



**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
23A, NETAJI SUBHAS ROAD, KOLKATA – 700 001
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Circular No. 59/18

20.07.2018

**(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 Comrade,

**Sub : (1) Renewal of mediclaim policy for bank retirees – letter of CBPRO to Chief Executive, IBA
on 16.7.18**

(2) Effective date of amendment of payment of gratuity act – CBPRO circular dt.17.7.18.

**(3) Letter of CBPRO to Chief Executive, IBA on 17.7.18 in respect of anomaly in computation of
pension in SBI.**

We are reproducing hereunder all the above papers for information of our members.

With best wishes,

**(SUPRITA SARKAR)
GENERAL SECRETARY**

QUOTE NO. 1 :

Dated: 16.07.2018

Shri V. G. Kannan
Chief Executive
Indian Banks' Association
Mumbai

Dear Sir,

Renewal of Medical Insurance Policy for Bank Retirees

As you are aware the Medical Insurance Scheme was introduced by IBA in deference to the advice of the Government vide its letter dated 24th Feb 2012 and negotiations with UFBU. We wish to place it on record that it was a path breaking decision of IBA which has helped Bank Pensioners and Retirees albeit at a fairly high cost. The Bank Pensioners and Retirees have been benefited by this initiative on the part of IBA. We profusely thank you for the same.

We have been taking up rationalisation and improvements in the Medical insurance Scheme for Bank Retirees so as to fulfil the legitimate aspirations of the elders of the Banking Industry. ***You have been playing the role of a true catalyst in this regard.***

The current medical policy effective from 01.11.2017 shall be due for renewal on 01.11.2018. We have been getting anxious enquiries from our members with regard to the premium and improvements in its coverage. We also understand that in the wake of innumerable complaints in the settlement of claims under the policy of United India Insurance Company, there are serious efforts on your part to involve other

insurance companies in Public Sector in a transparent manner. We appreciate such initiatives which will also lead to competitive advantage to the Banks, Pensioners and Retirees at the time of renewal.

We wish to recall with a sense of pride that it was a laudable initiative of IBA which resulted in the medical facility being extended to the full time Directors (CMD/MD/ED/Dy. MD) of the Banks on the same lines as was available to them while in active service. In view of the consistent and steep rise in the rates of insurance premium, the Bank Pensioners and Retirees have been requesting for extension of medical facility as was done in case of full time Directors. We request you to appreciate the hardship and concern of the Retirees of the Banking Industry who have been nurturing a hope of getting free medical facility as had been extended to their superiors more than 10 years ago.

Since the due date is approaching fast, we request you to initiate timely steps to redress the grievances of the Bank Pensioners and Retirees so that the medical insurance with requested improvements can be finalized well in time through your good offices.

Thanking you

With Regards

Yours faithfully



A.Ramesh Babu



K.V. Acharya

Joint Conveners

QUOTE NO. 2

No: 014/2018

Dated: 17.07.2018

To
The General Secretaries of the Constituents of CBPRO

Dear Comrades,

Effective Date of Amendment to Payment of Gratuity Act 1972
Enhancement of Limit from Rs. 10 lakhs to Rs. 20 lakhs

We have once again taken up the issue of modifying the effective date of enhancement of Gratuity amount from 29.03.2018 to 01.01.2016 with the Government of India. A copy of our letter dated 16.07.2018 addressed to Shri Santosh Kumar Gangwar, Hon'ble Minister, Ministry of Labour & Employment, Government of India, Shram Shakti Bhawan, New Delhi is reproduced hereunder for the information of our Constituents and the Bank Pensioners and Retirees.

QUOTE:

We refer to our letter dated 05.04.2018 wherein we had requested your Goodself to modify the effective date of enhancement of Gratuity from Rs. 10 lakhs to Rs. 20 Lakhs to 01.01.2016 instead of 29.03.2018. In this connection we understand that in response to an on-line RTI query, the Ministry of Labour & Employment has given clarification on the effective date of the payment of Gratuity (Amendment) Act 2018 vide letter no. S-42015/02/2018-SS-II dated 28.06.2018.

The Ministry of Labour & Employment is reported to have enclosed a note FTS No. 299879/2018/LS of Ministry of Law & Justice, Department of Legal Affairs. A perusal of said note reveals the following:

The Government had intended for parity for quantum of amount of Gratuity for the employees governed by Payment of Gratuity Act with Central Government employees.

Central Government is also empowered to notify the parity in terms of Gratuity amount for these employees from prospective/retrospective effect.

Hon'ble Supreme Court in case of Bharat Singh 1986 (2) SCC 614 held that it is a settled principle of interpretation that inhibition of the rule against retrospective construction may be applied with less insistence.

Enhancement of Gratuity and its admissibility eligibility from particular date are issued relatable to social beneficial legislation and are to be construed liberally.

According parity for quantum as well as effective date for employees governed by Payment of Gratuity Act 1972 vis a vis Central Government employees has rationale and reasonable nexus. Hence there appears to be no legal objection if said parity is allowed by Ministry of Labour & Employment.

In view of the above clarifications a kind consideration of our request to allow retrospective effect to the enhanced quantum of Gratuity w.e.f. 01.01.2016 instead of 29.03.2018 shall go a long way to uphold the principles of equity and fairness.

We therefore request your Goodself to consider our request favourably by modifying the effective date of enhancement of Gratuity amount from 29.03.2018 to 01.01.2016 and render justice.

UNQUOTE

With regards

Yours comradely

A.Ramesh Babu

K.V.Acharya

Joint Conveners

Shri V. G. Kannan
Chief Executive
Indian Banks' Association
Mumbai

Dear Sir,

Anomaly in computation of Pension in State Bank of India
Hon'ble Supreme Court Judgment dated 13th Feb 2018 – Civil Appeal
No. 5525 of 2012

We wish to invite a reference to your letter no. HR & IR/2018-19/G2/4786 dated 3rd April 2018 advising the Chief Executives of Member Banks which were parties to 7th Bipartite Settlement to re-fix the Pension of those who retired after 01.04.1998, including those who retired under Special VRS 2000 on the basis of Pay Scales worked out after merging 1684 points of Consumer Price Index instead of 1616 points. The payment of arrears of pension along with 9% interest after

re-fixing the pension in accordance with the judgement of Hon'ble Supreme Court in case of Bank of Baroda was required to be made within 4 months from the date of judgment (13th February 2018).

Para 8 of your letter under reference stated that as directed by Managing Committee we have taken a legal opinion to know the impact of judgement on various Banks including Nationalized Banks, Banks incorporated under Special Statutes and Private Banks which were party to the Joint Note/7th Bi-partite Settlement. These Banks were advised to pay the differential arrears in the amount of Pension which was due and payable with 9% interest within 4 months from 13.02.2018. The instructions of IBA to the member Banks were unambiguous in stating that if a Bank has implemented the provisions of Joint Note/7th Bi-partite Settlement, they should give effect and comply with the captioned judgement.

As you are aware State Bank of India is a Bank incorporated under Special Statute and has also implemented the provisions of the above mentioned Joint Note/7th Bi-partite Settlement with regard to 1616/1684 DA formulae for the purpose of calculating Pension of those who retired between 01.04.1998 and 31.10.2002. It is thus clear that State Bank of India falls within Para 8(b) of your letter dated 03.04.2018. State Bank of India is also therefore liable to pay the payment of arrears of Pension along with interest @ 9% p.a. to all the eligible beneficiaries. We understand that State Bank of India is yet to implement the 1684 DA point formulae in terms of the judgement of Hon'ble Supreme Court and your letter dated 03.04.2018. Since implementation of your instructions by State Bank of India may require some procedural ground work, it appears that the affected Pensioners in State Bank of India are yet to get their arrears. We therefore request you to take up the matter with Management of State Bank of India and advice them to remove this anomaly and implement the judgement dated 13th February 2018 of Hon'ble Supreme Court and make payment of arrears with upto date interest at the earliest.

Thanking you

With Regards

Yours faithfully



A.Ramesh Babu
Joint Conveners



K.V. Acharya