



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

Flat No 101, Block C Shivom Residency, M. G. Road Indore- 452001

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Ref: 2022/ 673

27.09.2022

The Chief Labour Commissioner (Central)
Government of India
Ministry of Labour & Employment
Office of the Chief Labour Commissioner (C)
Rafi Marg
New Delhi-110001

Respected Sir

Re: Dispute of Grievances of lakhs of Bank Retirees in the matter of Group Medical Scheme Administered & Managed by Indian Bank Association (IBA) as Nodal Agency, & other retiree issues.

All India Bank Retirees' Federation (AIBRF) is apex level organization of bank retirees and has 38 bank wise affiliates as its constituents with total membership of about 2.5 lakhs. AIBRF is registered under Trade Union Act, 1926. Registration Certificate to this effect is attached and marked as **Annexure A**. AIBRF has been regularly filing statutory returns with the authorities and has already submitted annual returns up to 31.12.2021. It was formed in 1995 and has completed 27 years of existence. Main object of the organization is to pursue pension related and other issues of bank retirees at different level for resolution.

02. Present Grievances

02.01 Indian Banks' Association (IBA) having its head office at 6th Floor, World Trade Center, Center-1, Cuffe Parade, Mumbai-400 005. Email - sa.legal@iba.org.in. Tel.: 91-22-22174039 Mob. +91-9820349018 signed a settlement dated 25.05.2015 for providing group medical insurance to employees to take care of medical expenses incurred by them for self and family. The scheme was extended to retired employees and retired officers on the same terms and conditions as welfare measure with the stipulation that cost of premium will be borne by individual retirees. Copy of the settlement dated 25.05.2015 on medical insurance is attached and Marked as **Annexure B. It was implemented with effect from 01.11.2015 with annual review which is normal practice in case of health insurance. As per provisions of the settlement, IBA was designated as nodal agency at the apex level for selecting insurance company and negotiating with it terms and conditions of the policy after following laid down procedure. Member banks were given responsibility for collecting premiums from the retirees and remitting to the insurance company with the required data and helping retirees in settlement of claims. The scheme has completed 7 years of its existence. At present, about 5.5 lakhs retirees in banking industry (other than State bank of India) are eligible to participate in the scheme. Most of these retirees are organized and are members of retiree organizations. AIBRF is the largest and oldest retiree organization in banking industry with membership of about 2.5 lakhs as stated above.**

02.02. In last 7 years, retirees have witnessed several difficulties and problems in continuing the membership of the scheme due to highly unreasonable and illogical attitude of IBA in implementation of the scheme meant for retirees resulting in to huge grievances

of lakhs of bank retirees which remain unresolved. The main points of bank retiree grievances are spelt out below.

02.02.01 The scheme is meant for retirees and was launched as welfare measure in 2015. Entire cost of the premium is to be borne by the retirees from their pockets unlike in case of employee policy where premium cost is borne by the bank managements. Annual premium paid by retirees in these years comes to around 300 to 350 crores annually. It is in the full knowledge of IBA and bank managements that retirees have organized themselves under the banner of apex level organizations. There have been several violations and problems noticed at the time of annual renewal exercise resulting in to making the policy unaffordable and beyond reach of large section of retirees losing the basic and fundamental concept of welfare for retirees.

02.02.02 In order to bring these problems and violations of the scheme and seek their redressal through discussion, as representative of more than 2.5 lakh members, AIBRF has submitted several representations highlighting grievances of the retirees on the scheme, offering constructive suggestions to make the scheme affordable for retirees during last 7 years. Copies of some of such representations addressed to IBA for their consideration, especially written in last three/ four years are attached with this representation as below and marked as Annexure.

Letter No. 2022/616 dated 19.03.22-

Letter No. 2022/ 618 dated 29.03.2022 –

Letter No. 2021/589 dated 25.10.2021-

Letter No.2021/ 571 dated 17.09.2021-

Letter dated 18.09.2019 Jointly with other retiree organizations-

Letter dated 02.09.2019 Jointly with other retiree organizations-

Letter dated 30.06.2019 Jointly with other retiree organizations-

Annexure C
Annexure-D
Annexure-E
Annexure-F
Annexure G
Annexure H
Annexure I

02.02.03 In the above referred representations and many more submitted by AIBRF in earlier years' attention of IBA as nodal agency of the scheme was drawn for immediate action so it does not lose its basic character of welfare for which it was designed and retiree who need support of health management are not put to financial hardships and force them to opt out of the scheme. The major issues in the above are as under

(a) It was envisaged in the settlement on medical scheme for retirees, quantum of sum assured and premium to be charged for employees and retirees would be identical and the same. In fact, in 2015-16 premium on Rs. 3 lakhs for employee and retiree was Rs. 4930+ Tax and for Rs. 4 lakh Rs. 6573 plus tax. The same practice was followed in 2016-2017. But at the time of renewal in 2017-18, provision of identical premium rate was violated and IBA agreed with insurance company to charge higher premium to retirees compared to employees. This was serious violation. For renewal for 2022-23, IBA has agreed for premium rates of Rs.19775/- for Rs.3 lakh insurance for employees while in case of retiree premium for the same amount premium fixed is Rs.41375/-. Which is around 80 per cent higher. For sum of Rs.4 lakh premium fixed for employee is Rs. 27676/- and for retiree Rs.57808/- again higher by 80 per cent. It is also very peculiar feature that less premium is being charged to the employees despite the fact that they get coverage for children and parents and additional coverage for maternity expenses. It is seriously affecting the retirees and driving them out of the scheme, Further, it has been done without any modification in the scheme and taking retirees in to confidence. In this regard IBA circular No. CIR/HR&IR/2015-16/XBPS/J/1413 dated 1.10.2015 is attached and marked as **Annexure-J**

(b) There has been steep 1000 per cent increase in premium rates on retiree policy in last 7 years as evidenced from the fact narrated above against 400 per cent

increase in employee policy during the same period. AIBRF submitted several representations to IBA against such abnormal and continuous increase in premium rates year after, reasons for deviating and violating the provisions of the settlement for uniform rates for retirees and employees while expected and natural tilt should towards retirees in case of adverse situation due to their limited purchasing power and element of welfare. Further, several practical suggestions which can reduce the premium without bringing financial burden on banks were given to IBA which remain unconsidered.

- (c) Several representations on the above lines were submitted to bank unions also who are parties to the settlement for their consideration so the retirees' issues on this count can be taken with IBA for resolution, during this period. They also remain unanswered. IBA is maintaining complete silence on our representations without taking initiative to respond them by way of written replies or accepting our request to give retiree representatives opportunity to present their suggestions and views for consideration to address concern of retirees on this count for resolution. What is fate of AIBRF representations submitted though Unions from time to time is also not known.
- (d) The above stand being taken by IBA in last 7 years towards retirees in the matter is completely unexpected and against established canon of law and sprit of welfare. The situation is causing increasing unrest, anger and frustration among 5 lakhs bank retirees. Unprecedented increase premium is forcing large section of retirees to opt out of health insurance scheme. It is resulting in to the issue of life and death for them. Because of advancing age at this stage they are not left with any other alternative. Because of unreasonable stand of IBA, not considering very practical suggestions of AIBRF without putting financial burden on banks, maintaining complete silence on our representations is resulting in to highly explosive situation among the retirees. Unrest and anxiety of 5 lakhs bank retirees can be understood when it turns out to be question of life and death.
- (e) We also find that IBA is not ready to adhere and comply advice given by Parliamentary Committee on Public grievances in the meeting held in 2009 to hold periodical discussion with representatives of retirees so that grievances can be settled across the table. In compliance of this advice of Parliamentary Committee, IBA advised member banks vide its circular No. CIR/HR & IR/G5/ 2008-09/3059 dated 30.03.2009 to establish Grievance Cell in banks and hold periodical discussion with representatives of retirees. In order to strengthen grievance cell set up for retirees, IBA issued another circular No. CIR/HR & IR/G5/2015-2016/2263 dated 9.03.2016 as a follow up action with member banks. Copies of both IBA circulars are attached and marked as **Annexure-K & L**.
- (f) IBA is negotiating, monitoring and Nodal Agency for several schemes meant for bank retirees. It is natural that these scheme covering lakhs of retirees face several implementation issues which require discussions with the representatives of retirees from time to time to avoid dispute and litigation. While IBA advised member banks to take steps to establish Grievance Setup at bank level in compliance of advice of Parliamentary Committee, but it has not taken any steps in last 13 years to establish similar type set up in IBA where it is most needed and which are resulting in to huge unrest among retirees and leading to several avoidable industrial disputes.
- (g) Another vital issue where we wish to invite kind attention of your good selves is that by entering in to settlement dated 25.05.2015 launching group medical insurance for retirees, IBA has accepted responsibility to act as Nodal Agency for

administering and monitoring the scheme at apex level. Under the scheme, retirees are interested entity as beneficiary as well as responsible to bear financial cost. Under these circumstances, it needs to be examined and decided whether IBA at the apex level owe and accountability and responsibility towards the retirees and representatives of retirees and why IBA cannot be called up to take steps in this regard as per the advice of Parliamentary Committee which will help in reducing disputes, ensure proper and effective implementation of welfare schemes of retirees providing them dignity and respect.

03.01. Since the issue is turning out in to industrial dispute affecting lakhs of bank retirees, we approach to your honorable office with request to intervene in the matter and advice Indian Bank Association to hold immediate discussion with the representatives of AIBRF to find out some acceptable solution under the scheme so maximum retirees can avail group medical insurance which is very vital matter of survival for them. It may be mentioned for your kind information the forthcoming renewal of the policy for retirees will close on 31.10.2022. In view of this your immediate intervention in the matter is requested.

AIBRF has also decided to launch nationwide agitational program of Dharnas, Demonstrations, Rallies, Hunger Strikes and other Organizational program w.e.f 15.10.2022 onward against steep increase in premium rates on continuous basis, violation of terms of settlement, forcing retirees to be out of health insurance and refusal to hold discussion with representatives of AIBRF.

04.01 Most of the member banks of IBA are from public sector. Therefore, various schemes for retirees are introduced in banks with the consent/ sanction of the Government which is represented by Department of Financial Services (DFS). In view of this it is our request that parties in this case should be

All India Bank Retirees' Federation (AIBRF)

Applicant

Indian Banks' Association (IBA)

Representing

Bank Management

6th Floor, World Trade Center,

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Mumbai- 400 005.

Email sa.legal@iba.org.in.

Tel.:91-22-22174039 | Mob. +91-9820349018

Department of Financial Services (DFS)

Representing

Bank Management

Ministry of Finance Government of India

Jeevan Deep Building, Sansad Marg

New Delhi

05.01 We submit the representation for your kind consideration and early appropriate action on it.

05.02 We eagerly await for your immediate action in the matter.

With Respectful

Yours Sincerely

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S. C. JAIN
GENERAL SECRETARY