



ALL INDIA BANK RETIREES' FEDERATION (Regd.)

(Regn. No:G 6601 under the Trade Union Act 1926)

D-1/1, Sector-C, Scheme-71,

Near Kasara Bazar School, Indore – 452 009.

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Sri D.A.Masdekar

President

Sri S.M.Deshpande

Vice President

Sri J.B.Dave

Sri D.P.Gupta

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Sri B.Venkat Rao

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Sri Suresh Sharma

Sri R.Shirambekar

Sri B.G.Raithatha

Sri Ranjit Bhattacharyya

Treasurer

Sri M.S.Chourey

Ref:2018/77

Date :30.07.2018

**The office Bearers/ Central Committee Members/ State Body Chiefs
A.I.B.R.F.**

Dear Comrades

**Re: Demand for constitution of Consolidated Pension Fund
For public sector banks.**

During our discussion/ interaction with IBA officials, DFS officials and other government authorities, one point emerges prominently is that due to fund constrain and present poor performance of banks, it is not possible to consider retirees demand of improvement in family pension, pension Updation etc. though they accept unofficially that demands raised are genuine, reasonable and overdue. They also point out that pension scheme in banking industry is fund based scheme and demands related to pension can be considered subject to availability of adequate funds.

2. We find that presently combined balances available in these pension funds are to the tune of about Rs. 1.58 lakh crores. By any standard, it is quite huge amount. It is being felt that despite availability of such huge funds, retirees' demand remain pending and unconsidered. One reason is that these funds are not at one place and not under control of one authority. They are scattered laying in pension fund accounts of 20 and odd public sector banks.

3. This situation puts retirees in to disadvantageous position in the following manner:

(a) Scattered funds do not reflect real strength and power it actually has.

(b) They are presently controlled by several bank managements who are also responsible to implement various provisions of pension regulations for guaranteed payments. This provides enough scope for bank management to carry out several adjustments like not providing enough allocations to these funds as per the commitment and statutory requirement, investment of funds as per their priority affecting yield adversely and use them as per the corporate requirement to project profitability etc.

(c) All pension related demands are linked to allocation of funds for wage negotiation of employees.

4. In view of this in order to get better deal in pension improvement, better and true strength power of pension fund in

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Treasurer

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banking industry, AIBRF and other retiree organisations should demand and work for constituting Consolidated Pension Fund under independent and professional fund manager with statutory power. This consolidated pension funds will be with corpus of nearly 1.58 lakhs crores and will probably be the largest one in the country.

It will have the following advantages for retirees:

- It will improve yield considerably with better investment by professional fund managers.
- It will be completely free from influence and pressure of bank managements who have used them for their priority as happened last time in PNB.
- Statutory liability of banks towards pension funds as provided under pension regulations/ other laws will be calculated and demanded by the independent authority from bank managements. It will certainly improve fund corpus and thereby yield.
- It is seen that Actuary Report/ Due diligence being carried by bank managements on annual basis as per requirement of pension regulations get influenced due to conflict of interest affecting bank pensioners adversely presently. Such incidents can be completely eliminated with constitution of consolidated fund.
- All pension related demands can be considered independently.

If this becomes reality, it will be revolutionary step and the biggest reform in the pension history of India. We propose to draft and submit comprehensive memorandum to the authorities to secure support of political class, bureaucrats, unions, bank managements, IBA , and experts/ professionals. We know it is difficult and long drawn task. But if want to secure interest of pensioners in the fast changing economic environment, we have no option but to work for it. We propose to discuss this issue in the forthcoming Central Committee Meeting to take some definite view on it. In the meantime, we invite suggestions from you on the subject to prepare Discussion Paper for the meeting.

Mr. J.V. Ratnam Central Committee Member and President of Andhra Pradesh State Committee has offered his services to collect required data/ information to draft discussion paper.

With Warm Greetings,

Yours Sincerely,

(S.C.JAIN)
GENERAL SECRETARY

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