



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.

Chairman

Sri D.A.Masdekar

President

Sri S.M.Deshpande

Vice President

Sri J.B.Dave

Sri D.P.Gupta

Sri F.Martis

Sri Anindya Basu

Sri N.Mishra

Sri C.N.Prasad

Sri A.K.Mondal

Sri H.C.Gandhi

Sri K.Vishwanath Naik

Sri O.P.Varma

General Secretary

Sri S.C.Jain

Dy. Genl. Secretary

Sri Debesh Bhattacharyya

Sri S.V.Srinivasan

Sri Ashok Patil

Sri A.K.Bansal

Organising Secretary

Sri Sunil Srivatsav

Sri V.K.M.Varma

Sri C.Gopinathan Nair

Sri M.N.Pandit

Sri Pratap Shukla

Sri S.Velayoudam

Sri Kalyan Sen Gupta

Dr.G.S.Jog

Sri Kishore Gujarati

Sri K.K.Gupta

Sri Rajendra Prasad

Sri N.T.Hegde

Sri S.Radhakrishnan

Sri B.Venkat Rao

Sri Rajan Dhargalkar

Sri Suresh Sharma

Sri R.Shirambekar

Sri B.G.Raithatha

Sri Ranjit Bhattacharyya

Treasurer

Sri M.S.Chourey

Ref:2016/603

Date:10.12.2016

Shri Arun Jaitely
Honourable Finance Minister
Government of India, New Delhi

Respected Sir,

Re: Grievances of Bank Retirees

We wish to bring to your kind notice that lakhs of bank retirees are on struggle path for last 2 years for resolution of their long pending grievances. In 2016, in the first phase, the following agitational programmes were carried during months of May & June.

- | | |
|---|-------|
| 1. Submission of Memorandum on On bank retiree issues to the Honourable Central Ministers | 06 |
| 2. Submission of Memorandum to Honourable Members of Parliament | 54 |
| 3. On Line Representation on pending Issues of retirees to PMO | 29500 |
| 4. Dharna Programmes in number of Centres in the country | 65 |

02. We are happy to find that all the Honourable Central ministers and Members of Parliament expressed their full sympathy and support on long pending issues of bank retirees while accepting memorandum from delegations of our organisation. More than 25 Members of Parliament had forwarded our memorandum with their favourable recommendations to you, Sir for your consideration.

03. We are now conducting second phase of action programmes in support of our demands during the months of November and December,2016 on the similar lines where we propose to submit memorandum to 300 Central Ministers and Members of Parliament to seek their support on our pending issues. We find that some honourable M.Ps. have raised questions in the Parliament on bank retiree issues during the current winter session. AIBRF propose to hold centralised Dharna Programme at Jantar Mantar during the budget session to draw attention of the authorities and seek public support on our issues where we expect large number of bank retirees say 8 to 10 thousand to participate in it.

04. Today the biggest grievance of bank retirees is that despite our innumerable representations and submissions in last 5 years, Indian Bank Association (IBA) who is responsible to hold and

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decide industry level issues of wages including the superannuation benefits, is not ready to hold discussion with the representatives Of bank retirees on their pending issues. Here, it may be stated for your kind information that our organisation, AIBRF is registered body under Trade Union Act,1926 with membership of more than 1,50,000 which constitutes more than 55 percent of total retirees in banking industry excluding SBI. But IBA is simply ignoring us.

05. IBA is taking the following plea for not holding the discussion with the retirees.

(a) IBA stand in this regard is that it does not have Mandate from Member banks to hold discussion with the retirees. It is voluntary organisation and renders services on the basis of mandate received. IBA has been communicating this stand on our representation to us as well as to the ministry and large number of Members of Parliament. We totally disagree with this stand of IBA which is at the most of technical nature and against the declared policy of the government towards senior citizens of the country and the nature of pension benefits available to the bank retirees. It may be stated that IBA is managed by the same executives of member banks who constitute top management of these banks and not by the outside professionals. When these executives sit in IBA, they express helplessness in holding discussion with the retirees in the absence of mandate from member banks instead of addressing the real issue as to why the same executives who form top management of member banks do not want to give mandate for holding discussion and what are their reservations in this regard. They must come out clearly on this count instead of playing hide and seek game with the senior citizens. We feel that the time has come for the government to take unambiguous decision in this regard and give direction to IBA to hold discussion with the retirees. We humbly request you to take decision in this regard.

(b) At this stage we wish to mention that on one side, Honourable Prime Minister of the country, Shri Narendra Modi is publicly praising the contribution of retirees in assisting banks in cash management and handling the customers for long hours after announcement of demonetisation of high denomination currency notes and on other side IBA is not ready to holding discussion with the retirees honouring the sentiments of the honourable PM.

(c) We would like to draw your kind attention that IBA deliberately does not give advice to its member banks for which we feel it is duty bound to so to implement court decisions including of those delivered by the Highest Court of the country and extend benefits to the similarly placed retirees and thereby avoiding litigations as per the provisions of National Litigation Policy. There are many examples in this regard like giving pension option to compulsorily retired employees as per the Supreme Court decision, gratuity payment as per the

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Supreme Court decision, pension option to resignees as per Karnataka High Court decision etc. In this regard we would like to draw your kind attention to the famous speech delivered by the Honourable Prime Minister in Golden Jubilee Function of Delhi High Court recently when he has categorically stated that any case decided in favour of employees by courts, benefits arising out of it should be automatically extended to the similarly placed employees instead forcing them to approach courts for these benefits. What the PM says naturally becomes policy of the government. But IBA which represents public Sector Banks in large number chooses to ignore policy of the government and refuses to implement them. We seek your intervention for suitable direction to IBA in this regard.

(d) It is unfortunate that on one side IBA refuses to hold discussion with the retiree organisations on their grievances and on other side forcing individuals to approach courts on their small issues and in case retirees win in lower courts advising members banks indiscriminately to file appeal against such decisions in higher courts. IBA record is full of such advices to member banks. The basic question is whether this can be way of treating senior citizens in the welfare state.

(e) It is also very surprising that IBA though it represents large number of PSBs has such a peculiar set up that it is able to skip itself from provisions of RTI and denying senior citizens access to the valuable information to defend their rights. Of course, Activists who are fighting to bring under IBA has approached to the National Information Commission who has agreed to review its decision to exempt IBA from RTI. But we feel right approach will be for the government to take decision and issue direction to IBA in this connection

(f) IBA has signed agreement known as Record Note dated 25.05.2015 wherein it is stated that there is no contractual obligation between IBA, member banks and its pensioners. This is totally contrary to the various provisions of the pension regulations applicable to bank pensioners which stipulated several obligations on banks as well as on pensioners. Therefore this clause is not legally tenable and need to be struck down. We request you to get it legally examined and issue suitable instructions to IBA to delete it.

(g) IBA has taken stand in various communications sent to us as well as to many honourable M.Ps. in response to the memorandum of AIBRF that the pensions scheme applicable in banks is funded scheme. In this connection, it may be mentioned that Pension Scheme of 1995 of IBA was adopted by Public Sector Banks as well as many Private Sector Banks who are members of IBA. While PSBs were allowed to create pension funds to meet pension liability, Private Sector Banks meet pension liability by buying annuity from insurance companies and such annuity charges are paid from their profit and loss. Legally speaking also, Pension funds created

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by PSBs is nothing but provisions in their books to meet the Specific liability.

(h) Of course, improvement in pension scheme depends upon and need to be determined on the requirement to meet the social aspect to ensure welfare of the senior citizen in changing environment as well as on paying capacity of banks. Pension scheme was introduced in 1995 in banks. In last 20 years profits of banks have increased many folds as well as establishment cost for employees have gone many times. Five wage settlements have taken place with substantial increase in wages for employees. However, there is no increase in pension of past retirees in last 20 years. Therefore, paying capacity need to be seen in totality and it is not correct to reject retiree demands for improvement in the name of paying capacity.

(i) IBA has also been taking stand that there is no specific provision in pension regulation for updation of pension of retirees. It may at best be technical position. But all the pension schemes and in particular guaranteed pension scheme as applicable in banks need periodical review to meet its objectives.

(j) It is a matter of regret that IBA in the month of April, 2016 informed to us that on pending issues of retirees, cost study is being carried out and on its completion; the same will be placed before its Managing Committee for the decision. But, in the month of July, 2016 the Management Committee quietly did not consider the report saying that it does not have Mandate from member banks. On our continuous follow up with IBA, finally it informed about it only in the month of November,16. We feel that IBA has dealt the matter in very humiliating manner for retirees.

In view of the above facts, we seek your personal intervention in the matter for early settlement of the long pending grievances of bank retirees.

With Respectful Regards.

Yours Sincerely,

(S.C.JAIN)

GENERAL SECRETARY

**c.cto The Banking Secretary, Department of Financial services
New Delhi.**

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