



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

Ref No. 2025/0116

Date: 20.01.2026

The Secretary
Department of Financial Services
Ministry of Finance
Government of India
New Delhi

Respected Sir,

Subject: Representation seeking mandatory disclosure, beneficiary representation and transparency in Employees' Pension Fund Trusts of Public Sector Banks

The All India Bank Retirees' Federation (AIBRF), a national organization representing lakhs of retired employees of Public Sector Banks, respectfully submits this memorandum seeking urgent policy intervention to ensure transparency, accountability and beneficiary participation in the management of Employees' Pension Fund Trusts constituted under the Bank Employees' Pension Regulations, 1995.

1. Background

Public Sector Banks maintain Employees' Pension Funds through separate irrevocable trusts as mandated under the Pension Regulations, 1995. These funds are created exclusively for payment of pension and family pension to retired employees and are governed by strict fiduciary principles.

However, based on analysis of published annual reports, regulatory disclosures, and field-level feedback from retirees across banks, **AIBRF is constrained to record that meaningful transparency and beneficiary participation in pension fund governance is virtually absent across most PSBs.**

Aggregate data also indicates a sharp decline in pension-fund deposits in PSBs in recent years, raising serious concerns regarding deployment, monitoring and safety of pension corpus.

2. Key Deficiencies Observed

AIBRF respectfully submits that the following systemic deficiencies prevail across PSBs:

(a) Absence of Disclosure to Beneficiaries

Retirees and pensioners are not provided access to:

- Pension fund balance and corpus position
- Actuarial valuation reports
- Surplus / deficit status
- Funding adequacy
- Investment portfolio and risk exposure
- NPA / impairment status of investments
- Trustee decisions affecting the fund

In most cases, even basic financial statements of the Pension Trust are not shared with beneficiaries.

(b) No Representation of Retirees in Pension Trusts

Despite being the sole beneficiaries of the pension fund:

- Retirees have no representation on Pension Trust Boards.
- Trustee appointments remain entirely management-controlled.
- There is no consultative mechanism with beneficiaries.

This is contrary to principles of fiduciary governance, transparency and stakeholder participation.

(c) Non-sharing of Balance Sheet and Accounts of Pension Trusts

While trusts maintain separate accounts as required under law:

- Audited balance sheets and income-expenditure statements of the trusts are not disclosed to retirees or associations.
- There is no standard disclosure format prescribed by regulators.
- Information is denied even when formally requested.

(d) Non-availability of Any Platform for Retirees

There is:

- No institutional forum for pensioners to raise concerns regarding fund safety, funding adequacy or governance.
- No grievance redressal mechanism relating specifically to pension trust management.
- No periodic communication by trustees to beneficiaries.

3. Regulatory and Legal Concerns

The above practices raise serious concerns under:

- **Pension Regulations, 1995** – fiduciary obligations of trustees and restricted use of pension funds.
- **Trust Law Principles** – beneficiaries’ right to accounts and transparency.
- **Companies Act & Accounting Standards** – adequate disclosure of defined benefit obligations.
- **Right to Information Act** – access to information involving public funds.
- **Constitutional principles** – pension as a protected property right.

Opacity in pension fund governance exposes retirees to risk and undermines confidence in long-term pension security.

4. AIBRF’s Submissions and Requests

In the interest of protecting pensioners’ rights and ensuring prudent governance, AIBRF respectfully requests DFS to issue appropriate policy directions to Public Sector Banks and IBA for the following:

1. Mandatory Disclosures

Each PSB shall annually disclose and circulate to retirees:

- Audited financial statements of the Pension Trust
- Actuarial valuation report
- Fund corpus and funding adequacy
- Investment policy and asset allocation
- Credit quality and NPA exposure of investments
- Surplus / deficit position
- Trustee composition and decisions

2. Beneficiary Representation in Pension Trusts

At least **one or more retiree representatives nominated by recognized retirees' federations** be inducted as Trustees / Invitees in Pension Fund Trusts to ensure transparency and beneficiary confidence.

3. Standardized Disclosure Framework

DFS / IBA may prescribe a **uniform disclosure format** applicable to all PSBs to avoid ambiguity and selective reporting.

4. Annual Communication to Pensioners

Trusts may be mandated to issue an **annual pension fund status report** to all pensioners.

5. Grievance Redressal Mechanism

A dedicated grievance mechanism relating to pension trust governance and disclosures may be established at bank level with escalation to IBA / DFS.

5. Conclusion

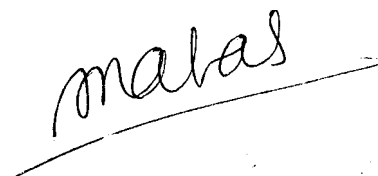
Pension funds represent deferred wages and lifetime security of retired employees. Transparency, accountability and beneficiary participation are essential for maintaining trust and safeguarding public interest.

AIBRF respectfully seeks the kind intervention of DFS to institutionalize these reforms in consultation with IBA and stakeholders.

We shall be grateful for an opportunity of personal interaction, if considered appropriate.

With Respectful Regards

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'mahas', is written over a horizontal line.

(S. C. JAIN)
GENERAL SECRETARY

C.C. to

- 1. Chairman, Indian Banks' Association, Mumbai**
- 2. Chief Executive, Indian Banks Association, Mumbai**
- 3. Senior Advisor (HR), Indian Banks' Association, Mumbai**
- 4. General Secretaries, AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBOC, INBEFE NOBOW, NOBRO**