



ALL INDIA BANK RETIREES' FEDERATION (REGD.)
D/1/ Sector C Scheme No. 71 Indore 452009
E-Mail ID sharbat_123@rediffmail.com Mobile: 8966019488

Ref: 2021/ 598

02.01.2021

Shri A. K. Goel
Chairman, Indian Banks' Association
MUMBAI

Respected Sir,

Re: Updation of Pension for Bank Retirees

Re: Request for AIBRF to be given opportunity to present their views.

We convey our heartiest congratulations to you on your appointment as Managing Director & CEO, Punjab National Bank w.e.f. 1.02.2022 and also wish you very happy and prosperous new year, 2022.

2. We are happy to note that some initiatives have been taken at the government as well as at IBA level to carry out long pending exercise of pension updation for bank retirees and to review relevant provisions of pension regulations for this purpose. Following initiatives in this direction are worth noting

- (a) Honourable Finance Minister, Srimati Nirmala Sitharaman asking bankers to consider pension updation for bank retirees to take care of their financial requirements while addressing IBA AGM on 10.11.2020
- (b) Constituting six-member committee by IBA in July,2021 to examine updation proposal and submit report on it to Managing Committee of IBA for onward transmission to the government for final approval.
- (c) Study group of Parliamentary Committee was formed to examine status on Government assurance in Rajya Sabha while replying star question No. 12 dated 02.02.2021 & unstarred question No. 3110 dated 23.03.2021 on pension updation.
- (d) Signing of MOU with the Workman Unions and Officer staff unions on conclusion of 11th wage settlement on pending issues to be deliberated and decided which prominently include issue of updation.

3. We understand that the committee on updation has since commenced the exercise though it is observed that the progress in this regard appears to be very slow in last 6 months. The committee is yet to hold any consultation and discussion on the subject with the parties to the wage settlement and other interested parties.

4. Immediately after formation of committee by IBA, AIBRF had submitted memorandum to the Chairman and other members of the committee for their kind consideration with the request that representatives of the retiree organisations should be given opportunity to meet the committee and present their views on this important aspect. We have been waiting for the response since then.

5. AIBRF once again submit humble request to you to kindly consider inviting representatives of retirees to enable them to present their views on this vital issue of pension updation. In this regard, we would like to draw your kind attention on the following vital points

- (a) Introduction of pension in banking industry in 1995 which provides periodical payments to the pensioner



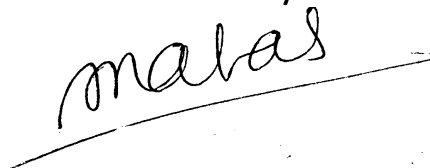
during the life time and thereafter periodical payments to family pensioner has added new dimension in relationship between ex- employee and ex-employer.

- (b) Provisions of periodical payments to pensioners after the retirement confer certain rights on the retiree and simultaneously has cast certain responsibility and obligations on the bank management.
- (c) The above rights and obligations carry legal and constitutional guarantee and are subject to legal scrutiny.
- (d) Further, on careful study of provisions of pension regulations, it may be seen that some provisions remain operative for employee during the service period and others become operative for the retirees on retirement.
- (e) The above stated provisions in the pension regulations have resulted in to having parties of the scheme namely bank management (contributor and responsible for management of the scheme), Employee (prospective beneficiary), Pensioner (Actual beneficiary), Government of India (providing constitutional guarantee for PSBs) and RBI (consultative role as Regulator).
- (f) It is seen that in last 25 years as and when pension scheme has been reviewed or modified, they have been done with due consultation among all parties of the scheme except the retirees who are actual beneficiaries.
- (g) In the above context, your kind attention is drawn on the facts that retiree number have grown substantially in the banking industry in last 25 years. In some banks retiree numbers have reached almost equal to employee number. For example, in PNB after the merger, total retirees are close to 85000 at present against employee strength of about 92000. Further the retirees have organised themselves and have well run and established retiree organisations at the bank level as well as at the Apex level. Our organisation, All India bank Retirees' Federation (AIBRF) is apex level body having membership of more than 2.5 lakhs. It is registered under trade union act enjoying certain legal rights to represent retiree issues before the management.
- (h) We are of the considered view that it will be sound HR policy to have consultation with all affected parties before taking final decision on any issue concerning to retirees.
- (i) Retirees request to IBA to involve retiree representatives in consultation process is not considered favourably on the plea that IBA does not have required mandate from banks does not appear to be sound logic on the fact that once IBA decide to take up any matter concerning to retiree for review, it gives implied authority to involve all parties in the consultation process.

In view of the above, we once again request you to invite retiree representatives for consultation on updation issue. We hope to receive favourable reply in the matter.

With Respectful Regards.

Yours Sincerely



(S. C. JAIN)
GENERAL SECRETARY



