



ALL INDIA UNION BANK PENSIONERS AND RETIREES FEDERATION
(Affiliated to All India Bank Pensioners & Retirees Confederation – AIBPARC)
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Dated 8th November 2017

Dear friends,

We are pleased to enclose a letter written by CBPRO Convenors to the Chairman, IBA on pending issues of Bank retirees and pensioners. The letter is dated 3rd November 2017 and it is self explanatory.

This is being circulated for the kind information of all our friends and members.

Yours Comradely,

(N. GOVINDRAJULU)
GENERAL SECRETARY

N. GOVINDARAJULU: Copy of the CBPRO letter dated 03 11 2017 about pending issues of Bank retirees addressed to Sh. J.B. Singh, I.A.S., the new Chairman of the IBA is reproduced below:

Dated 03.11.2017

Shri Jatinder Bir Singh, IAS
Chairman, IBA
Chairman & Managing Director
Punjab & Sind Bank
New Delhi 110 008

Respected Sir,

Pending issues of Bank Pensioners & Retirees

We wish to introduce ourselves as a Coordinating Body of Major Organisations of Retired Bank Employees and Officers including that of State Bank of India, representing more than 400,000 members. We have taken up the following issues with the Government and IBA and request your Good Self to help us by resolving these issues at the earliest. We believe that with your rich and vast administrative experience and also the experience in the banking industry, you will empathise with the cause and grievances of senior bank men by taking proactive steps in this regard.

1. Updation of Pension: Pension scheme in the Banks was finalised in the year 1993, for which the Pension Regulations were formulated in September 1995. Pension Regulation 35(1) dealt with Updation of Basic & Additional Pension in respect of employees who retired between the 1st Day of January 1986 but before the 31st Day of October 1987, as per formula given in appendix 1. The provision of updation of basic and additional Pension - Regulation 35(1) was therefore implemented at the time of introduction of Pension scheme in the Banks.

The Govt. of India amended Regulation 35(1) vide notification in Government Gazette (No.9) dated 1st March 2003 as under :

“Basic pension and additional pension, wherever applicable, shall be updated as per the formulae given in appendix-1”.

A perusal of original Regulation 35(1) vis a vis amended Regulation 35(1) would show that the restricted application of Updation of Pension in respect of those who retired between 01.01.1986 and 31.10.1987 has been extended to cover all retirees wherever applicable. But the Banks have been denying the benefit of updation to the eligible pensioners who retired after 1.11.1987 for unjustifiable reasons. This has resulted in creating a huge difference as some retired General Managers are drawing lesser pension than that of a senior clerical staff retired recently.

2. Uniform 30% Family Pension without ceiling: Family Pension in Banks is payable at 30%, 20% and 15% of last drawn pay of the deceased Employee/Pensioner with lower percentage being assigned to higher pay. It in effect meant that Family Pensioners of those who retired as officers would get the lowest 15% of last drawn pay that too with a specified ceiling on the amount of Basic Pension which effectively translated into a mere 7% to 10% of last drawn pay. Such a meagre amount like Rs.4000/- is to make the mockery of the concept of Family Pension which is nowhere near the minimum amount determined by the Govt. for sustenance. This distortion was corrected by the Govt. and RBI by fixing Family Pension uniformly at 30% of pay. Regulation 56 of the Banks Pension Regulations provides for the similar treatment to Bank Family Pensioners and it calls for a favourable consideration to rationalise family pension rate.

3. Uniform 100% DA Neutralization: After the introduction of 100% DA neutralization in lieu of tapering DA by the Central Govt. during the revision under 5th Pay Commission (1996), Banks too introduced uniform 100% DA neutralization from 2005 but made it applicable to only those who retired on or after 01.11.2002 despite there being no mention in the bipartite settlement about such artificial and unconstitutional classification based on the date of retirement.

4. Medical Insurance: After prolonged representations, the Government vide F.NO. 14/7/92-IR (Vol-II) Dated 24th February 2012 advised IBA to formulate a uniform Medical Insurance Scheme for both serving and retired employees. The IBA in the last (10th) Bipartite Settlement introduced Medical Insurance Schemes for both serving and retired employees but created discrimination with regard to payment of insurance premium by bearing it in case of serving employees and forcing the retired employees to pay the premium through their nose. This discriminatory treatment has robbed the retired employees of Banking Industry by as large a sum as Rs.40,804/- for the renewal of their medical insurance due on 01.11.2017. It is in contrast to free Medical Facilities extended to senior level bankers viz., CMD/MD/CEO/EDs after retirement and hence our demand for similar medical facilities to rest of the retired Bank Employees.

It is intriguing that the premium for a cover of Rs. 4 lacs was Rs. 7500/- in 2015 with OPD facility, it was enhanced to Rs. 20010/- in 2016 and this year it has been enhanced to Rs.36998/-. With the facility of super top up policy of Rs.5.00 lacs, the total premium comes to Rs.40804/-. We are at a loss to understand as to who negotiates the premium for such a large group of bank retirees or the insurance company is allowed full freedom to exploit the retirees. The penetrating pricing in 2015 and arbitrary steep rise in subsequent years is nothing but exploiting a helpless community of bank retirees. Hence the request for the premium to be borne by the banks in case of retirees too in terms of Government communication which was devoid of any advice about the premium to be paid by the retirees.

5. Pension to left out Compulsorily Retired Officers: The Hon'ble Supreme Court in case of compulsorily retired officers of Andhra Bank has allowed second pension option. Since the Hon'ble Supreme Court has its jurisdiction all over the country, the compulsorily retired officers in other banks should also be extended similar benefit as a good gesture. We request that the Government/IBA as good employer should accept our request as it has been upheld by the highest court in case of similarly placed officers especially when the number of such deprived officers is hardly 1,200 only for the entire banking industry.

6. Pension for Resignees: IBA advised the bank to extend second option to the petitioners only in case of Vijaya Bank instead of giving benefits to similarly placed resignees who have put in more than 20 years service in other banks. We feel that the other helpless resignees should be compelled to litigate on the legality of an issue which is already settled by the Hon'ble Supreme Court. There are about 4000 resignees in the entire banking industry and the cost implications are insignificant.

7. Reckoning of Special Allowance component for Pension: A Special Allowance was introduced as a part of pay in the last Bi-Partite settlement. This allowance was attracting Dearness Allowance but was excluded for the purpose of computing pension and calculating gratuity. It is important to note that in the case of LIC of India, the similar special allowance is treated at par with the grade pay of government employees and the same is also reckoned for terminal benefits including Pension & Gratuity.

In view of these facts that special allowance components of Bank Employees & Officers should also be treated as a part of pay for the purpose computing pension and calculating gratuity.

We shall be grateful to you for early resolution of these long pending issues of the Pensioners/Retirees.

With respectful regards,

Yours faithfully,

A.Ramesh Babu

K.V. Acharya

Joint Conveners