

SYNDICATE BANK PENSIONERS & RETIREES ASSOCIATION (REGD.)

(Affiliated to AIBPARC)

CENTRAL OFFICE

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(Please circulate to all members/retirees)

Cir No. 24/2020

Date: 31/07/2020

Dear Comrades,

PENSION UPDATION AIBPARC CLARIFICATIONS TO UFBU

There is an apprehension that the Govt: FM, IBA and UFBU are sceptical about the scope for legal and validity as well as financial viability/ affordability of pension Updation demand of the bank retirees. Given a due interpretation of the Pension Regulations and proper understanding of the purpose of creating a pension corpus resolution of pension Updation demand is quite possible. In the aftermath of signing of MOU by UFBU as part of wage revision exercise CBPRO has provided to UFBU all the clarifications needed for taking the matter forward in their talks with IBA. Copy of the letter dated 29.7.2020 is appended herewith for information of all.

With greetings

Yours comradely,

C Gangadhar Yadav

GENERAL SECRETARY

SBPRA - ZINDABAD
AIBPARC - ZINDABAD
CBPRO - ZINDABAD



**ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION
(A.I.B.P.A.R.C.)**

**C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)**

**BANK OF INDIA, KOLKATA MAIN BRANCH
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Date 31.07.20.

Circular no 60-20.

(For circulation among members of the Governing Council, EC members, State Secretaries, Special Invitees and Advisors.)

Dear Comrade,

Sub: Pension Updation.

Members are all aware of the fact that "Pension Updation" is a subject which is very near to the heart of Pensioners/Retirees of the Banking Industry. This issue, as per previous Circular of UFBU duly reproduced by us, will be discussed in next few months at the Industry-level Bipartite Negotiation. Our organization sent a letter to the Convenor, UFBU on the above subject yesterday detailing out our views. A copy of the letter has also been endorsed to each component of UFBU. we are reproducing the letter for information of members.

We sincerely hope and believe that the well-documented views of our organization would be given due cognizance.

With best wishes and regards,

Stay safe with family.

Comradely yours.

Suprita Sarkar
General Secretary

QUOTE:

ALL INDIA BANK PENSIONERS AND RETIREES CONFEDERATION

Camp Office: J 208, Vijay Rattan Vihar, Sector 15 Part II, Gurugram 122001

Mobile: 9868220338 Email: acharyavedavyasa46@gmail.com

Dated: 29.07.2020

Shri. Sanjeev Bandlish
Convener
UFBU
Chandigarh

Dear Com. Bandlish

Pension Updation

We wish to invite a reference to the letter no. 2020/428 dated 25.07.2020 written by AIBRF to you suggesting merger of DA into Basic Pay at 6352 points to arrive at New Basic Pension for all the seven groups of Retirees and leave the demand of updation proper to the next settlement. This proposition is fraught with inconsistencies and the following risks:

A. Mere merger of DA as it is without following uniform DA neutralization entailing no cost as suggested by AIBRF gives no comfort or relief to the pensioners and hence not acceptable to us. Pension Updation, though a Statutory Right enshrined in the Pension Regulations, is unfortunately denied. In fact, Updation was given once on the lines obtaining for Central Government pensioners when the Pension Scheme was first introduced in Banks. We have compromised to have it prospective giving up retrospective effect implementation from 1992 or atleast from 2003 when Pension Regulation was amended to Ensure Updation on Continuous Basis. We have also compromised to accept the RBI Updation Formula which is inferior to Government Updation Formula to which we are entitled as per Reg. 35(1). The interest on the amount of Arrears foregone, not to speak of the Arrears foregone is itself more than sufficient to service the Updation cost, that too when most of the pensioners have not many years left to enjoy the benefit. Quite a number of Retirees left for their Heavenly Abode waiting anxiously for getting Justice in respect of their Legal Entitlement of Updation. Our compromising for the prospective implementation is a huge savings for the banks and all we ask the Banks is to apportion a portion of such savings to Update the Pension on the lines of RBI updation. The very denial of Updation anymore is highly unconscionable and unethical not to speak of its illegality.

B. In any case, even the no cost formula of AIBRF will still entail a cost albeit the least one as compared to the cost of Proper Updation. The claim by AIBRF that according to their calculation, this exercise will not cost any extra money to Pension Funds is incorrect as there is bound to be some increase in gross pension subsequent to DA merger.

C. Regulation 35(1) of Bank Employees' Pension Regulations provides that Basic Pension and Additional Pension wherever applicable shall be Updated as per the Formula given in Appendix-1 (Government Gazette Notification No. 9 dt 01.03.2003) as amended. The formula in Appendix-1 was borrowed from Updation Formula applicable to Government Pensioners at that time which was further improved upon in subsequent Pay Commissions. The Government Formula is even better than the Updation factor applied for Updation of Pension of RBI pensioners.

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However, for obvious reasons as explained above, we will be happy with the RBI Formula. We are demanding only the Implementation of the existing provision for Updation and not raising any fresh Financial demand.

D. After Government approval of Updation of Pension in RBI, we have been demanding the same Updation factors to be applied in our case too. The suggestion of AIBRF to achieve Updation merely by demanding merger of DA at 6352 points would practically amounts to nothing and amounts to distortion of the Basic Principle of Updation of Pension. The Pensioners have only few years left and hence cannot wait longer for Updation. All Pensioners are wise and are not naive to believe that there is another day and another Settlement to resolve the Issue of Pension Updation.

E. Any dilution in the formula of Updation followed in RBI would weaken our case for Regular Updation forever and will also have an adverse impact on many court cases pending in various High Courts and also a case in Honorable Supreme Court filed by many individuals.

In view of the foregoing facts, we are of the considered view that our demand for Updation of Pension in terms of Pension Regulation 35(1) should not be diluted further to breach the benchmark set in case of Updation of Pension for RBI Pensioners. RBI had Updation that was stopped in between on a technicality and again resumed after Government approval. The factors were therefore arrived for the reminder of the settlements and the factors were arrived for DA merger at 4440 points. Now we are requesting to have the factors for all settlement periods and for merger at 6352 points. As per RBI formula, the factor for merging 11th Bipartite settlement Basic Pension at 6352 points is 1.62. So, the factors arrived by RBI for 4440 points have to be multiplied by 1.62 to arrive at the Updation factor for merger at 6352 points. Accordingly, it will be (See worksheet enclosed)

1. 1987 batch	19.76
2. 1992 batch	9.36
3. 1998 batch	5.82
4. 2002 batch	4.39
5. 2007 batch	2.85
6. 2012 batch	1.62

We therefore request you to maintain our demand for updation of Pension on the basis of above factors and not to agree for so called Updations merely by merging the DA at 6352 points. If the Updation of Pension is achieved by using the above RBI factors, the total cost of Pension Updation would be Rs 5321.80 Crores including Updation for SBI pensioners. Since payments in all the banks including SBI for the year 2018-19 were Rs.17,415.16 crores as against the Interest income and annual contribution by the banks amounting to Rs.32,023.00 crores, a sum of Rs. 14607.84 crores remained surplus which constituted 45.62% of annual interest plus additional contributions made to the Pension Funds by all the Public sector banks including SBI. It would not be out of place to mention that some of the Banks had in the past transferred huge amount from Pension fund to provide for their NPAs in an illegal manner. We had brought this to the notice of IBA and Ministry also. This reveals the Huge an Adequacy of Pension Funds which tempted the Bank m Managements to indulge in such acts.

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We reiterate that there is healthy corpus to absorb the additional cost of Pension Updation of Rs.5321.80 Crores which is arrived at for 4,41,000 Pensioners (including SBI) using the same Updation factors as allowed in case of RBI. In as much as our Pension Scheme is as per Government Pension Scheme & RBI pension scheme and Banks Pension Regulation 56 provides that in case of doubt, a reference may be made to Central Civil Services Rules and Commutation of Pension Rules, this should help us in clinching the issue of Updation of Pension which is overdue since 1992 .

We earnestly make a fervent Appeal to You and to the Leadership of UFBU to resolve this most important Issue of Updation of Pension in the interest of All Pensioners and Retirees, including Future Retirees.

With Regards

Yours comradely



K.V.Acharya
President



S.Sarkar
General Secretary