures for inviting and finalizing annual tenders from insurance companies for base and top-up policies;
- (c) Periodical revision, modification or alteration of pension regulations and schemes;
- (d) Ensuring proper, uniform and just implementation of pension schemes across all banks;

- (e) Issuance of necessary clarifications on various provisions of pension regulations to remove ambiguities and ensure equitable treatment of pensioners;
- (f) Redressal of grievances of bank retirees arising out of interpretation and implementation of pension regulations;
- (g) Matters relating to appointment of Third Party Administrators (TPAs), including laying down transparent norms for their selection, monitoring their functioning and ensuring accountability; and
- (h) Any other issues having a direct bearing on the welfare, rights and legitimate expectations of bank retirees.

This marks a historic and decisive initiative by AIBRF to strengthen the credibility and effectiveness of the bank retirees' movement and to secure rightful recognition and justice.

With Greetings

**Yours Sincerely,**

A handwritten signature in black ink, appearing to read 'S. C. Jain', is written over a horizontal line.

**(S. C. JAIN)**  
**GENERAL SECRETARY**