

ALL INDIA BANK RETIREES' FEDERATION(REGD.)
D/1/ Sector C Scheme No. 71 Indore 452009



SILVER JUBILEE YEAR (1994-2019)



Ref. No 2019/52

11.03.2019

The Office Bearers/ Central Committee members/ State Body Chiefs
A.I.B.R.F.

Dear Comrades.

Re: Pension Updation in RBI

Re: Demand of Updation in banking industry

Further to our circular no. 52 dated 07.03.2019 forwarding there with Government of India, DFS notification dated 05.03.2019 on the subject of pension Updation in Reserve Bank of India, we would like to draw your attention on the following aspects and analysis of the notification and our action plan/ strategy to achieve pension Updation on the similar lines in banking industry at the earliest.

ANALYSIS OF GOI NOTIFICATION DATED 05.03.2019

- (1) Formula fixed for Updation is 10 per cent increase for each wage settlement of 2002, 2007 & 2012.**
- (2) According to the above formula, those retired prior to 1.11.2002 will get increase in basic pension by 3.63 times, those retired between 1.11.2002 to 31.10.2007 will get increase of 2.44 times and retired between 1.11.2007 to 31.10.12 will get increase by 1.76 times. Accordingly the basic pension for different groups of pensioners after application will be as under**

Retired Between	Basic Pension	Revised basic Pension
1.1.86 to 31.10.2002	Rs.100	Rs.363
1.11.2002 to 31.10.2007	Rs.100	Rs. 244
1.11.2007 to 31.10.2012	Rs. 100	Rs.176

- (3) Updation of pension in future will be more less on the above formula based on negotiated settlement and subject to prior approval of the central government.**
- (4) The above formula worked out by the government will result in to all RBI pensioners will get revised basic pension merged on common index for all. Further 10 per cent increase in basic pension for each settlement will give benefit of wage revisions along with employees.**
- (5) Formula of 10 per cent increase approved by the government for RBI meets expectations of pensioners largely and also steps towards implementation of principles laid by honorable Supreme Court in famous Nakara Case for periodical pension Updation in guaranteed benefit pension scheme. We welcome this decision of Government of India and congratulate the honorable Finance Minister to approval this historical formula of pension Updation.**
- (6) We hope and wish that this formula will become benchmark for Updation exercise in the banking industry and financial sector.**
- (7) As per GOI notifications, Updation exercise will be carried out on stage to stage basis for each group of pensioners from the respective dates of retirement but actual benefits will be given from prospective date without any arrears for past period.**
- (8) While approving this long pending demand of RBI retirees, GOI has declined their other important demand of one more pension option which incidentally approved for bank retirees in 2010 settlement.**
- (9) It may be mentioned that the above notification is based on final court judgment in the matter fought by RBI pensioners for many years.**
- (10) Leaving apart the technical and legal issue involved, substantive and larger issue is that the Government has accepted and approved need and justification of periodical pension Updation under defined pension scheme wherever applicable other than government sector and has also approved formula for it.**

AIBRF STRATEGY AND ACTION PLAN TO ACHIVE UPDATION OF PENSION DEMAND IN BANKING INDUSTRY

As all of you are aware, pension Updation is core and basic demand of bank retirees. We have been working with continuous struggle and action plans on it for last several years. We are happy to find that this is the demand of UFBU and its constituents too. Further, it has emerged as very important demand of retirees in the on going wage negotiation and we learn that important constituents are taking the issue of pension Updation with all seriousness and commitment. The above referred notification of RBI has given new dimension to the whole issue and given very solid formula and basis for negotiation on this issue to the parties to the negotiation.

AIBRF is keeping in close watch on these developments and with due considerations on all the issues in consultation of you has decided to take various actions on continuous basis from time to time with periodical reviews. We broadly propose as under in this regard

- (1) We have decided to actively coordinate with CBPRO & other retiree organisations in banking industry on continuous basis on joint action programs on this issue.**
- (2) As a first step we have written joint representation to the honorable Finance Minister Shri Arun Jaitley with the request to approve pension Updation for banking industry also. Copy of the letter is enclosed for your ready reference.**
- (3) Further strategy will be discussed to draw future joint plan in this regard in the meeting of 15.03.2019 to be held in Delhi with joint convener CBPRO.**
- (4) We are approaching UFBU leaders jointly as well as independently to know their stand /views on this development and their approach to deal it during the negotiation. You will kindly agree that UFBU stand who are parties to the negotiation is very crucial and important to achieve this demand. Further their vies/ stand need to be appreciated and respected by us instead of showing resentment and criticizing them in wholesale manner. Working with UFBU in close coordination on it is very important for retirees. We appeal that this point need to be understood with maturity and restrain for creating healthy and positive atmosphere. This point will become critical in particular during some negative patches noticed.**
- (5) You will appreciate that IBA has role of negotiating party only Final decision on our this demand entirely rest of the Government of India.**
- (6) As you are aware, foundation of pension scheme in banking industry was laid in famous pension settlement of 1993. There were specific clauses in it to provide DA formula, pension Updation as per pension scheme applicable in RBI. However during the subsequent negotiations and settlements arrived, final regulations approved by the government based on which the scheme was implemented, some of the provisions of 1993 settlement were either dropped or not specifically included. In the light of this, we have to examine the applicability of 1993 settlement at present while finalizing our strategy on the issue so our efforts and strategy becomes professional and effective. We shall try to raise these issues before UFBUF leaders to ascertain their views.**
- (7) UFBU leadership has their own views on existing quantum of pension funds, need for further provisions to meet retiree demands on improvements in pension scheme . We will have to understand and appreciate them to find acceptable solution rather than always remaining stick to our views on pension funds.**
- (8) We are planning various organisational action programs at appropriate time in support our demands keeping in mind immediate constraints placed by election schedule up to May 2019 end.**

Comrades, Let us gear up our organisational set up at all levels to fight this battle to achieve this crucial demand of retirees which directly affects each and every member of the organisation. Your views / suggestions are welcome. We are planning core committee meeting in coming days to prepare AIBRF strategy on the issue. We shall keep you informed on the subject from time to time.

Let us work with confidence and commitment so that final success is of bank retirees.

With Warm & Revolutionary Greetings,

Yours Sincerely,

A handwritten signature in cursive script, appearing to read 'maha', written over a horizontal line.

(S.C.JAIN)

GENERAL SECRETARY