



Indian Banks' Association

HR & Industrial Relations

HR&IR/2015-16/XBPS/J/1722

December 1, 2015

To,

Shri Harvinder Singh
General Secretary
All India Bank Officers' Confederation
C/o Bank of India, Parliament Street Branch,
PTI Building, 4, Parliament Street, New Delhi
110001

Sub :- Record Note dated 25-05-2015 on the issues of Bank Retirees : Request for a meeting to discuss the issues

We acknowledge receipt of your Letter No. 2015/123 dated the 13th November, 2015, on the captioned matter.

2. In this connection, we advise that in the Charter of Demands submitted by the Workmen Unions/Officers Associations for revision of wages and service conditions, certain demands pertaining to the superannuation benefits/ issues of retirees were raised. These issues were discussed in details on various occasions during the course of negotiations on the Charter of Demands.

3. You are well aware that the periodic wage revision exercise based on the mandate from member banks covers only wages and service conditions of serving employees. Retirement benefits are based on service conditions prevailing at the time of retirement of an employee and these do not change with subsequent settlements.

4. Referring to repeated comparison of "Pension Scheme" in Banks to "Govt. Pension Scheme", the IBA stated that while the Govt. pays pension out of budgetary allocation, bank pension is a funded scheme. At the time of retirement of an employee, the bank is expected to ensure that adequate funding is made for payment of pension/family pension with provision for periodic updation of Dearness Relief payable. Financial implications will need to be fully examined before any change in benefits payable to pensioners can be considered.

5. Regarding revision in the rates of family pension on the lines of the Central Govt. Scheme and RBI Scheme, IBA has responded that while IBA is sympathetic to the issue, the cost involved is significant and unaffordable at the present juncture. IBA is examining cost implications and sustainability of each member bank at a future date and will take a view accordingly.

h

...2

:2:

6. As regards extending Dearness relief at 100% compensation to all pensioners who retired before 1-11-2002, we advise that the matter is sub-judice as certain cases on this issue are pending for a decision with Hon`ble Supreme Court. As such, IBA cannot take a decision on this issue at this stage. IBA may examine feasibility of providing 100% Dearness Relief to these pensioners based on a detailed costing exercise, from a humanitarian point of view.

7. As regards upgrading the Basic Pension of all the pensioners at the common and uniform index of 4440 points, updation of pension for all existing pensioners and family pensioners, IBA has advised Unions/Associations that it would examine the cost implications and sustainability of member banks so that a solution may be worked out. IBA is already in process of collecting the detailed latest data/information from the member banks.

In view of foregoing it is apparent that IBA is concerned and positive to resolve these issues amicably and with the spirit of Bipartism keeping in view the implications of these issues on member banks.

Yours faithfully,



K Unnikrishnan
Deputy Chief Executive