



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

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Shri.....

Hon'ble Members of Parliament

Lok Sabha / Rajya Sabha

Parliament of India

Hon'ble Sir / Madam

### **Subject: Urgent Need for Pension Updation for Bank Retirees – A Matter of Equity, Social Justice and Parliamentary Intervention**

On behalf of lakhs of retired employees of Public Sector Banks across the country, we respectfully seek your intervention during the next Parliament Session on the long-pending issue of **pension updation for bank retirees**.

This is not merely a financial demand. It is a question of **dignity in old age, parity in public policy, and correction of structural inequity** that has persisted for decades.

### **1. Background – A Growing Structural Disparity**

Since the introduction of pension in banks in 1995, wages of serving employees have been revised periodically through Bipartite Settlements every five years.

However, pension of earlier retirees remains frozen at the wage level prevailing at the time of their retirement. As a result:

- Pre-2002 retirees draw drastically lower pension.
- Pre-2012 retirees face widening disparity.
- Even subsequent retirees are affected by stagnation.

This has created **multiple classes among pensioners of the same institution**, leading to deep financial hardship.

## **2. Admission by IBA Before the Apex Court**

In its Counter Affidavit dated 24.08.2022 filed before the Hon'ble Supreme Court of India in SLP No. 5561/2016 (M. C. Singla case), the Indian Banks' Association placed on record material facts regarding:

- The defined benefit nature of pension,
- Funding of pension through Pension Trusts,
- Financial position of banks.

These sworn submissions clearly establish that the issue is one of **positive consideration, not impossibility**.

When the banking sector has returned to sustained profitability and strengthened capital positions, continued denial of updation lacks moral justification.

## **3. Comparative Position – Bank Retirees Left Behind**

Other major public financial institutions have progressively improved pension standards, including:

- Reserve Bank of India
- Life Insurance Corporation of India

Today, pension structure of bank retirees stands distinctly inferior despite banks being pillars of India's financial system and national development.

## **4. Social Justice Dimension**

Bank retirees:

- Implemented nationalization policies,
- Carried forward financial inclusion,
- Served rural and priority sectors,
- Executed Government schemes over decades.

Many retirees are now in advanced age groups, facing escalating medical costs and cost-of-living pressures.

Denial of pension updation effectively penalizes senior citizens who contributed to nation-building.

## **5. Constitutional and Policy Principles**

- Pension is a measure of social security and deferred wage.
- Article 14 principles of equality discourage arbitrary classification among similarly placed retirees.
- The Government has repeatedly emphasized welfare of senior citizens as a national priority.

In this context, continued stagnation of pension appears inconsistent with declared social welfare objectives.

## **6. Our Humble Prayer to Hon'ble Members of Parliament**

We respectfully request that this issue be:

1. Raised during Question Hour / Zero Hour.
2. Taken up through Calling Attention or Special Mention.
3. Referred to the Standing Committee on Finance for examination.
4. Considered for policy direction to initiate dialogue between DFS, IBA, and retiree representatives.
5. Government may be asked to appoint committee to examine the whole issue of pension updation in banking industry to protect social security and social welfare of pensioners.

## **7. A Constructive Way Forward**

AIBRF is not seeking confrontation. We propose:

- Structured dialogue with retiree organizations.
- Examination of calibrated updation formula.
- Financial modelling based on actuarial data.
- Time-bound resolution framework.

A humane and just solution will restore confidence among serving employees and retirees alike.

Hon'ble Members, pension updation for bank retirees is not merely an economic adjustment — it is a test of our collective commitment to fairness, dignity, and respect for senior citizens who served the nation's banking system with dedication.

We sincerely hope Parliament will provide the necessary moral and policy leadership to resolve this long-pending issue.

We also enclose suggestive question draft in the matter for your kind consideration

With respectful regards,

**Yours Sincerely,**

A handwritten signature in cursive script, appearing to read 'S. C. Jain', is written over a horizontal line.

**(S. C. JAIN)**  
**GENERAL SECRETARY**

## **Draft Starred Question**

**Subject: Updation of Pension for bank Retirees**

**Will the Minister of Finance be pleased to state?**

(a) whether the Government is aware that pension of Public Sector Bank retirees remains frozen at the wage level prevailing at the time of their retirement despite periodic wage revisions for serving employees;

(b) whether the Indian Banks' Association has filed a Counter Affidavit dated 24.08.2022 before the Hon'ble Supreme Court of India in SLP No. 5561/2016 (M. C. Singla case) outlining the nature and funding structure of bank pension schemes;

(c) whether, in view of the improved profitability and capital adequacy of Public Sector Banks in recent years, the Government proposes to initiate discussions with IBA and representatives of retirees for pension updation; and

(d) if so, the details thereof and the proposed timeline; and if not, the reasons therefor?

## **Draft Unstarred Question**

**Will the Minister of Finance state?**

(a) the total number of pensioners of Public Sector Banks as on date, category-wise (pre-2002, pre-2012, post-2017, etc.);

(b) whether pension of bank retirees is funded through independent Pension Trusts and not directly from the Consolidated Fund of India;

(c) whether the Government has examined the financial implications of pension updation in Public Sector Banks;

(d) whether any proposal has been received from retiree organizations, including AIBRF, seeking updation of pension; and

(e) the action taken by the Government thereon?

### **Supplementary Questions (For Starred Question)**

1. Whether the Government agrees that pension, being deferred wage, requires periodic revision to prevent widening disparity among retirees?
2. Whether the Government will consider constituting a Joint Committee comprising DFS, IBA and retiree representatives to examine modalities of pension updation?
3. Whether the Government has undertaken any actuarial study regarding financial impact of pension updation in recent years?

