



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

Ref: 2023/ 014

03.03.2023

MEMORANDUM ON BANK RETIREES' PENDING ISSUES

(1) Updation of Pension

3. We take this opportunity to draw your kind attention on the following relevant facts/ points on long pending demand of pension updation of bank retirees for your kind consideration

4. We humbly wish to invite your kind attention on the fact that updation is the most important demand of bank retirees who have been waiting for very long time for reliable and respectable solution on it. It may be mentioned that Indian Banks' Association has already formed Committee of Executives to examine the issue of updation and submit the report for consideration of the government. This committee was formed two years back, but nothing has moved in the matter. AIBRF being the oldest and largest organization of bank retirees at the apex level is fully, actively and continuously engaged at the organization level for resolution of the issue for last one decade.

(a) **UNDUE DELAY & WIDE GAP** Since 1995 when pension scheme was introduced in banking industry, no exercise for updation has been carried out. During this period, 6 wage settlements have been signed giving liberal and improved packages in service conditions to working staff and improved pension quantum to the staff covered in each settlement. However, those retirees not covered in a settlement period and retired in earlier years were not given benefit of improved terms of the settlement by re-fixing their pension on any occasion. This situation has resulted in huge, unimaginable and unthinkable gap between basic pension of those retired under 5th settlement (1987-1992) and those retiring now under the current 11th settlement (from November 2017 onwards). The gap in basic pension between two groups can be gauged from the following data.

CATEGORY	BASIC PENSION AT TOP	BASIC PENSION AT TOP	DIFFERENCE IN BASIC PENSION
PERCENTAGE	(11 TH SETTLEMENT) (Retired between 2017-22)	(5 TH SETTLEMENT) (Retired Between 1986-92)	
SUB STAFF 1663	14072	755	13317
CLERKS 1490	23960	1417	22543
OFFICER SCALE I 1488	31920	2010	29910
SCALEII 1497	34905	2185	32720
SCALEIII 1493	39120	2455	36665
SCALEIV 1580	44945	2675	42270
SCALE V 1645	50175	2875	55185
SCALE VI	58060	3275	54785
SCALE VII	64500	3500	61000
			1742

- (b) From the above it can be seen that in last 30-years, gap in basic pension has gone up on an average by 15 times. **Primary object of updation exercise should be to fill up this gap. It is our humble request to consider this aspect.**
- (c) **RBI FORMULA** As you are aware, Government of India vide its letter No. 11/5/20014 dated 5.03.2019 has approved updation of pension for RBI pensioners giving 10 per cent increase after merger of Dearness Relief at 4440 index. In banking industry, pension scheme was introduced on the model of RBI pension scheme. RBI is regulator of banking industry. In view of this and logically in all fairness, **pension updation in banks should be done as per RBI formula and DR merger should be at 6352 indexes instead of 4440 as per 11th wage settlement covering pensioners up to 10th settlement.**

(d) PRINCIPLES AND GUIDELINES LAID DOWN BY SUPREME COURT FOR UPDATION Pension scheme in banking industry was introduced as social welfare measure to retirees on the lines of government of India pension scheme to make bank retirees free from worries of wants so they can lead respectable and peaceful life in last leg of the life. Adequate provisions were made in pension regulations to define benefits available with statutory guarantee from the state for timely payment. Further, Constitutional bench of Supreme Court while delivering judgement on 17.12.1982 in the matter of updation laid down certain basic and fundamental principles like violation of fundamental rights as enshrined in article 14 of the Constitution by creating class within class by denying benefits of liberal pension to earlier pensioners, pension is not bounty but legal rights of pensioner, in welfare state it is the responsibility of the state to provide adequate pension to ensure respectable and dignified life. This historical judgment of Supreme Court delivered by eminent and senior honorable judges and legal luminaries have become mandatory benchmark for all Pay Commissions to deal with updation exercise. Importance of this judgment can be seen that the date of judgment 17TH December is celebrated in this country as **PENSIONERS' DAY** every year. **It is our humble request to honorable members of the committee that principles laid down in this historical judgment should be taken in to consideration besides financial aspect of the exercise.**

(e) IMPROVED PERFORMANCE OF BANKS It is heartening to see that operational performance of banks in general and public sector banks in particular have improved considerably in terms of operating profit, considerable reduction in gross as well as net NPA level, capital adequacy ratio, reduction in establishment cost etc. in last 2/3 years due to various reforms/ measures introduced by the government/ RBI. The following data will support our above statement

(i) PSBs continued to post improved aggregate operating profits of Rs 1,37,151 crore, Rs 1,58,994 crore, Rs 1,55,603 crore, Rs 1,49,819 crore and Rs 1,74,640 crore in the financial year 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20 respectively.

(ii) PSBs have also now returned to net profit by posting aggregate net profit of Rs. 31820 crores in the year ended March, 21. **This performance can be rated spectacular considering contraction in GDP by -7.3 percent due to Covid-19 pandemic.**

(iii) It is very positive sign to see that ability of PSBs to further increase lending is evident through Capital to Risk Weighted Assets Ratio which stood at 14.04 per cent as of March 31, 2021, as against regulatory requirement of 10.875 per cent.

(iv) NPAs have since declined to Rs 7,39,541 crore on March 31, 2019, Rs 6,78,317 crore on March 31, 2020 and further to Rs 6,16,616 crore as on March 31, 2021.

(V) It is also worth noting that all PSBs are now out of PCR removing all restrictions placed on them and are now functioning under normal rules.

These improvements in performance of banks could become possible due to valuable and dedicated contribution made by team of present and past employees during challenging time. We are sure that these facts will get due recognition while carrying out and finalizing updation exercise.

(f) We feel proud to mention that AIBRF has been raising the issue of updation at various levels through various organizational programs like meeting in delegations to more than 12 Central Ministers, Lok Sabha Speakers and 110 Members of Parliament to explain various aspects on updation demand.

(g) AIBRF is apex level organization of bank retirees with 38 bank wise retiree organizations are its affiliates. Membership of AIBRF presently about 2.5 lakhs. It is registered under trade union act. Our membership figure is verifiable from annual statutory returns filed with the authorities.

(h) Various ratios affecting establishment cost and superannuation cost is also turning out to be positive. These facts also go in favor of early updation

6. As stated earlier AIBRF is the oldest and the largest retiree organization at the apex level in banking industry. We represent aspirations and expectations of lakhs of bank retirees.

(2) Group Health Insurance Scheme for Bank Retirees.

Health Management is the biggest challenge for retirees. At the advancing age , they need reliable health insurance policy for risk free life.

At present, banks are providing group health insurance policy to retirees where premium charges are required to be paid by individuals. It was introduced in 2015.

In last 8 years, premium rates have gone up more than 800 per cent. Therefore, large number of retirees have been forced to opt out of health insurance policy. In present days, in particular after breakout of Covid, life of senior citizens is at high risk.

To provide reliable and affordable policy, we have been approaching the government/ bank managements to consider our following request for approval

(a) All bank retirees may be given base policy of Rs. 2 lakhs free of charge covering certain specified diseases. Premium cost should be borne by the bank managements as welfare activity.

(b) GST charged on premium amount is 18 per cent which is very high. It is our request that it should be brought under slab of zero per cent.

(c) Ayushman Bharat Scheme of Government of India should be extended to all retirees.

We submit the memorandum on above two issues of bank retirees for your kind consideration with the request to forward it honorable Prime minister/ honorable Finance minister for their consideration and approval on them

With Respectful Regards

Yours Sincerely

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(S. C. JAIN)
GENERAL SECRETARY