



SYNDICATE BANK PENSIONERS & RETIREES ASSOCIATION(REGD.)

(Affiliated to AIBPARC a wing of AIBOC)

CENTRAL OFFICE

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Circular No.9/2015

(PLEASE CIRCULATE TO ALL MEMBERS/ RETIREES)

Date: 22.06.2015

Dear comrades,

**RETIREES ISSUES HAVE TO BE RESOLVED AT ANY COST
RATIONALE SHALL PREVAIL OVER RHETORIC
AIBOC LETTER TO IBA A STEP IN THE RIGHT DIRECTION
AIBPARC GENERAL COUNCIL MEETING ON 14th JULY TO DECIDE ACTION PLAN**

It is time for the retirees to come out of gloom and prepare for struggle to achieve their demands. There is no doubt what so ever that the Record Note signed by IBA and UFBU on the retirees issues has to be set aside or ignored. The averments therein are ridiculous and cannot stand test of reasoning, not to speak of law. All the demands of the retirees are most genuine and have to be achieved at any cost and under any circumstances. Soon after signing of Wage Revision settlement by IBA-UFBU the entire retiree community was outraged. All the hopes that most of their demands will be met in this settlement were dashed. The reaction was spontaneous. A lot of queries and suggestions are pouring in. Some are questioning as to why we should not do that and this and so on. Now therefore we would like to advise our rank and file that though we feel hurt and individually tend to react impulsively, as an organisation we have to take steps prudently, make decisions collectively with cool head and execute our plans meticulously. There is no room for any haste or rhetoric. All our actions are to be rationale.

It is heartening to note that AIBOC has addressed a letter to IBA on the Record Note on retirees issues by denouncing the contentions of IBA. Though AIBOC is party to the Record Note, it is good that they have made an effort by putting their views in the letter to IBA which will go a long way in helping to rectify the damage caused to the interests of retirees. It is no doubt a welcome and courageous step by a major and important constituent of UFBU. It is probably time for the other constituents of UFBU to follow suit and make similar effort to undo the gross injustice sought to be perpetrated on the retirees.

All those individuals and bodies that are trying to find fault with AIBOC day and night have to introspect and prevail over the remaining constituents of UFBU to come out clean and take similar stand as that of AIBOC. It is unfortunate that there are some retiree associations and federations which are hobnobbing with some of the UFBU constituents knowing fully well that those constituents are dead against some of the retirees demands. We caution our members to beware of such elements.

We are fully convinced that AIBPARC is making all out efforts to resolve retirees issues. Their prompt action in prevailing over the leadership of AIBOC to write to IBA as a remedial measure is a testimony of the same. They are taking steps to see that coordinated efforts are made by involving all the retiree organisations. Further, the General Council of AIBPARC is scheduled to meet on 14th of July at Chandigarh to decide about an action plan for achieving the retirees' demands at the earliest. Text of a detailed circular issued by AIBPARC No.28/2015 dated.22.06.2015 as well as text of AIBOC letter addressed to IBA are annexed hereunder for information of all retirees. We shall keep you posted with further developments in the matter.

With greetings,

Yours comradely,

K Suresh Babu
SECRETARY

**SBPRA - ZINDABAD
AIBPARC – ZINDABAD**

Text of AIBPARC Circular No.28/2015 dated 22.06.2015:

“Dear Comrade,

When anguish and deprivation loom large, it is the general rule that a sense of hopelessness prevails. It is exactly what has happened to a few lacs of pensioners in the Banking Industry. We the leaders and forerunners of the movement of retirees will have to keep our head cool and find out ways and means to fulfil the aspiration of the people whom we represent and to keep the movement intact without any sense of waste. It is a time of test and we shall have to pass it with honour.

2. You will definitely agree that the largest challenge before the leadership is to reach the members who are residing in distant parts of the country. The message of the organisation must go to them. It is an admitted fact of life that a negligible percentage of pensioners have access to websites and far less number have participation in Face-Books. This negligible percentage of members cannot become the movers of opinions. There are large number of members who do not have any access to such individual opinion-building exercise through social opinion-sharing mechanism but their opinion and participation is very vital for us.

3. When a record-note was signed on 25th May, it is quite natural that IBA would not be reversing its views within a very short period. It is a time taking battle which is to be fought every inch by patience and time bound steps are to be taken to achieve the goal. As a first step, it was a necessity to tell to membership what we feel about the document . It has already been conveyed by different circulars. The second step was to record our views with each constituent of UFBU. The same has been done without any loss of time. This is really heartening for us to note that AIBOC, a very important constituent of UFBU, has come out with an open letter addressed to IBA recording its views in a manner which is praiseworthy and demanded immediate restoration of dialogue on pensioners issues.

4. As for agitation, we have taken series of programmes prior to finalization of 10th Bipartite settlement. Such programmes included submission of memorandum and holding of protest demonstrations in important centres of the country. Although participation was large, fulfillment of aspiration was virtually nil. The call of the hour is a joint movement by all the Retirees Organizations in the country. Keeping this aim in view, we remained in constant touch with Com. P.P.S. Murthy, the Convener of the Joint Forum to explore the possibility of calling a meeting of the Retirees Organisations so that we can evolve Joint Action Programmes. Com. Murthy conveyed to us in writing that the General Secretary of one component is not in a position to meet before mid-July and Com. Murthy will have to go to Delhi to attend the final phase of a long drawn legal battle fought by our comrades in SBI and we have also our EC meeting at Chandigarh. Accommodating all the three pre-occupations, a sincere attempt will be made to arrange for a meeting in the month of July, 2015 to make a thorough review of the situation and to explore the possibility of joint struggle. After seeing the outcome of the aforesaid meeting, we shall have to take protracted line of action.

5. Till then, we should gear up the propaganda campaign once again. Meeting at subdivision district and state capitals may be organized by different affiliates where others can also be invited. The post bipartite situation should be explained to the audience in great detail and tell them that we are on the job and for the job. There is nothing to lament but to move with resolution. As propaganda materials should be fact based and uniform, we write hereunder the assessment of the organization about different aspects of the record note. This material may please be given widest publicity. The campaign material is being enumerated in detail in para no. 6 onwards.

Campaign materials :

6. The signing of X Bipartite settlement on 25th May, 2015 brought to conclusion the 30 month-long wage negotiation to an end but it brought no cheers to the retirees as none of the pension related issues of retirees was addressed. This sudden turn of events bringing an anti-climactic end to the expectations of retirees brought anguish to many and even anger to some. All along every one was led to believe that resolution was within sight in respect of major issues concerning retirees and serious efforts were afoot to find a meeting ground to overcome the vexed question of costing and not a communication from UFBU or from any of its constituents gave an inkling that Bipartite settlement would be signed without agreement on any of the pension related issues. Even

when MOU was signed it was expressly stated that other issues in the Charter of Demands would be discussed for concluding the X Bipartite settlement within 90 days. Retirees' issues formed very much a part of the Charter of Demands and the mandate IBA got from individual banks did not expressly exclude these issues.

In fact, the circulars issued by unions after holding of meetings with IBA invariably indicated strong positive orientation towards taking up issues of retirees viz. 100% DA neutralization to pre 1/11/2002 retirees, updation of pension, extension of another option of pension to resignees, group mediclaim policies etc. From time to time, it was also made known in very many public fora that IBA was inclined to accept demands of increased family pension and 100% DA neutralization in line with RBI and that IBA though sympathetic was raising the issue of cost in relation to our demands of "updation" but at no point of time a contrary view of IBA negating any of these issues was indicated.

We also played our role to complement the efforts of the UFBU. You all made a success of all our organizational action programs of holding rallies/demonstrations in different parts of the country. We represented our case to IBA/Secretary DOFS, GOI/Finance Minister etc. With a view to keeping in focus our issues as the Bipartite talks were drawing to a close, we launched a massive action program of public demonstrations at various centres across the country and submission of representation by State Units of AIBPARC to all CMDs/MDs/CEOs of Nationalized Banks and Private Sector Banks. We were also lobbying with politicians, parliamentarians, Ministers and bureaucracy. Our General Secretary & President went full steam and put to full use all their contacts.

When it became clear that the issues of retirees would find no place in the Bipartite Settlement barring a marginal relief in Medical Aid, we wanted to make sure that retirees' issues did not go away from negotiation table. We did not want to react on impulse. We did not want to indulge in antics and rhetoric but wanted to ensure IBA is bound to keep the issues alive for discussion. We were successful in persuading AIBOC to get the issues of retirees recorded for resolution by further negotiation.

There is widespread criticism about the Record Note and it is perceived by some that it has doomed the hopes of retirees forever leaving no room for settlement of these issues. IBA's contention that there is no contractual relationship between Banks and Retirees and hence the retirees have no vested right to raise any demands after retirement is perceived as the most damning part of its response. This response has created a tide of protest and understandable outrage among the retirees. Having taken such a position IBA went on to record, however, its sympathy but cost coming in the way of implementing uniform family pension, pension updation, pension upgradation uniformly by merger at 4440 index points and sub-judice coming in the way of implementing 100% DA neutralization. IBA has not closed the doors though entry for the present is prevented on the pretext of costing. Unions have rightly responded to come with their costing to gain entry and we will endeavour to make the best out of this situation. With this perception over the Record Note, AIBPARC considers it an opportunity to commence the next phase that shall be the final phase resolving all our issues satisfactorily.

We differ with IBA's perception over the nature of relationship between retirees and banks on these issues. **But this is not a new stated position of IBA. In fact, it is the known and stated position of IBA in all the cases pending before various high courts and Supreme Court. In all these cases, IBA has been maintaining that there is no contractual obligation to accept any of the above demands.** When this is the stated position of IBA before courts, it is naïve to expect IBA to have a different position at the negotiating table. IBA has reiterated its position because AIBOC, the only negotiating union asserted these are rights of retirees and in fact submitted to IBA in writing that Pension Updation is mandatory as per Reg.35(1) of Pension Regulations. On the contrary one major constituent of UFBU is on the same page with the IBA as we all know that this constituent in its letter to the Finance Minister admitted to the detriment of retirees that there was no provision for pension updation in Pension Regulations and has been maintaining that matters being sub-judice are impediments to their resolution. Be that so, the UFBU as a collective body was able to commit IBA to have the issues on the negotiating table albeit as welfare measures and subject to agreement on cost estimations. **So the door is not shut but the door is wide open – If we are able to convince these issues are our entitlements and rights then IBA by implication agrees to their implementation irrespective of cost, else IBA is open to consider them as welfare measures on humanitarian grounds subject to unions satisfying it about cost implication. We have done our costing and it shows the cost of all the issues do not require anything more than what is being now contributed to the pension corpus. PENSION CORPUS HAS TO BE EXHAUSTED AT THE END WHEN THE LAST PENSIONER UNDER THIS DEFINED BENEFIT PENSION SCHEME BREATHES HIS LAST.**

THEREFORE, THERE IS NOT GOING TO BE EXTRA COST ON ACCOUNT OF THESE ISSUES BECAUSE THE PENSION CORPUS APART FROM THE YIELD OUGHT TO BE MADE AVAILABLE TO MEET THE COST IN THE LONG RUN.

Action plan:

In view of what has been told in para Nos. 1-5, we shall declare our organizational action plan which will be long and time consuming by the end of July, 2015. Members are requested to hold patience for a few days only. This is required to finalise our stand in the meeting of the Governing Council first and then to explore the possibility of evolving out joint action programmes if otherwise consensus can be arrived at. In case, however, no consensus can be reached at, we shall be going in our own way. Members may keep rest assured that no stone will be left unturned to achieve the goals.

With best wishes,

Sd/-

(S. R. SEN GUPTA)

GENERAL SECRETARY”

Text of AIBOC Letter No.IBA/2015/68 dated 12.06.2015 addressed to The Chairman, IBA:

“Sir,

**RE: JOINT NOTE ON SALARY REVISION FOR OFFICERS RECORD NOTE
ON THE ISSUES OF BANK RETIREES**

We invite reference to the Record Note dated 25.05.2015 jointly signed by the representatives of IBA and all the 9 Unions/ Associations of Bank Employees/ Officers on the issues pertaining to Bank Retirees along with Joint Note on Salary Revision.

2. While the above Record Note incorporates some of the demands of Retirees referred to in the Charter of Demands and discussed by officers organization with IBA during the process of discussion and IBA's response there to, we would like to put the records straight by furnishing in brief our view point as under on IBA's response:

- a) At the outset we do not accept that no contractual relationship exists between Banks & Retirees and that their demands can be examined only as a “Welfare Measure”. We maintain that payment of Pension cannot be construed as a mere Welfare Measure. As a matter of fact, there are several court judgments upholding that pension is a deferred portion of the compensation for the service rendered. In landmark “Narkara Case”, the Hon. Supreme Court has held that “Pension is a statutory, inalienable, equally enforceable right that has been earned by the sweat of brow. As such it should be fixed, revised and modified/ changed in the ways not entirely dissimilar to the salaries granted to serving employees.”
- b) Besides, the Pension Regulations have been framed under section 19(1) of Banking Companies (Acquisition & transfer of undertakings) Act 1970/1980 and as such the relationship between Banks & Retirees is a statutory one.
- c) Officers' Service Regulations/ Bi-partite Settlement provisions for workmen, inter- alia, provide for post- retirement benefits including Pension/ PF/ Gratuity etc. These are in the nature of statutory obligations on the part of Banks. In these circumstances, how can it be inferred that there is no contractual relationship between Banks & Retirees/ Pensioners? Moreover in case of officers, Officers' Service Regulations/ Disciplinary Rules providing for disciplinary proceedings after retirement will lose the test of validity before law in the absence of contractual relationship.
- d) Like wise in the absence of any contractual relations with Pensioners, clause 48 of the Pension Regulations 1995 i.e. right to proceed against retired employees will also not have any sanctity.
- e) As regards comparison with Central Government Pension Scheme, we specifically bring to your notice that Pension Regulations under the head Residuary Provisions, specifically stipulates that “in the matter

of application of these Regulations regard may be had to the corresponding provisions of Central Civil Services Rules 1972 or Central Civil Services (Commutation of Pension) Rules 1981 applicable for Government Employees with such modifications as the Bank with previous sanction of Central Government, may from time to time determine". It is clearly understood that Bank Employees Pension Scheme has been drawn primarily on the basis of Pension Scheme applicable to Central Government Employees/ RBI Employees. Hence comparison with the Central Government Employees pension Scheme is not out of Place.

3. Referring to IBA's response to the demands referred to in the Record Note, we have to state as under:

- a) While on several aspects of pension improvement, IBA has been repeatedly forwarding the plea of cost burden but at no point of time during negotiations, authentic data has been presented in support of its contention. On the contrary, authentic pension fund data categorically reveals that as on 31.03.2014, the corpus of Pension Fund stood at about Rs.1,14,000/- crores. More importantly Pension Funds of Banks are in surplus consecutively over the years and such surplus is growing year by year despite the fact that Banks have failed to provide for the required sum in pension funds as agreed in Bipartite Settlements. Under these circumstances, demands of retirees for improvement in Family Pension in line with RBI, 100% DA neutralization to pre Nov 2002 retirees as also updation of Pension, cannot be delayed/denied.
- b) We may point out that Bank Employees Pension Regulations specifically provide for updation of Pension. We invite reference to Regulation 35 (1) thereof which reads as under; "Basic Pension and additional pension wherever applicable shall be updated as per formula given in Appendix I" As a matter of fact, such updation has already been given effect earlier for the pensioners retired prior to 01.11.1987, who were positioned on par with retirees under 01.11.1987 Wage Settlement. In view of the above, updation of Pension has a statutory basis and it becomes a statutory obligation.
- c) In the matter of 100% DA neutralization for retirees prior to 01.11.2002 for which IBA was positive during discussion, there have been several speaking judgments and favourable court orders. Though the matter is still sub- judice, IBA should settle the matter positively so that the expensive litigation can be put to rest once and for all. But waiting for conclusion of court proceedings will only add to the delay denying justice to pensioners who are above the age of 72-75 years and are anxiously waiting for the justice.
- d) The issue of Pension to leftovers also a vital one. The category of those retired compulsorily and the resignees have been denied benefits due to strict interpretation of instructions from the Government in June, 2012. Existing Pension Regulations categorically provide for pension to those compulsorily retired from service. Denial of pension option to them is violative of the very existing Pension Regulations itself. Denial of Pension option to Resignees has also been tested through litigation and several judgments including the one in Vijaya Bank Case, is a clear pointer that they cannot be denied pension after the stipulated period. In fact consequent upon such court verdict, several resignees have already been conceded the benefit of pension option. It is also pertinent to note that the number of those retired compulsorily as also those resigned from Banks (after putting in requisite pensionable service) is very small and the cost cannot stand in the way of extending benefits to them.
- e) Apart from the above, there are still several issues of pension, which need to be discussed and sorted out.

We, therefore, request you to take a positive view and hold discussion on all the issues of retirees on the basis of authentic facts, data and figures. On our part, we are also willing to exchange facts and figures so that a meaningful dialogue can take place with a view to resolving these issues.

We look forward to your early response.

Thanking you,

Yours faithfully,
Sd/-
(HARVINDER SINGH)
GENERAL SECRETARY"