

# ALL INDIA BANK RETIREES' FEDERATION (REGD.)

D/1/ Sector C Scheme No. 71 Indore 452009

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**SILVER JUBILEE YEAR (1994-2019)**



**Ref. No 019/340**

**08.12.2019**

Shri Rajnish Kumar  
Chairman  
Indian Banks' Association (IBA)  
MUMBAI

Respected Sir

**Re: Pending Issues of Bank Retirees'**

**Re: Intimation of Retirees' launching action programs in support of pending demands**

**We have to inform you that unrest, anger, resentment and feeling of humiliation among 4.5 lakh bank retirees have been increasing day by day and reaching to boiling point for the following reasons**

- 2200 surviving retirees who retired before 1986 and who all are above the age of 93 plus and are Super Senior Citizens are getting paltry ex- gratia monthly payment of about Rs. 350 with DR and with no revision in it for last several years. No logic need to be advanced to make statement that they are facing constant and regular violation of their fundamental right of survival and possibly their plights can be put under category of culpable homicide. Further to add to their miseries, they are required to pay annual premium of about Rs. 33000 to get group health insurance policy launched by IBA. Bank managements are not ready or can be said "quite reluctant" to consider any subsidy to meet premium expenses. They are left completely on their fate to struggle and survive. This we feel strongly is pitiable condition and call for immediate correction to provide them respect and dignity.
- There are about 72000 family pensioners in banking industry. Out of them 90 per cent are women. Present family pension rates in banks are extremely low and pitiable. It is only 15 per cent of last pay drawn against 30 per cent available in government sector and RBI. Average family pension in banking industry is about Rs. 9500 p.m. or less than Rs. 1 lakh p.a. Out of this about Rs. 30000 is deducted from the pension towards payment of insurance premium for group policy of IBA. Family pensioner does not know how to manage day to day life with pension income of about Rs. 6000. Therefore improvement in family pension is urgently needed. There is already delay of more than 10 years in revising family pension in banking industry.
- Updation of basic pension has not been done in banking for last 25 years. We need not quote much data to support the status that there is difference of almost 10 times between basic pension of those retired 25 years back and those retiring now. The worst sufferers are those retired before 2002 and their number is more than 1.5 lakhs. Their basic pension of bank retirees is highly low and not in tune with the economic development and periodical review of pension done in other sector during this

period. It is certainly not in accordance to their respect and dignity. It requires urgent revision as per formula sanctioned by government in RBI.

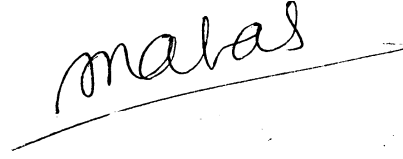
- (d) IBA lunched group medical insurance for retirees in 2015. Within 4 years of its existence, the premium rates have gone up 4 times reaching to the unbearable level for most of the retirees. Large number of retirees have been forced to opt of the scheme due to high premium. Today only 1.7 lakhs out of 4.5 lakhs retirees could manage to renew the insurance policy in November 2019. In terms of percentage it comes to only 38 per cent, certainly very disturbing ratio by any standard. Therefore there is urgent need to completely revamp the scheme to make it affordable for all. We are sorry to mention that we brought alternate proposal for group insurance at much lower rates, it was not taken kindly and seriously by IBA. This require urgent attention.
- (e) We find that IBA has tendency to project very high cost of any proposal of improvement in pension. Most of the time such projections are misleading and confusing. For example, for family pension improvement as per RBI formula, actual cost is in the proximity of Rs. 650 crores p.a. or Updation of pension annual expenses are in the region of Rs. 2500 crores. They are affordable considering the present level of operations of banks, level of operating profits, present position of pension funds and overall likely lay out of forthcoming wage settlement. But it is seen that IBA has tendency to project provisions requirement to meet expenses as cost of improvement. How provision requirement can be considered as cost of improvement. Provisions can be created over period time and this has happened in banking industry in building healthy pension funds in last 25 years even when level of operations were quite low and paying capacity of banks were limited. We expect IBA to consider the issue with open mind.
- (f) **Mandate issue is one which is agitating the retiree most.** It is fact that IBA is handling each and every aspect of pension scheme. It is also fact that retirees are beneficiaries of the scheme and they are important stake holders. The pension regulations are modified and reviewed periodically without any consultation with retirees for several years resulting in to avoidable litigations. This cannot by very prudent HR policy. It is high time IBA and bank managements review their stand on mandate and establish some structural set up for consultation with retirees. This will bring tremendous goodwill and positivity towards IBA and bank managements without any extra cost. Grievance Cell set up for retirees has worked well in last 10 years in resolution of retiree issues at the bank level. It is right time to replicate the model at the industry level.
- (g) Retirees are also highly agitated due to undue delay taking place in finalization of the settlement. The government directive was to conclude the negotiation before end of November 2017. But even after expiry of more than 2 years there are no signs of early settlement. Average age of pensioners is on increase and every day many retirees are leaving the world. This situation generates more frustration, anger and disappointment among bank retiree community.

**3. Considering the above points, lakhs of bank retirees have decided to launch massive action programs in all parts of the country. Action programs include Dharna programs, Demonstrations Relay hunger strike and indefinite hunger strike. It has been decided that action programs will continue till demands are fully met.**

**4. We humbly request you to take note of the above points and also decision of retirees under the banner of AIBRF to launch indefinite agitational programs. We hope IBA/ government will take steps to resolve the retiree issues urgently to avert the situation likely to be created due to agitational programs which may life of senior citizens at risk.**

With Respectful Regards,

Yours Sincerely,

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

(S.C.JAIN)  
GENERAL SECRETARY

**C.C. Shri Ravi Mittal Additional Secretary, Department of Financial Services, New Delhi**

**C.C. Shri Amit Agarwal, Joint Secretary, Industrial Relations, DFS, New Delhi**

**C.C. to Managing Directors, All Public Sector Banks**

**C.C. to Members of Board of Director, All Public Sector Banks**

**C.C. to the Convener, UFBU**

**C.C. to the Constituents of UFBU.**