

ALL INDIA BANK OFFICERS' CONFEDERATION



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To All Affiliates (Please Circulate)

Dear Comrade,

LETTER TO SHRI ARUN JAITLEY, HON'BLE FINANCE MINISTER, GOVT. OF INDIA REGARDING 11TH WAGE NEGOTIATION IN BANKING INDUSTRY AND OTHER RELEVANT ISSUES

We reproduce hereunder our letter no. AIBOC/2019/32 dated 08.03.2019, sent to Shri Arun Jaitley, Hon'ble Finance Minister, Govt. of India contents of which is self-explicit.

With greetings,

(Soumya Datta)
General Secretary

Text of letter no. AIBOC/2019/32 dated 08.03.2019

The Hon'ble Finance Minister
Government of India
North Block
New Delhi - 110001

Respected Shri Arun Jaitley ji,

11TH BIPARTITE WAGE NEGOTIATION IN BANKING SECTOR AND OTHER RELEVANT ISSUES

At the outset, we wish to convey our happiness to the Ministry of Finance for paving the way for the updation of pension of RBI employees, which is the fulfilment of a long standing demand. We also note that another pension option has been put in place for the LIC and GIC employees, which is indeed a positive development. Such developments have offered a ray of hope for the several lakh of retirees of PSU Banks, who are waging a long battle for updation of pension and revision of family pension. While we have been given to understand that there is some forward movement in clearing the much needed family pension issue, our pensioners are still left in the lurch as regards updation of pension, which has not happened many years now. This is to bring to your kind attention that though the Ministry of Finance had advised the Indian Banks' Association (IBA) well in time to complete the process of wage negotiation in the banking sector with the workmen's Unions / Officers' Associations in a time bound manner, no much progress in this regard has taken place so far.

02. Here we would wish to draw your kind attention to the fact that in case of bank pensioners, basic pension is frozen on the date of superannuation, and it is never revised consequent upon the succeeding bipartite settlements. Worst kind of discrimination is prevailing amongst different group of retirees in the matter of payment of Dearness Allowance. Pension on Special Pay is denied in the 10th bipartite settlement. Although Bank Pension Regulation is framed on the pattern of RBI / Central Govt. Pension Scheme, no steps have been taken to remove the discrimination. A section of SBI pensioners are also denied pension @50% of basic pay. On the other hand, the Department of Financial Services (DFS), Ministry of Finance has accorded approval for 'Revision of Pension of RBI Employees', in the recent past, as per which a notional increase of 10% in pension plus Dearness Allowance with each of the three wage revisions in 2002, 2007 and 2012 has been approved. This has resulted in an overall increase in basic pension of all sections of pensioners retired before 01.11.2002. But unfortunately, revision of pensions in banking industry, which was a residual issue as per the 'Record Note' dated 25.05.2015 signed by all parties in the settlement, has not so far been opened despite repeated reminders from the trade unions of banks. Similarly, family pension to the spouse of the deceased employees continues to be too meager to lead a minimum level of dignified life.

03. We are also constrained to bring to your attention that the Bi-partite wage talks have hit a roadblock due to the regressive stand of IBA in restricting mandate upto Scale-III cadre only. We hope it would not be out of place

to mention here that in the past as many as on 8 successive occasions, i.e. in 1979, 1984, 1989, 1995, 2000, 2005, 2010 and 2015, 'Joint Notes' had been signed between IBA and the Officers' organisations, which covered wage revision and service conditions for all Scales of Officer employees (i.e. from Scale I to Scale VII) in line with one of the principal recommendations of Pillai Committee Report (PCR) of 1979. In short, wage revision for all Scales of Officers of the banking Industry from Scale I to Scale VII is a time tested practice of wage negotiation. Under the circumstances, we did not find any reason as to how 5 Banks (viz. State Bank of India, Bank of Baroda, Punjab National Bank, Union Bank of India and Indian Bank) could refrain from giving 'unconditional (i.e. full) mandate', thereby excluding officers in Scale IV and above from the wage negotiation process, while as many as 14 out of 19 public sector banks have given their full mandate to IBA. Eventhough we had from the very beginning requested the Negotiating Committee of IBA to ensure that all the member banks should submit their full mandates, IBA took an unfortunate stand that it was the decision of the individual banks. Since there is no point in continuation of talks without full mandate for all Scales of Officers, **All India Bank Officers' Confederation (AIBOC)** had taken a conscious decision of excusing themselves from the proceedings of the Negotiating Committee Meeting during the talks held at Mumbai on 30.11.2018. Thereafter, AIBOC along with NOBO did not take part in the talks held on 2nd February and 21st February, 2019. We again have been given to understand that an offer has been floated on 21st February, 2019 by IBA to extend the mandate upto Scale V. However, we again like to make our stand clear that for the wage talks to progress unhindered, we need clear and unconditional mandate. We also fervently request you to advise the IBA suitably to have negotiations on improvements in Pension and Family Pension.

04. Keeping in view the scientific practices prevailing across the countries, the demand for Five days week was originally placed in the 10th BPS, when 2nd and 4th Saturdays were declared as holidays. At present, it has become a priority, which is likely to bring many positive effects, such as increased productivity, improved job satisfaction and morale, decreased absenteeism, reduced energy costs and work-life balance. There is acute shortage of staff at branches, which has increased workload manifold and causing angst and frustration amongst bank officers, especially the new generation. A positive move in this regard would be hailed by one and all. The matter may please be addressed at the earliest.

05. We also urge upon your good office to restore the Old Defined Benefit Pension scheme and scrap the National Pension System, which has been implemented in Banks since August, 2010. There is tremendous resentment amongst the new recruits, who want restoration of the Old Pension Scheme.

06. We also invite your kind attention to the Judgment delivered by Hon'ble Supreme Court on 28th February, 2019 in Civil Appeal No. 6221 of 2011 filed by Regional Provident Commissioner (II) West Bengal, wherein it was held that the Special Allowance payable in all these concerns to all the employees without exception falls within the definition of Basic Wages in Sec 2(b) of Employees Provident Fund Act, 1952. It is also pertinent to submit that the definition of Basic Wages in Sec 2(b) of EPF Act is similar to the definition of Wages in Sec 2(s) of Payment of Gratuity Act, 1972. The above judgment is clearly applicable to Banks' Provident Fund Scheme too, making it obligatory on Banks to reckon Special Allowance for contribution to Provident Fund for employees, who are PF optees and as a sequel extend its application to pay defined under Pension Regulation 2(s). In view of the ratio applied by the Hon'ble Supreme Court, the Special Allowance with its Dearness Allowance component should be reckoned for payment of Gratuity, contribution to Provident Fund and computation of Pension. It is also pertinent to submit that **all allowances** counted for the purpose of making contribution to the Provident Fund and for the payment of Dearness Allowance are the component of Pay for the purpose of computation of Pension in terms of Pension Regulation 2(s)(b)(ii). The employees who fall under the Xth Bi-partite settlement should also be rightfully extended the benefits of this landmark judgment.

07. We also request you to rescind the unwarranted decision of Amalgamation of Vijaya Bank and Dena Bank with Bank of Baroda, which is nothing but a measure of financial engineering, rather than actually improving NPA recovery. In fact, the core problem faced by the Indian banking industry is the enormous pile up of NPAs over Rs.10 lakh crore that have accumulated on account of faulty lending practices and the absence of any effective recovery strategy of overdue loans from large corporate houses. The much publicized Insolvency and Bankruptcy Code (IBC) process has also not succeeded in recovering NPAs and has rather resulted in substantial haircuts for the banks. The absence of strong penal action against the corporate fraudsters reflects the lack of political will on the part of the Union Government. The entire decision has caused deep resentment amongst the entire banking fraternity, which is likely to have an impact in the ensuing polls.

Against the above backdrop, as a responsible Trade Union representing the aspirations of over 3.20 lakh Bank Officers, we urge upon your good office to assess the genuine demands of the entire fraternity and take appropriate measures to address the issues in the right earnest.

With best regards,

Yours sincerely,

Sd/-

(Soumya Datta)
General Secretary
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