



## **ALL INDIA BANK RETIREES' FEDERATION (REGD.)**

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Ref:2022/695

17.12.2022

The Deputy Chief Labour Commissioner (Central)  
Government of India,  
Shram Shakti Bhavan  
Rafi Kidwai Marg  
New Delhi

Respected Madam

**Re: Grievances of Bank Retirees raised by AIBRF**  
**Re: Proceedings of the Meeting held on 8.12.2022**  
**Re: REJOINDER**

We thankfully acknowledge receipt of proceedings of the meeting vide reference no. 10(20)2022-22 dated 8.12.2022, held in your office on 8.12.2022.

2. On the basis of the discussion took place in the above meeting, oral submissions made by us in the meeting and after going through contents of letter No. HR & IR/GOVT/Q/2022-23/ dated 24.11.2022 submitted by Indian Banks' Association, copy of which was made available to us during the proceedings for our comments, we humbly submit the following rejoinder in the matter for your kind consideration:

- a. It is noted that IBA has chosen not to attend the meeting convened by authority constituted under law. We feel by not attending the meeting, they have also denied opportunity to our federation to respond on the submissions made by them in their above referred letter. It may also be mentioned that the minutes of joint discussion held in Mumbai on 29.10.2022 with the object to resolve the grievance raised by AIBRF through mutual discussion did not include several important submissions made by us. On receipt of minutes of the meeting on 14.11.2022, we immediately wrote to IBA vide our letter No. 2022/ 689 dated 15.11.2022 drawing their attention on the points raised by us in the meeting of 29.10.22 with the request to include them now and send us final draft of it so the purpose of the meeting for which it was convened could be effectively served. But till the date of meeting, IBA has neither sent revised minutes nor responded to our above referred letter. The above facts indicate that IBA has adopted very closed approach to the grievance of retirees which is very sensitive and critical for lakhs of retirees that too despite very clear direction from your honorable office.

- b. Our organization, All India Bank Retirees' Federation (AIBRF) represents more than 2.5 lakhs bank retirees. It is registered under Indian Trade Union Act, 1926. We are regular in submission of statutory returns and disclosing our membership and other relevant information to the competent authority and have submitted annual return up to 31.12.2021. In this way our membership claim is verifiable and is also established fact. In this way, we enjoy certain legal rights to represent grievances, demands of bank retirees before appropriate authorities for resolution by holding discussion and expecting due replies to the representations from them. But it seems IBA is not ready to recognize this legal position.**
- c. It may be further added that our organization was formed in 1995 after introduction of pension scheme in banks by prominent trade union leaders. It is all cadre organization and open for membership to all retirees. AIBRF membership include senior retired officials of the rank of Chairmen, Managing Directors, Executive Directors, Chief General Managers, General Managers to award staff members including part time employees. These senior members of AIBRF had occupied very responsible and senior positions during the service period and have contributed significantly to bring banking industry to the present position in last 50 years. All activities of our organization are governed by codified constitution which has been vetted and approved by the competent authority under Trade Union Act. We always believe and respect law of the land and provisions of various settlement arrived by parties to the settlement. We have very rich tradition of functioning and presenting our issues with due respect and regard to the authorities and bank managements. We strongly believe in establishing cordial relationship with all concern while presenting our issues. With this background, there should not be undue fear and apprehension in the minds of IBA authorities while dealing with AIBRF.**
- d. But we find that IBA is always reluctant to give opportunity to us to present retiree grievances either in person or through replies to our letters in last 10/15 years. IBA has not introduced any system to acknowledge and reply our representations on retiree issues submitted to them from time to time. Several important matters which have arisen out of wage settlements signed in the past conferring certain benefits and rights to the retirees remain unimplemented/ not properly implemented in the absence of holding discussion with the representatives of retirees and considering suggestions given in this regard.**
- e. The above stated stand of IBA keeping doors of holding discussion, considering suggestions of retirees even on implementation related issues arisen out of agreements/ settlements signed for amicable solution closed is again retreated under Para 5 & 6 of the above referred letter.**
- f. IBA has come out with two major reasons in the above referred letter for not holding discussion with retirees are one, it does not have mandate from its members to talk to retirees and second, retirees are not parties to the settlement. Therefore, AIBRF does not hold any ground to represent retiree grievances and ask for discussion on them.**

This stand of IBA which is not legally tenable is resulting in to wide spread anger and disappointment among lakhs of bank retirees.

- g. Further, IBA this stand is creating serious vacuum in resolving various issues of retirees. It will not be out of place to mention that while we fully respect provisions of the settlement and normally do not expect or demand for holding discussion with us on settlement, the issues raised by us relate to the implementation of provisions of the settlement's problems/ bottlenecks. We have big list of pending matters on implementation of settlement/ court judgements. We do not demand and expect from IBA that any modification/ change in the settlement arrived should be discussed with AIBRF. Whenever any settlement is signed for retirees, there are three parties to the settlement. Unions and IBA representing bank managements are two parties. These settlements confer some financial rights and privileges to retirees. Therefore, retirees become stake holders. If there are violations of provisions of the settlement affecting retirees' rights and benefits adversely, the fair and just position should be to create suitable forum for retirees at apex level to raise their grievances on the settlement related issues without dragging retirees to avoidable litigation.
- h. It will not be out of place to mention that on the basis of representations made by AIBRF in the year 2009 before the Parliamentary Committee on Personnel, Public Grievances, Law & Justice, in the meetings convened by the committee, IBA agreed to create suitable Grievances Redressal Mechanism for retirees so retirees' grievances can be resolved by holding periodical discussions with the representatives of retirees. Based on Parliamentary Committee direction, Managing Committee of IBA in the meeting held on 23.03.2009 took decision to advise members banks to establish grievance cell to look into the grievances of retired employees and hold periodical meetings with the representatives of the Association of retired employees. This decision was conveyed to member banks by IBA vide circular no. CIR/HR&IR/G5/2008-09/3059 dated 30.03.2009 (Annexure-A) & No. CIR/HR&IR/G5/2015-16/2263 dated 9.03.2016 (Annexure-B) copies of both IBA circulars are enclosed for ready reference. Since then, by and large, Grievances Redressal Mechanism is working well at banks level and has, in fact, helped in resolving several retiree issues through discussion, which otherwise would have led to disputes and litigations.
- i. But, IBA is not ready to consider and appreciate the need to create suitable and effective forum for retiree organizations to raise their grievance for solution at apex level. This is the biggest grievance of AIBRF which it has been raising for last several years without any progress on this front and therefore approach your honorable office for some acceptable solution. Your advice to IBA in the meeting of 21.10.22 to hold discussion with AIBRF to resolve the issues raised was very right and much needed step. But unfortunately, IBA do not seem to be ready to take effective steps in direction and have given cold shouldered response to it.
- j. It is seen from above referred letter of IBA that it maintains position that it cannot hold discussion with representatives of retirees in the absence of mandate from member banks. This argument, we feel, does

not seem to be logical and maintainable. Under the present grievance raised by AIBRF on violation of provisions of settlement on group insurance, we have basically raised implement related issue of provisions of the settlement arrived between parties to the settlement for which IBA already hold mandate from member banks. Such mandate logically includes authority for negotiation of terms of settlement, signing of settlement and to hold discussion with concern parties for effective implementation of provisions of the settlement as and when needed. In this context, how far it is fair on the part of IBA to take stand that to discuss even implementation issues with affected parties, fresh mandate is needed from member banks. Further, how far it is fair for IBA to take stand that violation related issues can only be raised by parties to the settlement and cannot be raised by beneficiaries for whom rights are created and violation adversely affect them. This we feel is very important point which need to be examined to resolve grievances raised by AIBRF.

- k. IBA stand that even in case of any violation noticed affecting retirees adversely, AIBRF cannot approach IBA and demand discussion on them. According to them, either retirees should continue to suffer or approach courts for resolution. In other words, IBA stand leaves no option but, in the absence of any forum, to drag them to litigation to secure their rights. We feel that this stand of IBA who represent public sector banks is completely unjustifiable and in complete violation of state policy as well National Litigation Policy that litigation should be the last option and not to start with.
- l. It may also be mentioned that AIBRF has also been approaching United Forum of bank Unions who are parties to the settlements operating in banking industry to create suitable mechanism at UFBU/ IBA level so retiree organizations can place their grievances effectively before authorities for solution, for last several years. But we find for the reasons best known to them, they have not been able to help us in this regard meaningfully.
- m. It may be mentioned that AIBRF does not believe in litigation as first option and in conformity of national policy, takes all possible organizational steps to resolve grievances through mutual discussion with flexible approach taking in to consideration ground realities. In case for any grievance if retirees are forced to approach courts for redressal, we are of the firm view that it will create serious damage to the system in place for retirees and will lead to confusion. Otherwise also, retirees do not have resources and temperament for legal recourse.

3. Having explained in detail about grievances of retirees and what should be done, we would like to invite your kind attention on the following specific issues/ grievances involved in our representation No. 2022/ 673 dated 27.09.2022

- (a) Health Insurance is very critical and sensitive issues for senior citizens in general and bank retirees in particular. It is unthinkable to manage health related issues at the advancing age without group health insurance.

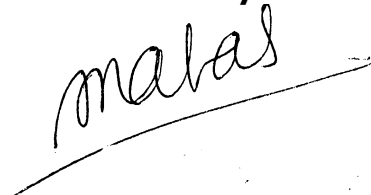
- (b) Because of organizational efforts made, IBA agreed to extend group insurance policy designed for employees on the same terms and conditions to retirees as welfare measure. Wherever, any specific terms and conditions was not applicable to retirees, it was specified in the scheme. One such example was that in case of retirees, it was restricted to retiree and spouse only against in case of employee entire family was covered. There is no mention in the scheme that retirees will be charged premiums at separate rates compared to rates applicable to retirees.**
- (c) In fact, during first 3 years in 2015-16, 2016-17 and 2017-18, premium rates were identical for employees and retirees as per spirit and provisions of the settlement despite the claim ratio were different in case of employees and retirees. But in violation of settlement provisions, because of IBA instruction to reduce cost for management, insurance company started calculating separate claim ratio and quoting separate premium. It is violation which is affecting lakhs of bank retirees adversely forcing them to opt out of the scheme as policy has become unaffordable for them. Among them there are good number of retirees who are 80 and above and are without health insurance and are living in high-risk zone due to this violation. This violation needs immediate correction to provide some comfort and dignity to this group at the last stage of life.**
- (d) It may be mentioned that in the group health insurance scheme, there is provision of providing cover for domiciliary treatment to the extent of 100 per cent. Despite specific provision of providing health insurance policy on the same terms and conditions, retirees are not permitted to avail domiciliary facility to the extent of 100 per cent as available to employees. They are given this facility only to the extent to 10 per cent. This is another serious violation and need correction so retirees can avail health insurance at par with employees as provided in the scheme. Not only retirees are restricted to 10 per cent, they are charged extra premium for this facility. The extra premium fixed is even higher than sum assured. It is beyond compression and logical understanding. We raised this issue in the joint meeting, but incidentally no response came from IBA. IBA may be asked to explain logic as how they have accepted this level of premium for retirees during the negotiation with insurance company.**
- (e) Not providing corporate buffer benefit to retirees as provided in the scheme is another serious violation which need correction.**
- (f) It is stated in IBA letter that group insurance is optional for retirees. Optional is because of the fact that premium cost is required to be bore by individual retiree unlike employees where premium cost is borne by the bank. Optional is not by way of choice but by way of compulsion. Ground reality is that health insurance is the first basic requirement for retirees who are senior citizens .Most of employers support group insurance schemes meant for retirees. Government of India launched health insurance policy for its retirees at very attractive terms and conditions. Even in banking sector, State Bank of India has introduced health insurance policy for retirees at very liberal terms and conditions.**

- (g) AIBRF has been continuously raising before IBA various options so the premium rates can be reduced and policy becomes affordable. In this regard, for last several years, we been requesting to IBA to consider reduction in room rent eligibility from Rs. 5000 to Rs. 4000 and capping on some specified treatments so the premium rates can come down considerably and it becomes affordable for majority of retirees. These are very practical and reasonable suggestions and can be considered favorably without any financial burden on banks. In fact, SBI who has separate health insurance scheme for retirees have already implemented these suggestions and in SBI insurance rates are much lower than IBA policy. But incidentally IBA is neither ready to discuss nor ready to consider these suggestions helping retirees in making their retired life little easy.
- (h) IBA in the above referred letter has quoted recently delivered judgment of honorable Delhi High Court judgment in W.P. No 11433/2019 in support of their stand that there is no violation of terms of settlement. In this regard we would like to submit that (i) it is filed by some individuals for specific relief to them, (ii) it deals on the affordability of premium and not on violation of terms of the settlement and providing forum to retirees for redressal of their grievances (iii) the court decided to pass the order before conclusion of arguments with the consent of both parties. Therefore, this case has no direct relevance to the grievances/ issues raised in our representation.

We request you to kindly consider our above submissions. We are endorsing copy of this rejoinder to IBA to enable them to give response on the points raised in it if they choose to do so.

With Respectful Regards,

Yours Sincerely



**SC JAIN**  
**GENERAL SECRETARY**

**C.C. The Chief Executive, Indian Banks Association.**