



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

Ref: 2023/ 020

11.03.2023

The Deputy Chief Labour Commissioner (Central)
Government of India
Ministry of Labour & Employment
NEW DELHI

Respected Madam,

Re: Dispute on Grievance of lakhs of Bank Retirees in the matter of Group Medical Scheme administered and managed by IBA as Nodal Agency & other retiree issues.

We refer to the proceedings of the joint meeting held on 6.02.2023 on the above subject wherein we had drawn your kind attention on 5 points as recorded in the proceedings which according to us constitute violation of the Bipartite Settlement dated 25.05.2015 (Schedule IV) as explained in detail in our letters No. 2022/695 dated 12.12.2022, 2022/685 dated 07.11.2022 & original representation No.2022/673 dated 27.09.2022. They have already been taken on record during the earlier joint meetings held in your office.

2. In the Joint meeting held on 6.02.2023, IBA had submitted letter No. HR& IR/GOVT/ Q/2022-23/1720 dated 4.02.2023 giving their response on the grievances raised in our representation on group medical scheme applicable to the retirees. Copy of this communication was made available to us in the above meeting for our comments/ response.

3. We humbly submit the following points for your kind consideration to supplement our arguments on instances of violation of the settlement dated 25.05.2015 and also to mention that how arguments advanced by IBA in the above referred letter are not logical and maintainable

(a) **Violation of terms of settlement in fixing annual premium for retirees:** It is stated in the Settlement dated 25.05.2015 (schedule IV) that the medical insurance scheme would also cover existing retired employees/officers and dependent spouse subject to payment of stipulated premium by them. As per the scheme, premium will be determined and stipulated every year by IBA as nodal agency for employees and retirees by following laid down procedure. No where in the scheme, directly or indirectly, it is stated that premium rates to be determined and stipulated by IBA will be different for employees and retirees. Only differentiation made in the scheme as specifically spelt out in it is that in case of employees, annual premium will be borne by the concern banks and in case of retiree, annual premium will be paid by the concern individual retiree.

It may be mentioned for your kind information that ,in fact, for first three years after introduction of the scheme in 2015-2016, premium rates for employees and retirees irrespective of the fact of different claim ratio and eligibility criteria were identical and uniform as reflected in the following data

YEAR	EMPLOYEES		RETIREES		DIFFERENCE
	(WORKMAN)	(OFFICER)	(WORKMAN)	(OFFICER)	
2015-2016	4930	6573	4930	6573	NIL
2016-2017	10452	13935	10452	13935	NIL
2017-2018	10452	13935	10452	13935	NIL

However, from 2018-19, onwards IBA in violation of terms of settlement started inviting separate tenders for employee policy and retiree policy. Because of this, premium rates for 2022-2023 have gone up substantially for retirees as under compared to premium rates being paid by bank managements for employees

Workman Employee	Workman Retiree	Difference
19775	35029	15254
Officer Employee	Officer Retiree	
27676	48990	21314

(Note: All above rates are without GST)

After adding GST on difference amount, total difference comes as under

For Workman Retiree	(Rs. 15254+ GST Rs. 2745)	17999
For Officer Retirees	(Rs. 21314+GST Rs. 3836)	25150

It may be mentioned that in 2022-2023, about 1.45 lakhs retirees opted for IBA policy who have been charged **about Rs. 304.50 crores more (1.45 lakhs x average difference of Rs. 21000) compared to rates charged to employees which is in complete violation of terms of settlement. IBA may be asked to stop this violation and charge premium rates identical to the rates charged on employee policy.**

(b) IBA is not extending benefit of domiciliary treatment and corporate buffer to retirees as provided in the settlement and as explained in detail in our above referred representations.

(C) IBA is not holding discussion with retiree representatives as provided in its own circular No. CIR/HR & IR/GS/2008-09/1059 dated 30.03.2009 & No. CIR & IR/GS/2015-16/2263 dated 9.03.2016 which states that discussion should be held with representatives of retirees so grievances can be settled across the table. These two circulars were issued by IBA based on the direction given by Parliamentary Committee in 2009. IBA is strangely not ready to adopt this practice and excluding itself from this procedure. It is resulting in to several avoidable litigation in case of retiree which is against declared policy of the state.

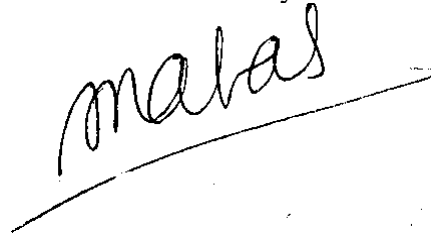
(d) IBA has stated in its above referred letter (Para 1) that it provides advisory services to member banks. This is not full truth. In fact, IBA enters into negotiation with unions on service conditions of bank employees and signs wage settlement on behalf of member banks. Further in case of any dispute on the settlement, it defends and becomes parties to the dispute on various legal forums. Strictly speaking, this can not be role of advisory service providers. It virtually function and assume role of management in HR matters.

(e) It is further stated in the above referred letter of IBA that IBA does not have any mandate from banks to negotiate/ discuss with Retiree Association. It may be mentioned that what we are requesting IBA and representing to them is to provide suitable forum at the apex level to discuss retiree grievances arising out the settlements affecting retirees. IBA has entered into settlement dated 25.05.2015 on group medical insurance scheme for retirees based on the mandate given by member banks. On the basis of various actions taken by IBA on group insurance policy for retirees, it is clear that the role of IBA is not restricted to functioning as advisor only as being claimed by IBA in the above referred letter. It has acquired substantive rights and responsibility like signing the settlements, functioning as nodal agency to administer the scheme, deciding terms and conditions of renewal of the policy, deciding terms and conditions of the tender documents, inviting tenders in this regard and according final approval on terms and conditions on renewal etc. It goes with out saying that all these acts are covered by mandate given by member banks. Therefore, it can be said that the mandate given by member banks in this matter is comprehensive and authorizes IBA to deal with each and every aspect of the scheme including its proper implementation. Under the scheme, IBA has extended its benefits to retirees also. It is clear that as per relevant law of the country , retiree can not continue membership of employee unions after the retirement. Therefore, retirees have organized themselves independently to ensure that post-retirement benefits accorded to them under various settlements are protected. In nutshell, retirees have emerged as separate class of beneficiaries under these settlements. On the one side, IBA has assumed all rights and responsibilities for effective implementation of group medical scheme for retirees, on other side, they are denying opportunity to the representatives of retirees who represent separate class of beneficiaries to present their implementation related problems with a object to find some amicable solution of them. Now , IBA saying that they do not have mandate from member banks to discuss their grievances on the settlement looks completely illogical. The way IBA is acting in administering the scheme under the mandate clearly indicate that it is comprehensive and authorizes them to deal all its relevant aspects, it appears beyond our understanding IBA argument that they do not have mandate from member banks to discuss and address grievances of retirees under the scheme and retirees have only course of action left is to approach courts for their grievances . The basic issue arising out of it is whether this stand of IBA is in conformity of state policy on litigation and whether IBA can be allowed to stick to this stand , will it not constitute miscarriage of justice to most venerable class of senior citizens. **This is the most important aspect of our representation which we are placing before this august office for kind consideration and appropriate decision. Lakhs of bank retirees are looking with hopes for getting justice so they can lead peaceful and dignified life which has been assured and guaranteed by Constitution of India.**

(f) We also wish to invite your kind attention on contents of various letters submitted by IBA during the proceedings of the earlier meetings where they have not given specific responses on the issue of violations of terms and settlements raised by us. We humbly submit to your good selves to ask IBA to submit their specific response on the issue of violation raised in our representation.

With Respectful Regards

Yours Sincerely

A handwritten signature in cursive script that reads "mabas". The signature is written in black ink and is positioned above a single, slightly curved horizontal line that extends across the width of the signature.

(S. C. JAIN)
GENERAL SECRETARY