

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

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**Together for A Better Tomorrow"**



**Ref No. 2026/0222**

**Date: 21.09.2026**

The Office Bearers/ Central Committee members/ State Committee Chiefs  
AIBRF

Dear Sir,

**Re: Exclusion of Special Allowance for computation of Basic Pension under Regulation 35 of the Pension Regulations – Review of legal position and proposed legal intervention by AIBRF**

The issue relating to **exclusion of Special Allowance from the computation of Basic Pension** under Regulation 35 of the Bank Employees' Pension Regulations, as incorporated and continued under the **10th, 11th and 12th Bipartite Settlements**, has been engaging the attention of AIBRF for more than a decade.

2.AIBRF has consistently maintained that the question is of considerable importance to bank pensioners because the manner in which the components of pay are treated at the time of retirement has a direct bearing on the quantum of basic pension and, consequently, on the entire pensionary benefit structure. The issue therefore cannot be viewed merely as a question concerning one component of salary. It involves an important question concerning the interpretation and application of the Pension Regulations and the rights of pensioners covered by those Regulations.

**Background**

3.AIBRF has been pursuing this matter at the organisational level for many years through detailed representations, discussions and various action programmes. The Federation has repeatedly drawn attention to the need for a fair and legally sustainable interpretation of the relevant provisions governing computation of pension.

4.During this period, several bank retirees and retiree organisations have approached different High Courts by filing Writ Petitions, challenging the exclusion of Special Allowance from the calculation of pension. These proceedings are pending before various High Courts.

5.The multiplicity of proceedings has also resulted in the matter acquiring wider legal significance. We understand that the Indian Banks' Association has approached the Hon'ble Supreme Court through a Transfer Petition seeking transfer/clubbing of the proceedings so that the issue may be considered together in one appropriate High Court. The said proceedings before the Hon'ble Supreme Court have been pending since 2023.

6.The prolonged pendency of the transfer proceedings, coupled with the fact that the substantive issue continues to remain unresolved, has led AIBRF to examine whether, at this stage, the Federation should consider **direct legal intervention in the matter**, in addition to its continuing organisational efforts.

### **Examination by AIBRF Legal Committee**

7.With a view to examining the matter comprehensively, the AIBRF Legal Committee, comprising Shri Vishwanath Naik, Convener, Shri R.K. Agarwal and Shri N.S.N. Reddy, Members, examined the legal and organisational aspects of taking appropriate legal action by AIBRF.

8.The Committee considered, among other matters, the importance of the issue to pensioners, the existing litigation before different High Courts, the proceedings initiated by IBA before the Hon'ble Supreme Court, and the possible options available to AIBRF for securing an effective representation of the interests of bank retirees in the legal proceedings.

9.After examination, the Legal Committee submitted its report to AIBRF. The Committee was of the view that AIBRF should consider joining the legal battle in an appropriate manner, either by seeking impleading /intervention in an existing proceeding or by taking such other legal course, including filing an independent Writ Petition, as may be considered legally appropriate.

### **Video Conference held on 22.09.2026**

10.In order to further examine the recommendations of the Legal Committee and to consider the future course of action, a Video Conference was held on 22.09.2026, which was attended by the President and General Secretary of AIBRF along with the members of the Legal Committee.

11.The matter was discussed in detail. The participants considered the importance of the issue, the long period for which the matter has remained unresolved, the pending proceedings in different High Courts and before the Hon'ble Supreme Court, and the need for AIBRF to ensure that the interests and legal rights of bank retirees are effectively represented.

12.The deliberations were unanimous in recognizing that AIBRF should seriously consider entering the legal battle on the issue so that the matter can be pursued more effectively from the perspective of bank pensioners.

### **Question of the appropriate legal course**

13.At the same time, the meeting felt that the precise form and forum of legal intervention should be decided only after obtaining appropriate professional legal opinion. Different possible courses have been discussed, including:

- seeking appropriate intervention/impleading in an existing proceeding;
- considering intervention in the proceedings arising out of the Transfer Petition initiated by IBA before the Hon'ble Supreme Court;
- joining an appropriate pending Writ Petition before a High Court; or
- filing an independent Writ Petition by AIBRF.

14.Each of these alternatives has different legal, procedural and strategic implications. The maintainability, jurisdiction, timing, reliefs that may appropriately be sought, and the relationship of any proposed proceeding with the existing cases will require careful examination by an experienced legal expert.

15.The meeting therefore decided that AIBRF Central Office should obtain an independent opinion from an appropriate legal expert on the legal position and the various available options before taking a final decision on the mode of intervention.

16.While taking the final decision, the Federation will also take into account the **financial implications and likely legal costs**, apart from the legal merits, procedural implications and the interests of the large body of bank pensioners affected by the issue.

### **Importance of the issue for bank retirees**

17.The Special Allowance issue is important because it goes beyond the monetary impact on individual pensioners. At its core is the question of how the components of pay are to be understood and treated for the purpose of pension under the applicable Pension Regulations.

18.Pension is the principal source of post-retirement financial security for a very large section of bank retirees and their families. Any interpretation affecting the foundation on which pension

is computed can have a continuing impact not only on the pension payable but also on subsequent pension-linked benefits.

19.The matter also assumes significance because successive Bipartite Settlements have continued to operate within the framework of the Pension Regulations. The question of the relationship between the definition of pay/basic pay and the components of salary, including Special Allowance, for pension computation therefore deserves authoritative judicial examination.

20.AIBRF has always believed that organisational negotiations and legal action are **complementary instruments** in the pursuit of legitimate pensioners' demands. Where an issue remains unresolved for a prolonged period despite sustained organisational efforts and has also entered the judicial process, the organisation must keep all legitimate avenues open for protecting the interests of retirees.

### **AIBRF approach**

21.The decision to examine legal intervention should not be construed as a departure from AIBRF's established approach of pursuing issues through sustained organisational efforts. Rather, it represents an effort to strengthen the legal dimension of the Federation's continuing struggle on an issue which has remained unresolved for many years.

22.AIBRF will proceed in this matter with due deliberation, taking into consideration the legal advice obtained, the existing proceedings, the procedural position before the Hon'ble Supreme Court and High Courts, the interests of all categories of affected pensioners and the financial implications for the organisation.

23.The Central Office will accordingly take necessary steps to obtain appropriate legal opinion and, thereafter, place the matter before the competent body of AIBRF for taking a final decision regarding the appropriate mode of legal intervention.

24.The matter is of considerable importance to the bank-retiree community. AIBRF will continue to pursue it with the same determination with which it has pursued other long-pending pension issues. The objective will remain to secure **fair, legally sustainable and equitable treatment of bank pensioners under the Pension Regulations.**

**With greetings,**

Yours Sincerely

A handwritten signature in cursive script that reads "malas". A single horizontal line is drawn beneath the signature, starting from the left and extending to the right.

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