

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 2019/348

28.12.2019

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

Dear Comrades,

Re: Payment of Commutation Difference as per Supreme Court Judgment on 1616-1684
Re: Some Clarifications and organisational issues.

We have been receiving several requests from our office bearers, central committee members and other activists to clarify the role played by AIBRF as an organisation of retirees in successful implementation of Supreme Court judgment dated 13.12.2018 in the matter of 1616-1684 index affecting the pensioners who retired between 1998 to 2005. We find that this request is being made in view of unending, disproportionate criticism being made on the role played/ being played by AIBRF in handling the issue in particular payment of commutation arrears, by a few individuals with an attempt to project the organisation in poor light and to create unfounded apprehensions in the minds of the membership and also raising undesirable hopes and expectations. It is also seen that such messages are purely intended to target AIBRF rather than doing any value addition for the cause of retiree interest.

2. You all are very well aware, but still at the cost of repetition, we would like to state that AIBRF does not believe in joining the debate with individuals who openly attacks, many times hitting under the belt violating basic norms of healthy criticism, not because we do not have enough facts against such unfounded utterances but because we are of the firm belief that joining such debates will distract us from our organisational object to serve retirees, they are likely to result in further allegations and counter allegations and likely to become unending debate creating huge negativity and damaging retiree cause seriously. On the contrary, AIBRF takes such attack in stride and continue to concentrate with positivity, commitment, conviction on working at the organisational level for betterment of retirees and their interest. Because of following these well laid principles and policies, AIBRF has emerged as the largest retiree organisations of more than 2 lakhs membership in last 25 years in banking industry. We get overwhelmed to see the continuous support of the retirees in all parts of the country, whether North or South, East or West, demonstrated by registering their attendance in large number in the meetings, conferences, demonstrations organized by our affiliates, state committees etc. AIBRF has accountability and responsibility towards the membership and not towards few individuals whose number may not be even in double digit.

3. Having given AIBRF principles and policies in general, we would like to below narrate the organisational steps taken by AIBRF to ensure effective implementation of the judgment to provide benefits to the eligible retirees coming out of it.

- (a) The judgment was delivered on 13. 02.2018, by Supreme Court in the matter under reference in favour of retirees. It was landmark decision. AIBRF immediately congratulated the petitioners for this landmark achievement and thanked them for crucial role played by them in achieving it.
- (b) But AIBRF was aware that effective benefits will reach to the eligible retirees only when it is implemented by bank managements for one and all. If benefits are restricted to the petitioners only, it will become meaningless for majority. Therefore, AIBRF at the organisational level did detailed analysis of the judgment and prepared strategy to ensure that the benefits arising out of the judgment are actually received by one and all eligible retirees without any further litigation.
- (c) On analysis of the judgment, it was found that eligible retirees are about 1.20 lakhs in number which are almost 30 per cent of total strength of retirees. These retirees were divided into various groups like (i) Those retired between 01.04.1998 to 31.10.2002 (ii) Those retired between 1.11.2002 to 30.04.2005 (iii) Those retired between the above periods but died and benefits to be paid to their spouses who are family pensioners. (iv) Those retired between the above periods but pensioners and their spouses both died during this period and the benefits to be paid to the legal heirs of the pensioners (v) the eligible pensioners belonging to private sector banks not covered by jurisdiction of writ petition.
- (d) To ensure implementation of the judgment in letter and spirit and to ensure benefits reach to each and every eligible retiree that too with interest benefit for long period of 16/ 17 years to all whether petitioner or non-petitioners. was considered challenging task at the organisational level by AIBRF leadership and accordingly organisational strategy of representation, discussion, liaison, logically convincing the authorities concern was formed and started working on it in proactive manner in view of past experience of IBA/ Bank Managements tendency to restrict the extension of benefits arising out of court decisions to petitioners only and not to extend the benefits to similarly placed non-petitioner retirees. We have seen this approach in the case of Andhra Bank in the matter of pension option to compulsorily retired persons, pension option to resignees in Vijaya Bank etc. We have seen this tendency very recently in SBM case, when SBI management has decided to extend the benefits only to petitioners despite the fact that Chairman of SBI tendered apology and contempt petition was upheld.
- (e) In view of the above facts, in February, 2018 we consciously analyzed and decided to work organizationally to ensure effective implementation of the judgment which will bring real benefit to the membership. Favorable judgment is critical and important but equally important is to see that the management is made to implement the judgment. AIBRF decided to play effective role in this area without bothering whether this organisational role will be appreciated and understood or not.
- (f) In view of continuous follow up done by AIBRF, IBA took legal opinion on the judgment and on getting favorable opinion IBA Managing Committee approved the proposal to pay the arrears to all eligible pensioners together with 9 per cent interest for delayed period.
- (g) While issuing circular in the matter, it was specifically mentioned that member banks from private sector should also consider payment of arrears to eligible pensioners as per the Supreme Court judgment though they may not be strictly covered by jurisdiction of writ petition. We consider these positive developments as result of organisational efforts made by AIBRF. These facts are already covered in the various circulars issued from time to time in the past.
- (h) The similar organisational role was played by AIBRF in ensuring one more pension to all 1277 compulsorily retired employees at industry level, benefit of regulation 26 to 550 specialist officers during 2018.
- (i) AIBRF feel extremely proud and happy that due to equally needed organisational role played, more than 1.20 lakh retirees have received arrears with interest running in to several hundred crores
- (j) We are also extremely happy to note that our bank wise affiliates, office bearers, central committee members played equally crucial role at the organisational level in persuading bank managements to

collect and compile 18 year pension data which were in manual form and calculate arrears and pay them.

- (k) We feel this was classic example of organisational efforts of converting the favorable judgment in to reality for 1.2 lakh retirees. It may be mentioned that AIBRF played similar crucial role in extending benefits of notional service to VRS optees in 2009.
- (l) We are of the view that at the organisational level let us not give any attention and weightage to the perception of a few individuals who has tendency to ignore the importance of organisational role in such matters and carry view that the managements would automatically implement court orders without any efforts by the retiree organisation.
- (m) We know some of the aspects on these issues are yet to be implemented fully in some banks for which organisational efforts or on for earliest implementation.

COOMUTATION ARREARS

We find that lot of messages are being floated in social media projecting as if AIBRF is against payment of commutation arrears arising out Supreme Court judgment 1616-1684. In this connection the following facts may be noted

- (a) Supreme Court in its judgment ordered payment of all amounts due and payable after striking down the relevant provisions of the settlement.
- (b) It can be seen that IBA circular advising member banks to implement Supreme Court decision was also worded as per the court order.
- (c) However it was seen that while making payments of arrears , commutation factor was not considered by banks except by Canara Bank initially.
- (d) Therefore, it became grievance of retiree for non-implementation of court order completely.
- (e) It was seen that while making payment of commutation arrears by Canara Bank management, the accounting method adopted was simultaneous recovery of installment became due in the intervening period which resulted in to less payment of arrears and the accounting method adopted by Canara Bank was not as per the provisions of the pension regulations and extent guidelines issued.
- (f) Now retirees have two types of grievance in this area (i) Non- Payment of Commutation arrears as per the court order and (b) banks should adopt correct method of recovery .
- (g) On seeing these developments, AIBRF took up the issue of payment of commutation arrears as per the Court order, with IBA. On our follow IBA has advised individual member banks to implement Supreme Court order completely including payments of arrears in respect of commutation.
- (h) We have seen that after IBA advice in this respect, many banks have started paying the arrears. They are like PNB, Allahabad Bank, Andhra Bank , Syndicate Bank etc. We also understand that in many other banks also calculation in this area are going on and payments may be effected there shortly.
- (i) It may also be mentioned that after advice from IBA on payment of commutation arrears, we are of the view that now immediate initiative has to come from our bank wise affiliates to press to concern bank managements to pay commutation arrears as per IBA advice. It should be appreciated that grievance of using correct accounting method in the bank will arise only after arrears are actually paid. Before that technically it will be hypnotically one. We find that some our comrades from Union Bank and U Co Bank are raising the issue of accounting method to be used for computing arrears before taking the issue vigorously in their own bank for payment of commutation arrears.
- (j) AIBRF is keeping watch on the developments in this area and has taken unanimous decision to constitute sub-committee to consider all aspects of the accounting method for payment of commutation arrears and submit the report for future action to protect the interest of the members. It is unfortunate one or two our office bearers / cc members who were part of the collective decision taken unanimously openly raising unwarranted issue and criticizing leadership openly without owning collective responsibility and waiting for the report of the sub-committee. We request the concern affiliates to take proper view on this development.

(k) It is also seen that Supreme Court decision in the matter of contempt petition filed by SBM retirees are being projected out of context and showing that as if all eligible pensioners of SBM and other erstwhile associate bank pensioners who are about 30/40000 have already received arrears of commutation with future recovery. But the fact remained as per the admission by the concerned retiree organisation; SBI management has paid arrears only to 600 odd petitioners. While in other banks due to organisational efforts commutation arrears are getting settled in many banks for thousands of retirees.

100 PER CENT DA TO PRE-2002 RETIREES.

We have no hesitation in admitting that in the past 100 per cent DA issue has received set back on the legal front. We understand that recently Supreme Court has dismissed one curative petition out of 5/6 filed on this issue. In this connection it may be mentioned that in Core Committee meeting held in Delhi in May 2019 unanimous decision was taken to make organisational efforts to resolve the demand during the ongoing wage negotiation and take view on filing curative petition at proper time after conclusion of the talks. However our some comrades at their own wisdom decided not to wait as per decision of AIBRF and filed curative petitions in Supreme Court.

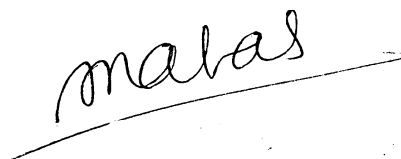
At this stage AIBRF would like to categorically mention for the knowledge of our members, irrespective of outcome of the remaining curative petitions pending in Supreme Court, we shall continue to make organisational efforts to achieve the demand of 100 per cent DA for ALL. You will kindly agree that for any organisation, any demand raised do not come to dead end till achieved. They remain alive till achieved. AIBRF is committed to pursue this demand with seriousness and sincerity in coming days.

AIBRF AGITATIONAL PROGRAMS.

We are happy to receive very encouraging reports from our state committees / affiliates in respect of formulating strategy and planning for organising programs in more than 100 cities during the month of January despite various external odds and problems. We congratulate all our comrades for their organisational commitments and wish all success to them in their efforts. We are confident that our action programs will be able to generate enough support our pending demands to achieve them in the current settlement.

With Greetings,

Yours Sincerely,

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

(S.C.JAIN)
GENERAL SECRETARY

