



# ALL INDIA BANK OFFICERS' ASSOCIATION

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MIN:RBI:97:2023

03.08.2023

Smt.Nirmala Sitaraman  
Hon'ble Finance Minister  
Government of India  
**NEW DELHI**

Respected Madam,



## **UPDATION OF PENSION FOR RETIREES OF PUBLIC SECTOR BANKS**

We draw your kind attention to our letter No. MIN:RBI:75:2023 dated 07.07.2023 [a copy of which is submitted] listing out the “calendar of developments” in introducing the Pension Scheme on the lines of RBI with effect from 01.01.1986.

### **2. TO SUBSTANTIATE OUR SUBMISSIONS, IT WAS HELD BY THE APEX COURT THAT**

“The concept of Pension, is well known and has been clarified by this court time and again. It is not a charity or bounty not it is a gratuitous payment solely dependent on the whims or sweet will of the employer. It is earned for rendering a long period of service. It is in fact in the nature of social security plan to provide for the December life of a superannuated employee.”

### **3. DEPLETION OF PENSION CORPUS AND INTEREST THEREON:**

In 2001 - The Banks had introduced special scheme of Voluntary Retirement in the year 2001. Nearly 1,25,000 workforce, mainly officers exercised their option with accumulated salary compensation for the left over service with a maximum 60 months salary. They were also paid the pension and commuted amount prior to their original date of retirement. Resultantly, the pension corpus in the individual banks depleted and on account of that the interest otherwise earned too was reduced.

### **4. ONE MORE OPTION INTRODUCED IN APRIL 2010:**

After a lapse of seventeen years and with due consultations with two actuaries [experts] one from Hyderabad and another from Kolkata the requirement of pension corpus was mutually sorted out between the bank managements represented by Indian Banks Association [IBA] and the negotiating Unions in 2002/2010, culminating in an agreement at the Industry level on 27.04.2010. The deficit amount of Rs.6000/- crores was shared between the pension aspirants [approximately 3,30,000] and the bank managements @ the rate of 30% : 70% - [ie;] Rs.1800 crores : Rs.4200 crores.

The amount of Rs.4200 crores should have been allowed to wage revision bucket in normal circumstances.

**5. IMPLEMENTATION OF PROVISION OF CLAUSE 11 BANK EMPLOYEES PENSION REGULATIONS 1995:**

“The bank shall call an investigation to be made by an Actuary into the financial condition of the fund every financial year on the 31<sup>st</sup> day of March and make such additional annual contribution to the fund as may be required to secure payments of the benefits under these regulations.”

Since April 2010 the pension corpus deficit was brought down to “NIL” there is an imperative need to carry out investigation by independent actuaries, that the individual banks have provided every year upto to the current the required amount to the pension corpus.

**6. THE PENSION CORPUS OF INDIVIDUAL BANKS AS ON 31.03.2022 AS PER THE REPORT PUBLISHED.**

<b>BANK WISE PENSION FUND POSITION [FAIR VALUE] AS ON 31.03.2022 [ IN CRORES]</b>					
<b>Bank Name</b>	<b>Pension fund</b>	<b>Pensions paid</b>	<b>Income on Investments</b>	<b>Bank contributions</b>	<b>Actuaries loss/gain</b>
Punjab National Bank	48148	4002	3091	1848	480
Union Bank of India	27043	2341	1846	551	266
Canara Bank	25810	3047	1638	3452	-118
Bank of Baroda	25429	2345	1651	4048	65
Bank of India	17605	1824	1356	1800	-258
Indian Bank	15894	1812	1132	1600	12
Central Bank of India	15809	1539	1075	977	98
Indian Overseas Bank	10363	1166	710	916	46
UCO Bank	8518	1128	613	1194	-29
Bank of Maharashtra	6875	627	433	841	27
Punjab & Sind Bank	4323	459	318	546	-34
SBI & Associates	119131	10190	7345	15967	-437
<b>TOTAL</b>	<b>334610</b>	<b>30480</b>	<b>21208</b>	<b>33740</b>	<b>118</b>

<b>PENSIONERS' STATISTICS OF PUBLIC SECTOR BANKS AS AT 31.03.2022</b>					
<b>Name of Bank</b>	<b>Total number of retirees pensioners</b>	<b>Total number of family pensioners</b>	<b>Total number of pensioners</b>	<b>Total number of employees</b>	<b>Total number of pension optees in service</b>
Punjab National Bank	79971	15888	95859	103144	28927
Canara Bank	61406	13885	75291	86919	21188
Bank of India	33647	7716	41363	51825	51418
Bank of Baroda	48470	13132	61602	79170	NA
Central Bank of India	30213	10319	40532	30293	11342
Indian Bank	30118	6773	36891	40751	NA
Indian Overseas Bank	20770	5328	26098	22947	8174
Union Bank of India	34871	7099	41970	75201	21563
Bank of Maharashtra	12219	3154	15373	12721	4508
Punjab & Sind Bank	10693	2042	12735	10178	1837
UCO Bank	22238	6986	29224	21622	4944
State Bank of India	206551	75971	282522	244250	NA
<b>TOTAL</b>	<b>591167</b>	<b>168293</b>	<b>759460</b>	<b>779021</b>	<b>153901*</b>

\* total excluding State Bank of India, Bank of Baroda, and Indian Bank

**7. BENEFITS OF MERGER TO BE EXTENDED TO ASSOCIATE BANK RETIREES:**

The employees of Associate Banks in 2008, 2010 and 2016 have been governed by “Bank Employees Pension Regulations 1995” which is different from the State Bank of India retiral scheme in toto. Hence, the updation of pension on the lines of RBI to be extended to erstwhile Associate Banks too.

**8. UPDATION OF PENSION BROOKS NO DELAY:**

As the number of retirees are around 7.75 lakhs right from 1.1.1986 till 2022 and in the background of RBI retirees have been granted updation of their pension upto 6352 points recently by the Government of India with effect from 12.6.2023, Banking workforce, who retired from the service should be also extended the benefit of updation of pension upto 6352 points to cover all of them in one go.

We urge upon you to initiate appropriate steps that would fetch the updation of pension to all as there was no increase in their basic pension from their date of retirement from the services of the Bank.


Thanking you in anticipation.

Yours faithfully,



**/S.NAGARAJAN/  
GENERAL SECRETARY**

**Encl:**

<b>REPRODUCED BY KARNATAKA BANK OFFICERS' ORGANISATION (REGD.) MANGALURU-575 003</b>			
<b>Mangaluru 05.08.2023</b>			
		<b>(Suresha Hegde S.) GENERAL SECRETARY</b>	

<b>A I B E A &amp; A I B O A</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>ZINDABAD</b>
<b>A I K B E A &amp; K B O O</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>ZINDABAD</b>
<b>OFFICERS - WORKMEN UNITY</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>ZINDABAD</b>