



Record Note of Discussions between Indian Banks' Association and United Forum of Bank Unions on the issues and demands relating to retirees of the Banks held on 25th May, 2015 at Mumbai.

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 detail on various occasions during course of negotiations on the Charter of Demands. IBA maintained that any demand of retirees can be examined only as a welfare measure as **contractual relationship does not exist between banks and retirees**. The periodic wage revision exercise based on mandate from member banks cover 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.


Referring to repeated comparison of pension scheme in banks to Government pension scheme, IBA stated that while the Government 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. As such there is no provision for updation of pension in banks. **Financial implications will need to be fully examined before any change in benefits payable to pensioners can be considered..** The following table gives the details discussion/ conclusion reached on various issues raised:


Issues raised by the United Forum of Bank Unions	Response of the Indian Banks' Association
LFC and Hospitalization reimbursement should be extended to retired bank employees/officers	A revised hospitalisation/medical expenses reimbursement scheme is being finalised for the in service employees and officers and the benefit of the coverage of this same Scheme would be extended to retirees also subject to the condition that the cost of the insurance premium under the Scheme would be payable by retirees. Extending Leave Fare Concession facilities to the retirees is not possible.
Revision in the rates of Family Pension on the same lines of the Central Government scheme and RBI scheme	While the IBA is sympathetic to the issue, the cost involved is significant and unaffordable at the present juncture. IBA will examine cost implications and sustainability of each bank, at a future date.
Extending Dearness Relief at 100% compensation to all pre-November, 2002 pensioners as in the case of post November, 2002 retirees.	Firstly, the matter is sub-judice as certain cases on this issue are pending for a decision with Supreme Court. As such, IBA cannot take a decision on this issue at this stage. From a humanitarian point of view, IBA may examine

Issues raised by the United Forum of Bank Unions	Response of the Indian Banks' Association
	feasibility of providing 100% dearness relief neutralization to pre- November retirees based on a detailed costing exercise.
Upgrading the Basic pension of all the pensioners at the common and uniform index of 4440 points.	IBA would examine the cost implications and sustainability of member banks..
Updation of pension for all existing pensioners and family pensioners	In view of the huge additional cost involved in funding the Pension Fund as per the requirements of AS-15-R, it would be impossible to consider this demand. Unions suggested for collecting the details of the pensioners and ascertaining the actual cost, so that a solution may be worked out.
Periodical updation/ improvement in pension along with occasions of wage revision of in-service employees on the lines of the Central Government.	This being a funded scheme in lieu of contributory PF. As it is, banks are contributing several times the statutory PF contribution towards funding pension scheme every year. Hence providing for periodic updation is not possible as this will have serious impact on the working of banks
Uniform percentage of allocation from Welfare Fund towards schemes pertaining to retirees	Government guidelines permit banks to provide benefits to retirees out of welfare funds. This may be taken up at the bank level

 
For Indian Banks' Association

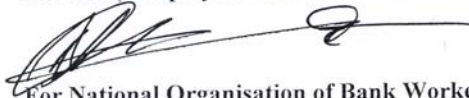

For All India Bank Employees' Association


For National Confederation of Bank Employees


(Mr. ANKUR)



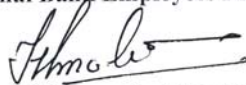
For Bank Employees' Federation of India



For National Organisation of Bank Workers



For Indian National Bank Employees Federation



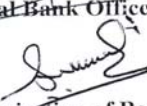
For All India Bank Officers Confederation



For All India Bank Officers Association



For Indian National Bank Officers Congress



For National Organisation of Bank Officers

MUMBAI:

DATE: 25th May, 2015



Indian Banks' Association

Chief Executive

HR & INDUSTRIAL RELATIONS

No.HR&IR/KU/GOVT/G2/6406

August 6, 2012

Shri Umesh Kumar
Joint Secretary (BA)
Government of India
Ministry of Finance
Dept. of Financial Services
(Banking Division)
Jeevan Deep, Parliament Street
New Delhi 110 001

Dear Sir,

Denial of 2nd Option of Pension for Officers who took Voluntary Retirement from PSBs

This has reference to your D.O. letter No.10/30/2/2010-IR dated 25.7.2012 addressed to the Chairman, IBA.

We had placed the communication before the Managing Committee at its meeting held on 31st July, 2012. The Committee deliberated at great length on the issue and decided to reiterate and explain the stand taken earlier on this issue vide IBA's communication dated July 11, 2012 as under :-

1. The term 'retirement' is defined under Clause 2(y) of Bank (Employees') Pension Regulations, 1995 and among other things states as under :
 - (a) "on attaining the age of superannuation specified in Service Regulations or Settlements." IBA circular dated 10.8.2010 used the word 'superannuation' in this connection only.
2. (a) The agreement/Joint Note dated 27.4.2010 for extending another option for pension to the non-optees clearly indicates the categories of employees eligible for another option. Employees who voluntarily retired in terms of Rules framed under Regulation 19(1) of Officers' Service Regulations were not included as eligible.

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We may further clarify that -

- (1) Rules under Regulation 19(1) has not been framed by all PSBs
 - (2) Even in banks where rules are framed, the eligibility varied for e.g. while in some banks 20 years of service enables VRS, in some other it is 30 years.
 - (3) The concept of VRS is not there in the award staff cadre.
 - (4) Inclusion of VRS would give rise to demands from all those who resigned or compulsorily retired after putting in 20 years of service. Members of UFBU appreciated the explanation during negotiations and the issue was not escalated.
 - (5) The member banks had implemented the Agreement / Joint Note and not what is contained in the IBA's covering letter.
- (b) Any interpretation of the Agreement/Joint Note dated 27.4.2010 or changes in the contents of the agreement cannot be considered unilaterally by the Indian Banks' Association as this could result in claims from other quarters viz. resigned employees, compulsorily retired employees, dismissed employees etc.

The Managing Committee also emphasized that the sanctity of Joint Note executed by Management/Unions/Association should not be reopened under any circumstances during the currency of the agreement. If the spirit of DFS communication is to extend pension option to those who retired under VRS, the right thing would be to hold discussions with UFBU at the time of the next Settlement and make it a part of 10th Bipartite Settlement.

We trust we have clarified the position.

Yours faithfully,


K Ramakrishnan

Service Regulations or Settlements." situation in this connection only.

2. (a) The agreement/Joint Note dated 27.4.2010

From:

S. Ramachandran
Former General Manager, Bank of Baroda,
Former Chairman & CEO, The Sangli Bank Ltd.
(Now merged with ICICI Bank Ltd)
Former Administrator, Madhavapura Mercantile
Co-Op Bank Ltd (Ahmedabad)
Former Director General, Maratha Chamber of
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BY SPEED POST

Date :28thMAY'2015

MOST URGENT

To

Shri Hasmukh Adhia,
Secretary, Departmental of Financial Services,
Ministry of Finance, Jeevan Deep Building,
3rd Floor, 10, Parliament Street,
New Delhi -100001.

DEAR SIR,

**SUBJECT –UNCONSTITUTIONAL AND NEGATIVE ATTITUDE OF IBA AND UFBU TOWARDS RETIREES
EXPOSED-POINTWISE REJOINDER TO RECORD NOTE OF DISCUSSION OF IBA AND UFBU RELATING TO
RETIREES ISSUES**

This is in reference to the Record note of discussion between Indian Bank's Association and United Forum of Bank Union on the issue and demands relating to retirees of Bank's held on 25th May, 2015 at Mumbai. On the face of it, it is quite evident that the record note has been prepared as an afterthought only with a view to show that the UFBU has taken up the issues of retirees with all seriousness. However, the record note reveals very distinctly the cover up operation and the nexus between the two parties in belying the long standing demands of retirees. I have furnished hereunder my considered views on various averments of the record note:

Sr.No.	AVERMENTS OF THE IBA	My OBSERVATIONS
1.	IBA maintained that any demands of retirees can be examined only as a welfare measure as contractual relationship does not exist between banks and retirees. The periodic wage revision exercise based on mandate from member banks cover 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 settlement.	At the outset, it is unfortunate that the Bankers who are represented in the Personnel committee of IBA are making such prefatorial statements in the Joint Note 2 without understanding its implications and without questioning the wisdom of officials of IBA who have framed these opening remarks. Worse still is the uncontested manner in which the UFBU "leadership" has accepted these prefatorial remarks without even recording their views on it. Besides indicating their bankruptcy of mind, it also shows degree of collusion between the parties to the joint note 2. Now I proceed to give my detailed observations as under: 1. I strongly object to the usage of the word " Welfare measure " for Pension and Pension related issue. The world over, Pension and its related issues are considered as " Social security measure " and not as a " Welfare measure " which has the connotation of giving some benefits out of gratis, charities or a public aid. We the pensioners are not beggars to seek alms from IBA. Please visit any site on Pension including the PFRDA and Government of India site, or read any judgment of Supreme court, you will see that Pension is considered

		<p>a social security measure and not as a welfare measure and when you consider it as a social security measure, it encompass the whole “life” and not restricted to the age of retirement. They are also called as retirement benefits and superannuation benefits and encompasses provident fund, gratuity and pension scheme. Pension Scheme in particular is in the form of guaranteed life annuity thus insuring against the risk of longevity and inflation.</p> <p>2. We may in this connection point out that the antiquated notion of pension being a bounty a gratuitous payment depending upon the sweet will or grace of the employer not claimable as a right and, therefore, no right to pension can be enforced through Court has been swept under the carpet by the decision of the Constitution Bench in Deoki Nandan Prasad v. State of Bihar & Ors. (1) where-in the Supreme Court authoritatively ruled that pension is a right and the payment of it does not depend upon the discretion of the Government but is governed by the rules and a Government servant coming within those rules is entitled to claim pension.</p> <p>3. Summing up the judgment in the case of S.P.Gupta Vs Union of India, the Supreme court stated that :</p> <p>“ it can be said with confidence that pension is not only compensation for loyal service rendered in the past, but pension also has a broader significance, in that it is a measure of socio-economic justice which inheres economic security in the fall of life when physical and mental prowess is ebbing corresponding to aging process and therefore, one is required to fall back on savings. One such saving in kind is when you gave your best in the hey-day of life to your employer, in days of invalidity, economic security by way of periodical payment is assured. The term has been judicially defined as a stated allowance or stipend made in consideration of past service or a surrender of rights or emoluments to one retired from service. Thus the pension payable to a Government employee is earned by rendering long and efficient service and therefore can be said to be a deferred portion of the compensation for service rendered. In one sentence one can say that the most practical raison d'etre for pension is the inability to provide for oneself due to old age. One may live and avoid unemployment but not senility and penury if there is nothing to fall back upon.</p> <p>4. Further, in the case of <i>M.R.Prabhakar & Ors. vs</i></p>
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		<p><i>Canara Bank & Ors.</i> on 3 October, 2012 ((2012) 9 SCC 971), it has been clearly enunciated that voluntary retirement maintains the relationship for the purposes of grant of retiral benefits, in view of the past service. On account of maintaining the relationship for the purposes of retiral benefits, second option to retirees was given. Moreover, in the relationship is between the banks and retirees, the IBA and constituents' of UFBU are privy to the relationship between the parties and they have no locus standi to say that there is no contractual relationship between banks and retirees. On account of such contractual relationship, monthly pension is being paid to retirees. Retirees demands are not welfare measures, they are made as per the existing regulations. Payment of pension is not welfare measure, it is for the past work done to the organization/country. In <i>Nakara case</i>, it has been held that Pension is their statutory, inalienable, equally enforceable right and it has been earned by the sweat of their brow. As such it should be fixed, revised and modified and changed in ways not entirely dissimilar to the salaries granted to serving employees. (1983 LLI 0101 SC)</p> <p>5. Therefore to term the Pension and pension related issues as “ welfare measure” is not out of ignorance of IBA but a deliberate attempt to mislead the retiree which has been accepted by our great netas willingly.</p> <p>6. Now on the statement of IBA that contractual relationship does not exist between banks and retirees, I have to state that it is a well established fact on account of various judicial pronouncement that Pension is only a deferred portion of the compensation for service rendered. Bankers have worked hard beyond normal working hours which fact cannot be denied as the Association leaders have been demanding for fixed working hours or alternatively compensation. The demand for holiday on Saturday is a culmination of this demand. Thus, bankers have toiled hard, given their brain, brawn and blood during their hey-days and hence pension is only a compensation for their loyal service. Therefore, the contractual relations extend beyond the date of retirement. It is for the reason that Pension is a deferred compensation that DA component is added to it and adjusted every quarter/half yearly.</p>
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		<p>7. If there is no contractual relationship with the retirees, why is that the Government of India is considering “one rank, one pension” issue of thousands of Armed Forces personnel? Is it not that there is periodic updation of Pension of Government servants? Is it not that Pension Adalat are functioning at various centres to resolve the issues of retirees? Is it that Government of India is ill-advised by a battery of legal luminaries to consider pension related issues of pensioners? In fact, IBA way back in March 2009 had issued a circular to all the Public Sector Banks, based on Government of India directive to establish a grievance cell to address the grievances of retirees. A Further, in the same circular, PSBs were advised to holding discussions with representatives of the Association of Retired Employees periodically say once in a half year so that grievances can be settled across the table. All the above acts of the government clearly and categorically lead us to only one thing that the Government in its wisdom has given due credence to the judicial pronouncements and has considered it necessary to continue its obligation towards the retirees by way of improvements in pension/ family pension and so on. When this is the fact, the moot question is that – is the wisdom of those who govern the country less than that of IBA when they state that there is no contractual obligation post superannuation? Further, so far banks have not adhered to the issue of holding periodical meetings with Retired officers association.</p> <p>8. In fact Pension and the Pension Trust is the umbilical cord that sustains the contractual relationship of an employee post retirement.</p> <p>9. Further, If there are no contractual relations of an employee with the Bank post retirement, then why is that the IBA is discussing Wages and service conditions issues with majority of Union and Association leaders who are retirees although they may be representing their unions and associations.? Arguing further, whether Public Sector Banks have given the mandate to discuss Wages and Service conditions issues with retirees? Going by the same logic, IBA should take the stand that they would discuss wages and service conditions issues only with serving employees. IBA could have just followed SBI’s stand of discussing service condition matters only with serving employees. The fact of the matter is that IBA</p>
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		<p>has a set of unprofessional people with old mindset and negative frame work of mind who do not know the difference between a Superannuation /retirement benefit / social security measure and welfare scheme and worst of all they do not want to see the issues in a broader canvass. They are cosy in dealing with these “re-tired” netas who have neither the time to apply their mind nor do they understand the law of the land leave alone various decision of the courts on the issue.</p> <p>10. We may further point out that the Board of LIC as well as RBI has considered the issue of updation of pension and have recommended to the Government for consideration. Does it mean that LIC Board has acted without understanding the issue of “contractual relationship”?</p> <p>11. PSBs represented by IBA should act responsibly as a representative of model employer rather than discarding all the Pensioners in the same manner in which some children discard their parents once their purpose is over.</p> <p>12. Pension fund which is primarily for the benefit of pensioners is being managed without any representation from pensioner. Sometimes the pension fund yielded negative return due to wrong investment strategy adopted by trustees and who is responsible for this irresponsible investment strategy ? If there is no contractual obligation then why our (retirees)demands were included under “CHARTER OF DEMANDS” by UFBU AND OFFICERS CONFEDERATION?</p>
2.	<p>Refereeing to repeated comparison of pension scheme in banks to Government pension scheme, IBA stated that while the Government 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. As such there is no provision for updation of pension in Banks. Financial implications will need to be fully examined before any change in benefits payable to pension</p>	<ul style="list-style-type: none"> • I am happy that IBA has admitted impliedly that there is a need for the Banks to make provision for various pension related issues whereas the Government doles out money for pension related issues out of Budgetary allocation. • Why there cannot be any comparison of pension scheme in Banks to Government pension scheme when the entire Pension Regulation introduced in PSBs is based on Government Pension Scheme. In fact the residuary provisions of PSBs pension scheme states as under : <p>Residuary provisions - In case of doubt, in the matter of application of these Regulations, regard may be had to the corresponding provisions of Central Civil Service Rules,1972 or Central Civil Services (commutation of pension) Rules, 1981 applicable for Central</p>

		<p>Government employees with such exceptions and modifications as the Bank, with the previous sanction of the Central Government, may from time to time, determine.</p> <ol style="list-style-type: none"> 1. Now on the issue of “Financial implications” and “adequacy of Funds”: – on this issue we have to refresh the memories of our bankers is that even before the introduction of Pension scheme, IBA was singing the same song of “huge financial implications”, PSBs going to red etc., but see what has happened. The Pension scheme has been introduced, trusts have been established and provisions for pension fund based on actuarial calculation are being made. 2. Further, IBA has been raising this bogey time and again without putting on table what is the financial implications. It is rather unfortunate that the UFBU has also been buying this argument over the years. On the other hand, the undersigned have given the details of the Pension fund position as on 31-3-2014 of public sector banks in my letter dated 24th Feb,2015 which is already in the Public domain. The IBA or the UFBU or any authority should contradict the same with cogent reasons and come out with their figures. Nothing of sorts is happening other than making statements in the air. 3. The IBA had ample time and resources at its command to gather this information for over more than 4/5 years yet they have chosen to make such statements. Infact, immediately after the demands relating to retirees were made, IBA should have got the data but they have chosen to keep quiet for more than 900 days for obvious reasons. 4. Further, is it not true that PSBs have been lending to unscrupulous borrowers like Mr. Vijaya Malaya, Winsome Diamond and a host of others under political influence or pressure from the top management of the Bank? Is it not true that PSBs have taken over accounts from other smaller PSBs under instructions of CMDs with increase ranging between 15 to 25 % knowing very well that these accounts are already showing signs of NPAs? Is it not true that many of these accounts have been restructured within short span of time and are potential NPAs for which provisions have to be made if not today, tomorrow? Are we not aware of the fact that some of the CMDs have worked only to manage the Balance Sheet in order to show to the Ministry of
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		<p>Finance of their performance and pocket the incentives in lakhs? Are we not making provisions for willful defaulters in good measure? The irony of the situation is that those who are looting the PSBs are enjoying the funds whereas those who have toiled hard giving their brain, brown and blood are being discarded with the statement that there is no “contractual relationship, inadequacy of funds etc., The worst part of this irony is that the leadership of UFBF is accepting these ludicrous averments of IBA without even a whisper.</p> <p>5. See the meek manner in which IBA succumbed to the oral diktats of former Finance Minister when the issue of payment of Pension to those who were elevated as EDs and CMDs. The IBA floating all the rules issued instructions to PSBs to pay the Pension without raising any attended queries.</p> <p>6. Now understand why the UFBU leaders have meekly accepted these statements from IBA. This is because, the Workmen Directors and Officer’s Directors on Boards of PSBs barring few have been a silent spectators to all the rot that is going on in PSBs. They have been enjoying the benefits of being a Directors and in some case these Directors have been pampered with by these Chairman. Hence, the result is obvious. You and I have to suffer for some one’s inefficiency – read enjoyment of benefits.</p>
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My OBSERVATIONS ON THE ISSUES RAISED AND THE REPLY OF IBA

On LFC and Hospitalisation	Hospitalisation scheme would be extended to retirees also but subject to the condition that cost of the insurance premium would be payable by retirees.	In RBI Group Insurance policy grade wise is available with ceiling in limits; such a scheme is required without payment of insurance premium as available in RBI. On LFC parties cannot take arbitrary decision; Even in case of Government Employees, Medical facilities are available post retirement. The need for Hospitalisation is more pronounced since officers of the Bank work under stressful conditions taking huge risk which is reflected in the form of health issues post retirement. This fact is admitted by even the UFBU.
Family Pension	While the IBA is sympathetic to the issue, the cost involved is significant and unaffordable at the present juncture. IBA will examine cost implications and sustainability of each bank, at a future date.	Here again, IBA has not come out with facts and figures. Future date should be certain and it cannot be vague. Improvement in Family pension is implemented in RBI. Our scheme is on the lines of scheme available in RBI and Government. So this need not be discussed, as it is already settled issue and it should be implemented from the effective date as the date of implementation in RBI.
100% D A Relief	Firstly the matter is sub-judice as certain cases on this issue are pending for a decision with SC. As such IBA cannot take a decision at this stage. From a humanitarian point	This issue is implemented in RBI. Our scheme is on the lines of scheme available in RBI, so this need not be discussed, as it is SETTLED ISSUE and it should be implemented from the effective date from FEB 2005 as the date of implementation in RBI. They have to refer the clause 12 of the pension settlement dated

	of view, IBA may examine feasibility of providing 100% dearness relief neutralisation to pre-November retirees based on a detailed costing exercise	29.10.1993, which says that, Provisions will be made by a scheme, to be negotiated and settled between the parties to this Settlement by 31 st December, 1993 for applicability, qualifying service, amounts of pension, payment of pension, commutation of pension, family pension, updating and other general conditions, etc. on the lines as are in force in Reserve Bank of India. Another ridiculous stand how can they mention “subjudice” when in the past “Revision in pension” and “Five year notional service” and “2 ND option for pension “were implemented when the relative matters were “SUBJUDICE”?
On upgrading the Basic pension at the common and uniform index of 4440 points	IBA would examine the cost implication and sustainability of member banks.	Section 10 (7) Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 says “ After making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and all other matters for which provision is necessary under any law, or which are usually provided for by banking companies, a corresponding new bank [may out of its net profits deal are a dividend and retain the surplus if any.] ” That is to say, our issues of superannuation funds has prior charge over net profit. Provisions for advances, depreciation on assets and other provisions are made automatically without noise in the banking industry by banks and sustainability of individual banks is thought of at this juncture, when the question of retiral issues of superannuation funds comes IBA ad UFBU make big noise and talk without the base of legal plat form.
Up gradation of pension for all existing and family pensioners	In view of Huge additional cost involved in funding the Pension Fund as per the requirements of AS-15-R, it would be impossible to consider this demand.	Section 10(7) Banking companies (acquisition and transfer of undertakings) act 1970 and settlement dated 19.10.1993 para 10, prevails over the Accounting Standard – 15 [Revised 2005]. Hence there is no meaning in the stand of IBA and UFBU. What is the huge additional cost is not quantified, without such quantification; the argument/stand of the signatories will not survive the test of law. I also do not understand as to why they kept quite for more than 900 days during which period IBA could have easily collected this information from banks
Periodical updation improvement in pension along with occasions of wage revision of in-service employees on the lines of central government.	This being a funded scheme in lieu of contributory PF, as it is banks are contributing several times to statutory PF contributions towards funding pension scheme every year. Hence providing for periodic updation is not possible as this will have serious impact on the working of the banks.	<p>My observations as above on affordability etc remains the same on this issues. Section 10(7) Banking companies (acquisition and transfer of undertakings) act 1970, says, after making provision for bad and doubtful debts, depreciation on assets, staff cost and superannuation benefits, other provisions required under law, net profit can be used for payment of dividend to the owners. The import of the above is that :</p> <ol style="list-style-type: none"> 1. Provision is to be made for bad and doubtful debts, whereas after the reforms and as per IRAC provision is to be made on sub standard assets also. Legally speaking, provision on sub standard is an additional stress on the profits. 2. Further provision is made on standard assets also as per international standards and that is also additional stress on the profits. 3. Depreciation on assets is to be made, 4. other provisions as per law to be made, <p>That is 1 to 4 above are automatic and compulsory and at the time of making automatic and</p>

		<p>compulsory provision on the above 1 to 4, nobody talks about sustainability of banks. Sometimes provisions have eroded the reserves and capital and central government has pumped in additional capital from the resources of tax payers.</p> <p>5. When staff cost and superannuation cost, is to be made, this is the struggle the pensioner has to make, when his legal right is to be enforced.</p>
	Government guidelines permit banks to provide benefits to retirees out of Welfare Funds. This may be taken up at the bank level.	<p>First of all banks have to entertain discussion with representatives of retirees and their representative should be on the board of welfare fund. In Bank of Baroda, Welfare fund is misused for payment of canteen subsidy to in service employees against the central government guidelines. The one of the signatories of this Record Note of Discussion is from Bank of Baroda, is well aware of this illegal payment. But he maintains silence against his own conscience.</p>

It is high time that pensioners are given representation in Pension Trust, Welfare committee and in the negotiating committee so as to ensure that the interest of pensioners are not short shrift. It may be further noted that inspite of clear cut direction from your department to IBA to negotiate the retirees demands with the representative of the Apex retirees organization IBA did not call the retirees organization representative in blatant violation of your organization and released the record note of discussion on retirees issue on 25-5-2015. For the above disrespect to your direction stern action needs to be initiated against the Chairman , CEO and Personal Committee members of IBA

In the light of what has been stated above I request you and the Hon'ble Finance Minister to give direction to IBA AND CMDS OF PUBLIC SECTOR BANKS to resolve all the pensioners issues which are included in the "charter of demands" as stated above immediately and at the same time the resignees and the CRS be granted 2nd pension option to those who have completed 20 years of service in the bank

Thanking you,

Yours sincerely

S.RAMACHANDRAN
PENSIONER SENIOR CITIZEN,
AGE 77 YEARS, FORMER GM BANK OF BARODA,
And on behalf of thousands of affected retirees.

CC:

1. SHRI ARUN JAITLEY,
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MINISTRY OF FINANCE,GOVT OF INDIA,
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3. THE CHAIRMAN,
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5. DR RAGHURAM RAJAN,
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FOR INFORMATION AND NECESSARY INTERVENTION PLEASE

S. Ramachandran
Former General Manager, Bank of Baroda,
Former Chairman & CEO, The Sangli Bank Ltd.
(Now merged with ICICI Bank Ltd)
Former Administrator, Madhavapura Mercantile
Co-Op Bank Ltd (Ahmedabad)
Former Director General, Maratha Chamber of
Commerce & Agriculture, Pune.

Kunal Icon, Building -A8
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BY SPEED POST

Date :18th June'2015

MOST URGENT

To
Shri Hasmukh Adhia,
Secretary, Departmental of Financial Services,
Ministry of Finance, Jeevan Deep Building,
3rd Floor, 10, Parliament Street,
New Delhi -100001

Dear Sir,

SUBJECT- STATEMENT RECORDED IN RECORD NOTE OF DISCUSSION OF IBA AND UFBU DATED 25-5-2015 RELATING TO PENSIONERS ISSUE- IS IT TRUE AND WHETHER IT IS REQUIRED? THAT "THE PERIODIC WAGE REVISION EXERCISE BASED ON MANDATE FROM MEMBER BANKS COVER ONLY WAGES AND SERVICE CONDITIONS OF SERVING EMPLOYEES "

This has reference to my letter dated 28/05/2015 whereby I had highlighted the unconstitutional and perverse approach of Indian Bank's Association (IBA) in dealing with the issues of retirees in the recently concluded wage negotiation with United Forum of Bank Unions(UFBU) , more specifically in respect of the Record note 2 wherein they have stated that the issues of retirees would only be dealt with as a welfare measure since contractual relationship does not exist between the banks and the retirees.

While I have given a detailed response to the above averments as well as other points of the IBA in my above cited letter, I have to state the following in respect of another statement that appears in the prefatorial remarks of the Record note 2 which reads as under:

"The periodic wage revision exercise based on mandate from member banks cover only wages and service conditions of serving employees."

Contextually when you read the above statement of IBA, it is clear and categorical that there is no mandate from member banks for the IBA to discuss issues relating to retirees and therefore, IBA feels that whatever they are doing, it is a "WELFARE MEASURE" flowing out of gratis. How far this statement is true can be seen from the following .

In this context, I have to state the following:

1. The issues relating to grant of Pensionary benefits to Bank employees have been raised by employees organizations from around 1985 onwards and IBA has been discussing these issues since then without raising this bogey of lack of mandate even once;
2. Even at the time of implementation of Pension scheme way back in 1995, not even once the IBA has stated that this retiral benefit is a welfare measure and is being implemented without mandate from the PSBs.
3. Even when the issue of second option was raised in early 2000 and finally agreed upon in 2010, this bogey of lack of mandate to discuss pension related issue was never raised even once.
4. When the 10 BPS became due in November, 2012, and the demands were raised by the UFBU, IBA never raked up this issue for almost 3 years.

5. Further, when the issue of grant and updation of Pension to General Managers who were elevated to the position of ED and subsequently to CMDs position was raked up by a group of CMDs and finally agreed upon by the Ministry of Finance, the issue of lack of mandate from PSBs as well as terming the pensioners issue as a “welfare measure” were not raised by IBA.
6. In fact IBA is well aware of the fact that there is no need for such separate mandate since under Regulation 45 of the Officer's Service Regulation (OSR) below the caption “Terminal Benefits”, Provident Fund, Pension and Gratuity are covered. Thus, when Pension is a part of Officer's service Regulation and the mandate has been given by PSBs to discuss and settle scales of pay and allowances and other service conditions of officers, it is a clear mandate to discuss all issues governing Officer's service condition including pension which is covered under regulation 45 of OSR.
7. OSR being a subordinate legislation, it is statutory for the Bank's to implement the provisions of Pension regulation which includes updation etc., It is a statute since it is enacted under the provisions of Banking companies' (Acquisition and Transfer of undertaking) act 1970/1980 and State Bank of India (Subsidiary Bank) Act. 1959. Right to Pension is founded on contract. The very nature of Pension Regulation extends the contractual relationship between Bank and the retirees. Therefore, there is no need for any mandate from the PSBs which even IBA is aware of.
8. Another aspect to this issue is that the Pension Fund is created in PSBs mainly out of the employers' contributions which were credited to PF fund account of individual employees who were in service as well as from the retirees.
9. If the present statement of IBA that there is no mandate to discuss pensioners issue is to be taken as correct, then how is that they have dealt with Pension issues so far without mandate? Why did they not disclose this for the last 30 years or so? The same officials of IBA were part of the negotiation with the UFBU. Were they sleeping or deliberately kept quiet. Whatever may be reasons, they cannot bring in that bogey which is totally illegal to say the least.
10. The fact of the matter is clear and simple; IBA and the UFBU were in a tight spot since none of the issues of Pensioners were dealt with by them during the recently concluded industry wide settlement. Just only to make a show that they have discussed the issues of Pensioners, a record note has been prepared and signed without application of mind by BOTH THE PARTIES. In the process, IBA and the UFBU have only exposed themselves of illegality even after IBA spending lakhs and Lakhs of rupees of PSBs on seeking legal advice.
11. Being an employer's organization representing mainly the government owned PSBs, IBA should act responsibly as a model employer and stop fooling the Bank employees and the retirees in particular. IBA can fool the leaders who give into their mindless and illegal arguments.
12. The Circular letter dated 12/06/2015 issued by All India Bank Officer's confederation (AIBOC) which is annexed with this letter is categorical admission of what the undersigned has stated in his letter dated 28th May, 2015. The whole truth of the game between IBA and the UFBU is demystified in this letter.

13. Lastly in spite of the above statement of IBA and UFBU which is totally untrue, illegal still the member Banks especially PSBS have not raised any voice against this statement as they are least interested in the welfare of the retirees .

In the contest of the above, it is high time that the Ministry of Finance should intervene to stop the diabolical and perverse approach of IBA in the matters relating to Pensioners .It is also high time for Ministry of Finance TO PROFESSIONALISE IBA after removal of some of those such as Deputy CEO, without any banking experience who are being retained in IBA even after their term is over, who are hobnobbing with the leadership of UFBU.

Thanking you and awaiting your prompt reply.

Yours sincerely,

(S.RAMACHANDRAN)
PENSIONER AND SENIOR CITIZEN
AGE 77 YEARS,
FORMER GM BANK OF BARODA,

CC:

1. SHRI ARUN JAITLEY,
HON'BLE FINANCE MINISTER,
MINISTRY OF FINANCE,GOVT OF INDIA,
NORTH BLOCK,RAISINA HILLS,
NEW DELHI 110001 FOR INFORMATION AND NECESSARY INSTRUCTIONS TO IBA

2. SHRI NARENDRA MODI,HON,BLE PRIME MINISTER,
GOVT OF INDIA,ROOM NO 148B,SOUTH BLOCK,RAISINA HILLS,
NEW DELHI,110001,FOR INFORMATION AND NECESSARY INSTRUCTIONS TO IBA

3. THE CHAIRMAN,
INDIAN BANKS ASSOCIATION,WORLD TRADE CENTRE,
6TH FLOOR,CENTRAL BUILDING,WORLD TRADE CENTREB COMPLEX,
CUFFE PARADE,MUMBAI-400005

4. CMD,BANK OF BARODA,BANDRA KURLA COMPLEX,
BARODA CORPORATE CENTRE,C-26,G BLOCK,BANDRA EAST,
MUMBAI 400051

5. DR RAGHURAM RAJAN,
GOVERNOR,RESERVE BANK OF INDIA ,16TH FLOOR,
CENTRAL OFFICE BUILDING ,MINT ROAD,
FORT,MUMBAI -400001
FOR INFORMATION AND NECESSARY INTERVENTION PLEASE

ALL INDIA BANK OFFICERS' CONFEDERATION

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



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E-Mail: aiboc.sectt@gmail.com

Circular No. 2014/61

Date: 27/09/2014

TO GENERAL SECRETARIES OF ALL AFFILIATES/STATE SECRETARIES

Dear Comrade,

TALKS WITH IBA ON WAGE REVISION

QUOTE:

Further to the last round of meeting held on 17th instant, another round of bipartite meeting was held with the IBA today (26.9.2014). IBA was represented by Shri Rajeev Rishi (CMD Central Bank of India), Chairman of the Negotiating Committee along with other members of the Negotiating Committee. UFBU was represented by all its constituent unions.

In today's meeting there was a detailed discussion on our demand for 100% reimbursement of hospitalisation expenses incurred by the employees/officers and their family members and the group mediclaim scheme offered by the IBA in response thereto. We explained our various apprehensions about the implementation of the scheme and hassle-free reimbursement of claims thereunder. We reiterated that employees/officers should not be required to deal directly with the insurance company or their Third Party Administrators. IBA has agreed and accordingly clarified that even though employees would be covered by the mediclaim scheme, they would continue to submit their claims to the management as hitherto and the reimbursement would be made by the Banks with the improved benefits of the scheme accruing to the employees. IBA also agreed to incorporate the suggestions submitted by the UFBU while finalising the scheme. Hence a broad in-principle consensus was mutually agreed upon and the final scheme would be worked out accordingly on the above lines.

We also raised the following issues during the discussions today:

- Pension related matters i.e. 100% DA on pension for pre-Nov. 2002 retirees, improvement in family pension, provision for periodical updation of pension
- Introduction of 5 days banking / 5 days working
- Regulated working hours for officers

After discussion, IBA informed that they are inclined to favorably consider the demand of 100% DA on pension for pre-Nov. 2002 retirees. IBA further informed that cost aspect on improvement in family pension is being worked out and they would soon take a decision on the same. IBA responded positively on this issue. As regards updation of pension, IBA informed that in view of the high cost involved, it would be difficult to agree to the same. On our insistence, IBA agreed that any viable and affordable proposition from the UFBU in this regard would be examined.

As regards 5 day banking / 5 day working, IBA regretted their inability to accept our demand in the present situation. From UFBU, we insisted on this issue and hence IBA agreed that if a detailed note is submitted to them with the requisite logic and rationale, they would apply their mind afresh on this issue.

On the issue of regulated working hours for officers, IBA was not inclined to agree to the same. However, on drawing their attention to the note submitted by the Officers Organisation, IBA agreed to study the same and react subsequently.

From the IBA, they wanted to know our views and reactions on introduction of cost to company method as well as fixed and variable pay concepts. From UFBU we have reiterated

our standpoint that the same are not acceptable to us. IBA also insisted for limiting the wage revision discussions upto scale III officers instead of upto scale VII which was also declined by us.

On the vital issue of improvement in the offer of IBA over 11%, despite our indication that we would be flexible in our demand, depending on improvements in other areas, IBA has conveyed that they are unable to improve their offer unless UFBU scale down further in its demand considering the financial constraints of the banks. We categorically informed IBA that UFBU would be reasonable and flexible in its approach provided the same is reciprocated by the IBA on the issues raised by us and insisted on IBA to improve their offer to take the negotiations forward. However, IBA was adamant in their stand and did not improve their offer and stuck to their earlier offer of 11%. UFBU expressed its unhappiness over the rigid stand of IBA on improvement.

In the UFBU meeting held subsequently, representatives of all the constituent unions expressed their dissatisfaction and condemned the lackadaisical approach and adamant attitude of IBA and unanimously decided to undertake agitational programmes to press our demands and to expedite the settlement. After deliberations, it was decided to observe One day Protest Strike preceded by the following action programmes:

10.10.2014	BLACK BADGE WEARING
17.10.2014	COUNTRY WIDE PROTEST DEMONSTRATIONS
Between 18.10.2014 and 31.10.2014	ONE DAY DHARNA AT ALL STATE CAPITALS (Date shall be decided by the State Unit of UFBU)
COUNTRY WIDE ONE DAY PROTEST STRIKE	

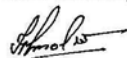
It was also decided that the one day protest strike shall be followed by intermittent and relay strikes as well as indefinite strike. Detailed circular on the date of one day protest strike and other agitation programmes will be issued in due course.

Sd/-
(M.V. MURLI)
CONVENOR
UNQUOTE

Dear Comrades, we have received the reaction from many of you on the outcome of the meeting with IBA. Our Confederation expressed its clear view in the UFBU meeting held on 26th September, 2014, that we want quick and sustained agitational programme against the apathy of IBA and the Government on our just and reasonable demands. We also suggested that our strike call should be for 13th and/or 14th October preceded by programmes like no late sitting, not coming on Sundays and Holidays, Badge wearing, relay hunger strikes, rallies and demonstrations. Undersigned offered the challenge to hold a rally/demonstration on 27th September, 2014 itself at Delhi. However, the above programme only could be decided by the UFBU. We call upon our members to be in preparedness for any call of the UFBU/organization.

With revolutionary greetings,

Yours sincerely,



(HARVINDER SINGH)
GENERAL SECRETARY

PART - IV

*Superannuation Pension, Provident Fund,
Gratuity Etc., including all the benefits
that are to be extended to
retirees in the Banking Industry*

PART IV

SUPERANNUATION BENEFITS:

The employer has an obligation to ensure that the employees having served the institution almost life time are provided adequate superannuation benefits so that they are able to live a life of dignity, honour and above all a comfortable life for having given their blood and sweat to the institution.

The superannuation expenditure cannot be considered as a cost and be made subject matter of negotiations. The compensation paid in the form of superannuation have been described by the highest court of the country as deferred wages paid to all those who served the institution with devotion and conviction for ensuring the prosperity, not only for the institution but the nation as well.

At present, the Banking Industry has provided for the benefit of Gratuity, the Provident Fund or Pension, Leave Encashment at the time of retirement, Medical facilities, and several other welfare facilities.

We strongly feel that there has to be an exclusive and a comprehensive dialogue between the Officers Organisations and IBA as to the improvements that are required to be made in the present superannuation benefits.

PENSION:

The Banking Industry has introduced the Pension Scheme with effect from 1.1.1986 after protracted discussions and negotiations between the Officers' Organizations/unions and the Indian Banks' Association in the year 1993. The Pension Scheme has remained as such since the beginning of the scheme in the Banking industry.

The Government servants have seen two pay commissions during this period and if we consider the date of implementation as 1.1.1986 there have been 3 Pay Commission reports providing very comprehensive improvements in the superannuation benefits to the civil servants in the Government.

The Pay Commissions have taken a very pragmatic view in the last 3 Pay Commission Reports and have made very substantial changes in the scheme. There is a need to take the same view as regards the Pensioners in the banking industry as well.

The periodical review of Pension scheme is the responsibility of the Managements of the Banks. It cannot be tagged to bipartite settlements which has adversely affected the pensioners and ultimately the pension scheme remain as an archaic one in the Banking Industry. As and when there are improvements in the central Govt. Pension scheme, the IBA should invite the negotiating unions and implement the same

Pension consists of the following parts:-

- a. Basic Pension**
- b. Commutation**
- c. Dearness Allowance**

The Basic Pension is calculated on the basis of the last drawn 10 months' average pay by the retirees or the last pay drawn whichever is beneficial to the retiree. The formula has remained the same.

The Government servants have been provided the benefit of updating of pension at periodical intervals to provide sufficient cushion against inflation and cost of living.

Dearness Allowance be converted as Basic Pension as and when the cost of living index increases by about 50%. The Pensioner will therefore have the benefit of enhanced Dearness Allowance and it provides a small cushion against the inflation.

The other method adopted by the Government is to bring all the pensioners on a uniform scale by merging the Dearness Allowance at the time of revision as recommended by the Pay Commission. The facility of upgradation of pension above the age of 80 years be made available to Bank Officers as prevalent in Government. We therefore suggest as follows:-

BASIC PENSION:

The Basic Pension is calculated on the basis of the last drawn 10 months' average pay by the retirees and Family Pension is calculated based on the last pay drawn by the deceased. The formula has remained the same.

COMMUTATION:

The present rate of Commutation has to be revised to 40% with the existing conversion factor. The full pension be restored after 10 years.

DEARNESS ALLOWANCE:

The DA formula and neutralization should be at par with serving officers.

GENERAL:

The voluntary retirement provided in the Officers Service Rules should be incorporated in the Pension rules and they should also be made eligible for Pension without any discrimination.

Pension scheme should be extended to all those who have been denied earlier on the basis of the misinterpretation of the understandings reached with IBA in particular those who retired

under voluntary retirement scheme as per the service regulations / resigned after completing 20 years.

The officers who joined the bank between 01.11.1993 and 26.01.1996 have to be covered under the pension regulations.

Provision of additional service as per the Pension Regulations to the extent of 5 years should be extended to each and every retirees in the banking industry.

Those having relaxation of age at the time of recruitment on account of disability etc., also to be extended additional period of 5 years to his / her service qualifying for pension.

Also, for Ex-servicemen their past services rendered in the Armed Force should be added to his / her service for qualifying for pension.

FAMILY PENSION:

The Family Pension should be on par with the Government and be at 30% of last drawn pay by the officer across the board to every one. At present the regular family pension is payable for 7 years or till the 65th year of notional age of the deceased whichever is earlier. **But it is available upto 67 years of age in Government Pension Scheme. Hence, we suggest that the regular Family Pension will be payable for 10 years or till the 70th year of notional age of the deceased.**

NEW PENSION SCHEME

The employees and officers who joined the banking industry on or after 01.04.2010 should be governed by the original pension settlement signed on 29th October 1993 and Gazetted in the year 1995.

GRATUITY:

The Gratuity should be paid at the rate of one month salary and allowances without any ceiling. The gratuity should be completely exempt from payment of income tax.

PROVIDENT FUND:

The Provident Fund should be at the rate of 12% of the total salary and allowances. The Provident Fund should be payable to all employees.

ENCASHMENT OF LEAVE:

Encashment of entire leave at credit should also be permitted on resignation, removal and compulsory retirement. Encashment of Sick Leave at credit of an Officer should also be permitted on retirement.

The existing ceiling on encashment of leave should be enhanced to 360 days at the time of resignation / superannuation. The entire amount should be exempted from income tax as in the case of the Central Government Employees.

MEDICAL BENEFIT SCHEME:

A comprehensive Medical Scheme for pensioners/ retirees should be framed and introduced in all the banks as available now in the case of executive directors and CMDs of the Banks.

WELFARE ACTIVITIES:

A separate allocation of funds for improvements to welfare of the pensioners should be made every year. The facilities like Holiday Home, clinics, Transit House etc., should be made eligible for pensioners also.

LFC/ HTC FACILITY:

LFC / HTC Facility should be extended to the retirees also at par with serving employees.

ALL INDIA BANK OFFICERS' CONFEDERATION

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E-Mail: aiboc.sectt@gmail.com

Ref:IBA/2015/68

Dated: 12/06/2015

Chairman,
Indian Banks' Association,
6th Floor, Centre 1 Building,
World trade Centre Complex, Cuff Parade,
Mumbai – 400005.

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 left overs 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,

(HARVINDER SINGH)

GENERAL SECRETARY

Exhibit 8

Pension Funds Position in Pension Funds Trusts of PSU Banks

As on 31/03/2014
(Amount in Crores of Rupees)

Name of the Bank	Opening Balance	Annual Contribution	Interest Income	Benefits paid	Actuarial Loss/Gain	Closing Balance	Annual report Folio no.
Allahabad Bank	3697.49	590.92	312.89	243.27	-214.38	4143.65	143
Andhra Bank	2834.32	177.85	230.15	157.54	+ 95.96	3180.74	19
Bank of Baroda	7502.04	1080.1	616.31	502.76	-436.21	8259.48	251
Bank of India	7404.65	804.95	658.35	605.48	-224.22	8038.24	124
Bank of Maha	2772.84	457.9	226.87	207.4	- 33.94	3216.27	94
Canara Bank	8584.93	149.83	672.06	596.28	+225.32	9035.86	177
CBI	7190.56	166.74	600.8	578.07	+758.99	8139.02	289
Corpn Bank	2148.55	71.34	184.63	77	+145.68	2473.2	162
Dena Bank	1761.94	202.02	149.98	190.88	- 5.12	1917.94	140
Indian Bank	4521.26	57.07	406.55	318.32	+263.75	4930.31	153
IOB	4865.1	82.46	408.3	397.65	+468.28	5426.49	149
OBC	3342.17	106.29	284.08	91.14	+191.38	3832.78	192
PNB	13559.18	358.28	1118.17	652.83	+ 779.99	15162.79	227
PSB	2419.87	211.77	209.92	174.73	-173.5	2493.33	245
Syndicate Bank	4550.04	572.1	366.94	466.09	+ 25.84	5048.83	159
Uco Bank	3863.62	472.04	310.84	413.28	+422.06	4655.28	118
Union B of India	5991.02	194.81	509.62	380.68	+ 369.04	6683.81	216
United B of India	2317.55	386.66	191.53	301.79	+554.75	3148.7	134
Vijaya Bank	2009.65	268.9	161.48	219.72	- 87.47	2132.84	208
Total	91336.78	6412.02	7619.47	6574.91	+3126.2	101919.56	
Associate Banks							
SBH	2588.59	126.46	208.64	167.48	+136.3	2892.51	109
SBBJ	2335.53	53.48	216.5	154.01	+242.75	2694.25	227
SBT	2216.64	37.7	207.23	125.44	-100.6	2235.53	54
SBM	1152.24	222.92	96.26	104.17-	-43.96	1323.29	31
SBP	2252.73	64.32	208.83	109.17	+63.77	2480.48	15
Total excl SBI	101882.51	6916.9	8556.93	7235.18	+3424.46	113545.62	
SBI	39564.21	872.37	3362.96	2762.88	+4200.33	45236.99	110
Total of PSU Banks	141446.72	7789.27	11919.89	9998.06	+7624.79	158782.61	

Exhibit -9

Pension Funds Position in Pension Funds Trusts of PSU Banks

As on 31/03/2015

(Amount in Crores of Rupees)

Name of the Bank	Opening Balance on 01.04.15	Service Cost	Interest Cost	Benefits Paid	Acturail Gain/Losses	Closing Balance on 31.03.15	Folio No. bank's annual report
Allaha Bk	4143.65	605.74	319.60	297.29	-189.68	4582.02	146
Andhra Bk	3180.74	337.95	290.72	197.50	+137.53	3749.44	245
B o B	8259.48	1081.57	636.08	617.01	-410.46	8949.66	223
B o I	8038.24	890.30	610.73	712.15	+592.91	9420.03	120
B of Maha	3216.27	454.02	247.45	246.19	+58.29	3729.84	92
Canara Bk	9035.86	182.60	805.27	660.39	+269.80	9633.14	168
Central Bk	8139.02	120.08	734.00	682.27	+1402.97	9713.80	
Corpn Bk	2473.20	72.23	190.53	104.45	+148.08	2779.59	196
Dena Bk	1917.94	210.93	144.85	214.78	+99.72	2158.66	190
Indian Bk	4930.31	72.25	370.96	373.23	+305.93	5306.22	151
I O B	5426.49	94.83	342.23	423.11	+567.28	6007.72	145
O B C	3832.78	114.07	344.95	112.70	+143.94	4323.04	197-198
P & S Bk	2493.33	199.80	190.79	216.80	- 130.00	2537.12	211
P N B	15162.79	430.46	1342.45	821.16	+2102.86	18217.40	267
Synd Bk	5048.83	536.92	405.94	546.18	- 85.33	5360.18	204
Uco Bk	4655.28	508.00	352.76	491.61	+269.15	5293.58	99
Union Bk	6683.81	190.73	616.32	452.00	+1179.57	8218.73	243
United Bk	3148.70	303.99	238.05	346.06	+198.49	3543.16	239
Vijaya Bk	2132.84	268.84	161.87	218.99	+62.58	2407.14	217
Total	101919.60	6675.31	8345.55	7733.87	6723.63	115930.17	
SBI	45236.99	897.53	4193.47	3249.85	+4537.90	51616.04	144
Associates of SBI							

SBBJ	2694.25	51.72	221.20	181.21	-124.32	2661.64	201
SBH	2892.51	252.74	268.14	189.52	+259.58	3483.45	
SBM	1323.29	254.51	97.75	136.84	+ 45.95	1584.66	61
SBP	2480.48	64.24	202.00	140.47	+ 71.43	2677.68	
SBT	2235.53	41.17	88.04	151.59	+292.92	2506.07	60
Total of associates	11626.06	664.38	877.13	799.63	+545.56	12913.50	
Total of SBI group	56863.05	1561.91	5070.60	4049.48	+5083.46	64529.54	
Grand total of PSUBanks	158782.60	8237.22	13416.15	11783.35	+11807.09	180459.71	



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA
www.rbi.org.in

RBI/2010-11/400

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February 9, 2011

All Public Sector Banks

Dear Sir,

Re-opening of pension option to employees of Public Sector Banks and enhancement in gratuity limits - Prudential Regulatory Treatment

Consequent on the re-opening of pension option to employees of Public Sector Banks and enhancement in gratuity limits following the amendment to Payment of Gratuity Act 1972, banks and the Indian Banks' Association (IBA) have approached us for the amortisation of the enhanced expenditure resulting therefrom.

2. The additional liability on account of re-opening of pension option for existing employees who had not opted for pension earlier as well as the enhancement in gratuity limits should be fully recognised and charged to Profit and Loss Account for the financial year 2010-11.

3. However, banks have expressed that it would be difficult to absorb the large amount involved in a single year. We have examined the issues from a regulatory perspective and it has been decided that banks may take the following course of action in the matter:

- a) The expenditure, as indicated in paragraph 2 above, may, if not fully charged to the Profit and Loss Account during the financial year 2010-11, be amortised over a period of five years {subject to (b) and (c) below} beginning with the financial year ending March 31, 2011 subject to a minimum of 1/5th of the total amount involved every year.
- b) Consequent upon the introduction of International Financial Reporting Standards (IFRS) from April 1, 2013 for the banking industry as scheduled, the opening



balance of reserves of banks will be reduced to the extent of the unamortised carry forward expenditure.

- c) The unamortised expenditure carried forward as aforementioned shall not include any amounts relating to separated/retired employees.

4. Appropriate disclosures of the accounting policy followed in this regard may be made in the Notes to Accounts to the financial statements.

5. In view of the exceptional nature of the event, new pension option and enhanced gratuity related unamortised expenditure would not be reduced from Tier I capital.

6. Banks should keep in view 3(b) above while planning their capital augmentation, suitably factoring in Basel III requirements also (a separate circular would be issued on Basel III).

Yours faithfully

(P R Ravi Mohan)
Chief General Manager