



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 3427/Delhi)

State Bank Buildings, St. Mark's Road, Bangalore – 560 001

CIRCULAR NO.40

DATE: 09.04.2012

TO ALL AFFILIATES /MEMBERS:

DENIAL OF 2ND OPTION ON PENSION

We reproduce hereunder the text of UFBU Circular No.6 dated 8th April, 2012 contents of which are self-explicit.

With greetings,

(G.D.NADAF)
GENERAL SECRETARY

TEXT

No.1367/7/12

8TH April, 2012

The Chairman,
The Indian Banks' Association,
World Trade Centre Complex,
Centre 1, 6th Floor, Cuffe Parade,
MUMBAI – 400 005.

Dear Sir,

DENIAL OF 2ND OPTION ON PENSION

You are aware that, based on the understandings reached between the IBA and UFBU, one more option for pension was made available to all existing CPF optees

as well as to those who retired from 1993/95, onwards, subject to certain terms and conditions. During the course of discussions on the modalities for arriving at additional cost on 2nd option on pension and parameters to be communicated to the common actuaries, to arrive at cost of 2nd option, it was decided that,

- i.** All existing CPF optees, serving and retired be provided with one more option to Pension.
 - ii.** Those retired from 1993/95, onwards under superannuation or otherwise shall also be given an opportunity to opt for pension in lieu of provident fund.
 - iii.** Those even with less than 20 years pensionable service, who were considered for Special VRS during 2001, shall also be considered for 2nd option on pension.
 - iv.** Out of Rs 6000/- crores additional cost on 2nd option, estimated by the common actuaries, CPF optees on rolls as on 27.04.2010, to contribute Rs. 1800/- crores, and to opt for pension in lieu of Provident Fund.
 - v.** All those retired earlier to 27.04.2010, to refund 156% of PF with interest if any received at the time of retirement.
 - vi.** Any clarification or dispute shall be resolved by the IBA in consultation with Unions/Associations
- 2.** Unfortunately, at the time of implementation of the above understandings, the following aberrations have crept in.
- a.** Those retired on superannuation or under VRS on or after signing of the understandings by the UFBU at IBA on 27.04.2010, and before issue of instructions from individual Banks, are made ineligible for the 2nd option on Pension

b. Those who retired under VRS as per Officers Service Rules or Resigned or Compulsorily retired after completion of pensionable service are also made ineligible for the option.

3. In this connection, we draw your kind attention to the following , which were part of the said understandings.

i) We demanded 2nd option on Pension to all those who have retired on superannuation or otherwise like VRS , Resignees & Compulsory Retirees after putting in 20 years of pensionable service, in lieu of provident fund.

ii) While calculating the additional cost on 2nd option, all categories of retirees viz., VRS , Spl. VRS, Compulsory Retirees etc., were taken in to account by the IBA and accordingly data was provided to the common actuaries to arrive at the additional cost.

iii) The additional cost of Rs. 6000/- crores arrived at by the actuaries include, existing CPF optees and all types of Retirees, from 1993/95, including those pension optees, opted for Special VRS with minimum of 15 years service, who were given benefit of 5 years notional service to make them eligible for pension.

4. Therefore, denial of the legitimate benefit to the above mentioned retired CPF optees, amounts to violation of the understandings reached between the UFBU and IBA on 27.04.2010. This had lead to avoidable legal cases filed by the affected parties.

5. The issue came up for discussion at UFBU meeting held on 21-03-2012 at Mangalore, and it was decided to take up the matter with the IBA for resolution of the long pending issue on priority. The UFBU also felt that, IBA should have consulted Unions/Associations, before deciding to deny the offer to retirees of certain categories as, these directions do not conform to the understandings

reached on 27.04.2010. We, therefore request you to review your decision and implement the understandings in right perspective.

6. Please treat the matter as most urgent.

With greetings,

Yours faithfully,

SD/-

(G.D.NADAF)
CONVENOR