



ALL INDIA BANK PENSIONERS' & RETIREES'



CONFEDERATION

(A.I.B.P.A.R.C.)

C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)

BANK OF INDIA, KOLKATA MAIN BRANCH
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Circular No. 31/17.

07.07.2017.

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrades,

Sub : Writing back of an amount of Rs.2056 crores from Pension & Gratuity Funds of Punjab National Bank

Further to our earlier circular no. 30/17 dated 03.07.2017, we reproduce hereunder another communication received from CBPRO on the same subject dated 04.07.2017. This is a letter addressed to the Chairman & Managing Director of PNB expressing serious concern over the subject and requesting him to ensure safety and security of the pension & gratuity fund.

With best wishes,

(S. SARKAR)
ACTING GENERAL SECRETARY

QUOTE :

Date: 04.07.2017

To

The Chairman & Managing Director
Punjab National Bank
New Delhi

Dear Sir,

Sub: Pension Fund

It has been brought to our notice that a sum of Rs. 2056 crores has been written back from Pension Fund and Gratuity Fund to Bank's Profit & Loss A/c reportedly on actuarial valuation but allegedly to shore up the bottom line. We are equally concerned about the bottom line of every bank not

because the livelihood of most of our members depend on the well being of these banks but more because our past is inextricably linked to these banks and that the bondage is unbreakable. While every retiree will be too glad to place their services at the disposal of their respective banks they also expect the banks to respect the contract regarding terminal benefits. The PNB Employees Pension Regulations, 1995 speaking about pension fund, to ensure prompt payment of pension states in Regulation 11 as under:

Actuarial Investigation of the Fund- *The Bank shall cause an investigation to be made by an Actuary into the financial condition of the Fund every financial year, on the 31st day of March, and make such additional annual contributions to the Fund as may be required to secure payment of the benefits under these regulations.*

Provided that the Bank shall cause an investigation to be made by an Actuary into the financial condition of the Fund, as on the 31st day of March immediately following the financial year in which the Fund is constituted."

From the above it is clear that the actuarial investigation is made only to identify shortfall if any so that the bank shall make good the same by providing adequate additional contributions. **There is no provision to reverse the money already credited to the Pension Fund.**

We have no reason to suspect the findings of the actuary or to believe the rumors that a doctored actuarial valuation was obtained at your instance to shore up the bottom-line artificially. If there has been truly a reversal of any amount from the Pension Fund, we find it hard to accept the same because **Pension Fund is a Trust** created to ensure payment of pension to pensioners. Pension Fund being a Trust Fund is expected to be managed in conformity with Pension Regulations which is a subordinate legislation. Bottom-line considerations though important and necessary cannot overlook a statute. The Bank could have thought of alternatives to bring out the true state of affairs without violating the Pension Regulations. The Pension Fund that was made a trust to guarantee the pension of senior citizens (retirees) cannot be made to lose its meaning however bonafide the motive has been. This one aberration has come as a rude shock to us and we feel this aberration should be avoided. We hope and trust you would understand our anxiety.

We request you to immediately initiate appropriate steps to set right the aberration and safe guard Pension Fund & Gratuity Fund and set at rest the anxiety caused to the retirees and all those employees and officers serving in your Bank who have opted for pension. Please treat the matter **most urgent**.

Thanking you,

With regards,



A.Ramesh Babu

Joint Conveners



K.V.Acharya

UNQUOTE