



UNITED FORUM OF BANK RETIREES' ORGANISATIONS (U.F.B.R.O.)

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Ref: ufbro_2024/007

Date 03.09.2024

**The Constituents of UFBRO
(United Forum of Bank Retiree Organizations)**

Dear Sir

**Re: DHARNA CUM DEMOSTRATION PROGRAMS
IN SUPPORT OF DEMAND OF UPDATION OF PENSION
AND OTHER PENDING ISSUES OF RETIREES.**

As per the unanimous decision taken in the virtual meeting dated 20.08.2024 of UFBRO, Massive Dharna cum demonstration programs are being organized at the following three centers in support of demand of Updation of pension and other pending demand of retirees during the month of September, 2024.

2. Details of the centers for the month of September, 2024 are as under

- (a) JAIPUR ON 14.09.2024**
- (b) LUCKNOW ON 21.09.2024**
- (c) DELHI ON 27.09.2024**

3 DEMOSTRATION CUM DHARNA AT JAIPUR ON 14.09.2024

Venue: IN FRONT OF VESTA INTERNATION HOTEL, NEAR AJMER PULIA, GOPAL BARI,
JAIPUR (RAJASTHAN)

Time: 12.00 Noon to 2.30 PM

DEMOSTRATION CUM DHARNA AT LUCKNOW ON 21.09.2024

Venue: INDIAN BANK (e-ALLAHABAD BANK) HAZARATGANJ, LUCKNOW (UP)

Time: 4.30 PM onwards

DEMOSTRATION CUM DHARNA PROGRAM AT NEW DELHI ON 27.09.2024

Venue: Jantar Mantar

Time: 11.00 AM 01.00 PM

We expect large gathering of bank retirees and employees in the above Dharna programs. These Dharna programs will be addressed by leaders from constituents of UFBRO, Union Leaders and Members of Parliament in Delhi.

In these Dharna Programs, Major pending issue of Updation of Pension will be highlighted for immediate resolution along with the following pending issues of retirees

- (a) Updation of Pension with immediate effect (Main Demand)**
- (b) Direct Dialogue by IBA on retiree issues with retiree organizations**
- (c) Grant of Ex-gratia to pensioners from private sector banks as per provisions of 12th Bipartite Settlement.**
- (d) Improvement in Group Medical Insurance Scheme & GST to be waived on insurance premium**
- (e) Pension to be reckoned on special allowance**

On completion of each Dharna program memorandum on demands of retirees will be submitted in delegation to the Secretary, Department of Financial Services (DFS) in New Delhi and other centers to the District Administration for forwarding to DFS and also to local authorities of major banks of the centers. Copies will be sent to IBA by post.

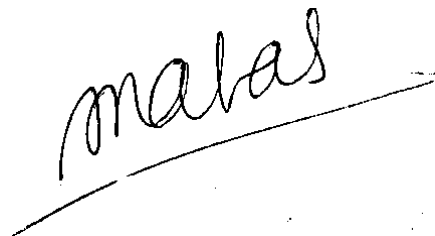
Copy of the memorandum to be submitted at the end of each program is enclosed. It was adopted in virtual meeting held on 20.08.2024 with some modifications as suggested in the meeting.

We make appeal to leaders of all constituents of UFBRO to extend cooperation and ensure maximum participation in above three programs.

Programs of remaining centers will be finalized soon.

UFBRO ZINDABAD

BANK RETIREE UNITY ZINDABAD

A handwritten signature in cursive script, appearing to read 'S. C. Jain', is written above a horizontal line.

(S. C. JAIN)

CONVENOR UFBRO



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MEMORANDUM ON UPDATION OF PENSION

01.INDRODUCTION

Defined Benefit Pension scheme on the lines of government sector and Reserve Bank of India was introduced for bank employees/ retirees in 1995 with retrospective effect from 1.1.1986. It has completed 38 years of its existence.

2. During this period, Inflation has gone up by 1500 per cent. Consumer Price index (1960 Base Year) which was about 660 points in 1986 has gone up to 9300 (Base 1960) in 2024. Besides this, life style of common man has witnessed significant changes needing more money for survival.

3. Driving force behind concept of Defined pension scheme is to ensure Social Security and Social Welfare to pensioners in post-retirement life to ensure that pensioners can lead comfortable retirement life without financial worries and uncertainties. To fulfill the above object, under defined pension scheme, it is universally accepted principle that basic pension of pensioners retired in earlier periods is revised along with wage revision.

4. We below submit following facts in support of pension Updation.

(a) **UNDUE DELAY & WIDE GAP** Since 1995 when pension scheme was introduced in banking industry, no exercise for Updation has been carried out. During this period, 7 wage settlements have been signed giving liberal and improved packages in service conditions to working staff and improved pension quantum to the staff covered in each settlement. However, those retirees not covered in a settlement period and retired in earlier years were not given benefit of improved terms of the settlement by re-fixing their pension on any occasion. This situation has resulted in huge, unimaginable and unthinkable gap between basic pension of those retired under 5th settlement (1987-1992) and those retiring now under the current 12th settlement (from November 2022 onwards). The gap in basic pension between two groups can be gauged from the following data.

CATEGORY	BASIC PENSION AT TOP	BASIC PENSION AT TOP	DIFFERENCE IN
BASIC PENSION	(12 TH SETTLEMENT)	(5 TH SETTLEMENT)	(5 to 12 th Settlement)
SUB STAFF	37815	755	37060
CLERKS	64480	1417	63063
OFFICER SCALE I	85920	2010	83910
SCALEII	93960	2185	91775
SCALEIII	105280	2455	102825
SCALEIV	120940	2675	118265
SCALE V	135020	2875	132145
SCALE VI	140500	3275	137225
SCALE VII	156500	3500	153000

(b) From the above it can be seen that in last 30-years, gap in basic pension has gone up on an average by 40 to 50 times. **Primary object of Updation exercise should be to fill up this gap between new and old pensioners and it need to be**

done periodically. However, Updation exercise has not been done once in last 30 years. It is our humble request to consider this aspect.

(c) **RBI FORMULA.** We find that Government of India has approved pension Updation for RBI Pensioners twice, once in 2019 and second time in 2023. Pension scheme in banking industry was introduced on RBI Model in 1995. Therefore, it become logical that the same exercise should be carried out for pensioners of commercial banks.

(d) PRINCIPLES AND GUIDELINES LAID DOWN BY SUPREME COURT FOR UPDATION Pension scheme in banking industry was introduced as social welfare measure to retirees on the lines of government of India pension scheme to make bank retirees free from worries of wants so they can lead respectable and peaceful life in last leg of the life. Adequate provisions were made in pension regulations to define benefits available with statutory guarantee from the state for timely payment. Further, Constitutional bench of Supreme Court while delivering judgement on 17.12.1982 in the matter of Updation laid down certain basic and fundamental principles like violation of fundamental rights as enshrined in article 14 of the Constitution by creating class within class by denying benefits of liberal pension to earlier pensioners, pension is not bounty but legal rights of pensioner, in welfare state it is the responsibility of the state to provide adequate pension to ensure respectable and dignified life. This historical judgment of Supreme Court delivered by eminent and senior honorable judges and legal luminaries have become mandatory benchmark for all Pay Commissions to deal with Updation exercise. Importance of this judgment can be seen that the date of judgment 17TH December is celebrated in this country as **PENSIONERS' DAY** every year. **Principles laid down in this historical judgment should be taken in to consideration besides financial aspect of the exercise.**

(e) **IMPROVED PERFORMANCE OF BANKS** It is heartening to see that Indian Banks have shown record profit of **3.1 lakhs crores during 2023-2024** with considerable improvement in operation ratios like reduction in NPA, higher NIM, reduction in operating cost ratio. Today banking industry is in one of the best periods. Various ratios affecting establishment cost and superannuation cost is also turning out to be positive Under this favorable climate, Updation demand should be approved on urgent basis.

- (f) **These improvements in performance of banks could become possible due to valuable and dedicated contribution made by team of present and past employees during challenging time. We are sure that these facts will get due recognition while carrying out and finalizing Updation exercise.**
- (g) We are happy to find that the Government of India has recently approved improvements in pension scheme applicable to SBI Pensioners and making it par with scheme applicable in banking industry. In SBI, pension scheme is in addition to Contributory PF & Gratuity. Bank Pensioners under the banner of UFBRO request the government to factor this development while approving Updation formula for banks.
- (h) **Considering need of Updation for bank retirees, as an interim arrangement, Government has approved grant of ex-gratia amount to bank pensioners for 5 years effective from 1.11. 2022. But the amount of ex-gratia is fixed one and without benefit of variable DA. The amount is quite low. We demand that pending completion of Updation exercise, ex-gratia amount may be linked with variable DA,**
- (i) It may be mentioned that Ex-gratia benefit has not been extended to pensioners from private sector banks though they are members of IBA pension scheme and enjoy identical benefits available to pensioners of PSBs. We demand that ex-gratia benefit should be extended to pensioners of private sector banks with immediate effect.

OTHER ISSUES OF BANK RETIREES

- (a) **Effective and Responsive Grievance Redressal Mechanism** for Bank Retirees at the Apex Level need to be established so many retiree issues can be resolved through discussion across the table and avoiding thousands of court cases. This will be win-win situation for all. This system is working well in most of PSBs. We request the government to direct IBA to create suitable mechanism for retirees at apex level.
- (b) **Reduction in GST on Group Medical Insurance:** Present GST Rate on health insurance premium is 18 per cent which is burden sum for pensioners. We

request the government to bring insurance premium payable by senior citizens to zero level.

(c) Several cases have been decided by courts in favor of retirees. However, banks have not properly implemented or completely non- implemented. IBA may be asked to take appropriate action to ensure that all court decisions are effectively implemented and due benefits are passed on to eligible retirees.

(d) Special allowance should be reckoned for computation of pension for those who retired under 10th Bipartite Settlement on wards.

United Forum of Bank Retirees (UFBRO) apex level body of lakhs of bank retirees humbly request Honorable Finance Minister of India/ other authorities to approve Updation of Pension Scheme and also address other pending issues of bank retirees on urgent basis.

With Respectful Regards,

ON BEHALF OF UNITED FORUM OF BANK RETIREES' ORGANISATIONS

~~AIBRE (S.M. Deshpande) (SC Jain)~~
~~AIRBEA (CR K SHOOT)~~
~~FORBE (LAKHIL KUMAR GOEL)~~
~~CBREA (D. Vaidya) PRESIDENT~~
~~SBREA (Bankers Deserve Justice Society)~~

D. Vaidya
RBONC

- 1. All India Bank Retirees' Federation (AIBRF)**
- 2. All India Retired Bank Employees Association (AIRBEA)**
- 3. Bankers Deserve Justice Society**
- 4. Commercial Bank Retired Employees Association**
- 5. Forum of Retired Bank Employees (FORBE)**
- 6. Group of SBI Pensioners**
- 7. Retired Bank Officers National organization (RBONC)**