



ALL INDIA BANK OFFICERS' ASSOCIATION

CENTRAL OFFICE
2nd Floor, 109/10, Angappa Naicken Street,
CHENNAI - 600 001



Ph: 25265511 / Mobile: 98406 45081 Fax: 044-25249081 / e-mail : aiboa.hq@gmail.com Website: www.aiboa.org

MIN:RBI:75:2023

07.07.2023

Smt. Nirmala Sitharaman,
Hon'ble Finance Minister,
Government of India,
NEW DELHI.



Respected Madam,

UP-DATION OF PENSION FOR RETIREES OF PUBLIC SECTOR BANKS

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We beseech your kind attention to the following submissions so as to facilitate you to initiate urgent steps to remedy the current impasse in the captioned matter.

2. Recently Government of India constituted a committee under the Chairmanship of Additional Secretary, DFS, Government of India with members drawn from various departments, representative of IBA, Special invitee and member secretary. The committee is advised to submit its recommendations **on or before 21.07.2023**. The terms reference are;

- a. to examine and review the payment of Pension @ 50%/40%
- b. to examine the suggestions for payment of pension @1/60th for every completed years of pensionable service in SBI.
- c. Neutralization of Dearness Allowance for the retirees prior to 01.05.2005
- d. to examine up-dation of Pension with every wage revision/settlement
- e. to suggest the balancing cost of retiral benefits and the financial implications on the banks.

3. Subsequently, Government of India vide its letter **No.11/1/2023 dated 21.06.2023** advised the **RBI** to revise the Pension for the retirees with effect from **1.11.2017** with certain directions.

4. Consequent upon the above developments and initiatives by Government of India, the expectations of the retirees governed under the Bank Employees Pension Regulations 1995 have gone up as they are drawing the basic pension fixed at the time of retirement. From date of signing the settlement i.e. 29.10.1993 nearly for three decades there was no enhancement of the Basic Pension.

5. As the pension for PSB retirees is on the lines of RBI pension Scheme, there is a growing anxiety and also expectations from the retirees from Public Sector Banks about the benefits of up-dation.

6. The following chart will provide the bird’s eye view on the subject matter. In the press conference addressed by you at Chennai on 28.10.2020, you have made observations that Bank retirees are to be considered on the lines of “One Rank One Pension”. Further, while addressing the AGM of IBA through Video Conference on 10.11.2020, you had expressed your deep concern about the Bank retirees.

UP-DATING OF PENSION FOR BANK RETIREES RETIRED FROM PUBLIC SECTOR BANKS

S.NO	DATE/YEAR	GIST OF THE EVENTS
1.	29.10.1993	Industry level settlement was signed by unions with Indian Banks’ Association for introduction of Pension in lieu of Provident Fund (PF)- on the lines of RBI scheme.
2.	26.03.1994	There exists a minutes of understandings between IBA and unions that formula for updating pension should be on the lines of same given in RBI Pension Scheme.
3.	26.09.1995	Pension scheme was gazetted by Government of India and 90 days was given for the bank employees to exercise their option to join the Pension Scheme.
4.	<u>31.03.2001</u>	Voluntary retirement scheme was introduced in the banks, in which, in addition to compensation offered of maximum of 60 months salary for the left over service, pension was paid. The employees took VRS from the bank and also started drawing the Pension benefit too prior to the actual date of retirement. Thus the pension corpus available was depleted without any adequate funding provided by the banks. Due to the depletion even the interest otherwise to be accumulated was not given. Nearly 1,26,000 opted for VRS in the Industry.
5.	27.04.2010	After the lapse of 17 years, extension of one more option to non optees numbering 3,30,000 was considered after the actuarial findings that the shortfall in the Pension corpus was Rs.6000 cr. Rs.4,200 crs was provided by Banks and employees contributed Rs.1800 cr. Introduction of New Pension Scheme (NPS) for the employees joining the Banks with effect from 1.04.2010 was agreed by the Unions with IBA.

6.		The Pension Corpus deficit was brought to NIL with effect from 1.04.2010 .
7.		As per Bank Employees Pension regulations 1995, clause II every year the banks are to provide the funds to the Pension Corpus, which is a statutory obligations.
8.		For the past 13 years, whether adequate provisions were made to pension corpus is to be ascertained.
9.	05.03.2019	Government of India vide its notification dated 5.03.2019 considered up dating the pension for RBI staff from 1986.
10.		Number of Bank retirees are around 7 lacs.
11.		The corpus of Public Sector Banks is Rs.358960 crores as on 31.03.2022.
12.		As the introduction of Pension in Public Sector Banks was on the lines of Reserve Bank of India , Bank Retirees are to be granted the updation of the Pension on lines of RBI.

7. Having the Public Sector Banks booked the profit of Rs.1,03,000 crores for the financial year ended 31.03.2023, we urge upon you to consider up-dation of Pension on the lines RBI with effect from 1.01.1986 till date.

8. Your prompt initiative to redress the genuine grievance of the Bank retirees would go a long way due to the recent developments in Reserve Bank of India in the matter of updation of pension with effect from 12.06.2023.

Expecting you to do the needful at the earliest possible time.

Yours faithfully,



**/S.NAGARAJAN/
GENERAL SECRETARY**

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**Mangaluru
08.07.2023**



**(Suresha Hegde S.)
GENERAL SECRETARY**