



## 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 2<sup>nd</sup> 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 31<sup>st</sup> 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.

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- (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 10<sup>th</sup> Bipartite Settlement.

We trust we have clarified the position.

Yours faithfully,

  
K Ramakrishnan

Service Regulations or Settlements.  
uation in this connection only.