



**Circular No.13/VII/2022**  
**July 5, 2022**

**TO**  
**ALL UNITS / STATE COMMITTEES**

Comrades,

**UP-DATION OF PENSION**  
**ON THE LINES OF RBI BROOKS NO DELAY.**

Public Sector Bank workforce (**except -Global Bank-SBI**) is governed by the Bank Employees' Pension Regulation 1995.

The above exercise was preceded by an agreement signed on 29<sup>th</sup> October 1993 under the Industrial Disputes act 1947/1957 by the first trade union of banking workforce (AIBEA) founded in pre independent India. Equally, our organization also signed the minutes of understanding on the same day at Mumbai. **The contents of the Settlement were in the lines of RBI.**

3. As per **Clause 6** of the Settlement signed on **29.10.1993**, reads as under:

***Dearness relief to Pensioners will be granted at such rates as may be determined from time to time in line with the dearness allowance formula in operation in Reserve Bank of India***"

4. Further **Clause 12** of the said settlement states that:

"Provisions will be made by a scheme, to be negotiated and settled between the parties to this settlement by 31<sup>st</sup> 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.**

5. The said settlement is further elaborated by a Supplementary settlement dated 24.03.1994 between IBA and the negotiating unions and these provisions agreed to were reiterated equating the provisions with the scheme **in operation in RBI and was agreed to be bedrock of the settlement.**

6. During the interim period two important developments took place. The first one was introduction of Special Voluntary Retirement Scheme introduced in 2001 and another one was the achievement of one more option on the same terms and conditions of 1993, in the year 2010. It was agreed by the negotiating unions after the actuarial exercise conducted by two experts (one from Hyderabad and other from Kolkata)Rs 6000 crores was the deficit and Rs 4200 crores was diverted to Pension Fund and the PF subscribers had contributed Rs 1800 crores to join the Pension Scheme. **There deficit was made good** in 2010 itself.

7. The **Regulation 11** of the **Pension Regulations 1995** reads as under:

***The Bank shall cause an investigation to be made by an Actuary into the financial condition of the Fund every Financial Year on the 31<sup>st</sup> day of March and make such additional annual contribution to the fund as may be required to secure payment of the benefits under these regulations.***

8. It has been categorically committed by IBA in the supplementary Minutes of discussions on 04.01.2021 that an actuary was appointed to evaluating the requirements. **Eighteen months are over. There is no information on this score provided by the IBA so far.**

9. **Apart this, a certificate from the Actuary confirming should be obtained about the yearly provisions were made by the Banks without any deviation to confirm that the Regulation 11 of Bank Employees' Pension Regulations 1995 from 2010 to 2022.**

10. As per the data available based on the Balance Sheet of the various Banks, the Pension fund as on **31.03.2021 was Rs194164 crores excluding the SBI Pension Fund corpus of Rs125806 crores.**

11. To an un-star question in the Parliament, the Ministry of Corporate Affairs submitted that the outstanding in the **43 accounts (above Rs 2500 crores)** was nearly **Rs 433000 crores** and NCLT awarded settlement for nearly **Rs 1,00,000 crores** ie; for every Rs 100 outstanding the waiver or haircut was Rs 78. The loan losses were/are adjusted from the profit earned by the banks.

12. It has been held by the Courts as:  
**"Pension, as well known, is not a bounty. It is treated to be deferred salary. It is akin to right of property. It is co-related and has a nexus with the salary payable to the employees as on the date of retirement.**

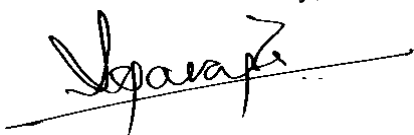
13. Hon'ble Finance Minister Government of India openly declared in a press meet held at Chennai in 2020 that up-dation of Pension of Bank retirees would also be addressed suitably as that of one Rank one Pension in the defense services.

14. The present stand pursued in the current discussion held couple of days on the up-dation of Pension should be revisited and Our organization is of the confirmed opinion that the Up-dation should be on the lines RBI and the methodology stipulated by the Government vide their letter dated 5<sup>th</sup> March 2019 should be strictly adhered to covering all the retirees taking the merger of **D.A.up-to 4440 points.**

15. Further the Pension in Banks in shape of annuity from the Pension Fund corpus on long term investment, there is no reason for subjecting it to taxation like salary income.

**Hence Up-dation of Pension on the lines of RBI brooks no delay and any deviation would add further complications. We have already experienced.**

Yours Comradely,



**S.NAGARAJAN  
GENERAL SECRETARY.**