

# SYNDICATE BANK PENSIONERS & RETIREES ASSOCIATION (REGD.)

(Affiliated to AIBPARC)

## CENTRAL OFFICE

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(Please circulate to all members/retirees)

Date: 30/06/2020

Dear Comrades,

### MEMORANDUM ON PENSIONERS ISSUES SUBMITTED TO Hon'ble SHRI ANURAG THAKUR MOS FINANCE

AIBPARC team met the Minister of State for Finance Shri Anurag Thakur recently and apprised him about all the long pending pensioners issues ie 1. Improvement in family pension at par with Government & RBI pensioners; 2. 100% DA Neutralisation to Pre November 2002-Retirees; 3. Pension Updation/Revision; 4. Medical Insurance Scheme for Bank Retirees; 5. Reckoning of Special Allowance for Superannuation benefits etc. and also submitted a detail memorandum. Text of the same is appended hereunder for the information of our members and retirees.

With greetings

Yours comradely,

C Gangadhar Yadav

GENERAL SECRETARY

**SBPRA - ZINDABAD**  
**AIBPARC - ZINDABAD**  
**CBPRO - ZINDABAD**

Text of AIBPARC Memorandum Dated:24.06.2020 Quote//

Shri. Anurag Singh Thakur  
Honorable Minister of State for Finance,  
Govt of India,  
New Delhi

Respected Sir,

#### Pending Issues of Bank Pensioners & Retirees

We wish to introduce ourselves as a Confederation of the Organisations of Bank Pensioners & Retirees – both Public Sector & Private Sector Banks representing more than 1,25,000 members. Ours is an apolitical organization promoted by All India Bank Officers' Confederation. We are also a Constituent of Coordination of Bank Pensioners & Retirees Organization ( CBPRO) which consists of pensioners of almost all banks including SBI pensioners. Our President Shri. K.V.Acharya is the Joint Convenor of CBPRO alongwith Shri. Ramesh Babu of SBI. We have been taking up the issues of Bank Pensioners & Retirees with the Govt of India, Dept of Financial Services, Indian Banks' Association & Banks.

We have many pending issues to be resolved by the Government & Indian Banks' Association which are under consideration at different stages. Out of all the pending issues, the following long pending issues deserve immediate and favourable consideration more so because our members are a vanishing tribe and many have already left the world without their legitimate dreams having been realized. It is with this compassion; we earnestly request your goodself to resolve atleast the following issues to provide succour to our members who are senior & super senior citizens in the evening of their life:

1. **Improvements in family pension at par with Government & RBI pensioners**

Even though the Banks' Pension Scheme was drawn on the lines of Government & RBI Pension Schemes, the family pension in Banks is quite inferior as it provides for a tapering slab rate ranging from 30% to 15% where higher basic pay above a specified threshold attracts only 15% of last drawn basic pay as against 30% uniform rate in case of Government & RBI family pension. Consequent to our taking up the issue with IBA & DFS, IBA was kind enough to agree to our request and accordingly have sent their recommendations to DFS for revising the family pension in Banks to 30% at par with Government & RBI family pension about a year ago. Sir you will appreciate that most of the family pensioners are elderly widows and hence deserve utmost compassion and sympathy. Hence, we request you to get the same approved by the Government at the earliest.

2. **100% DA Neutralisation to Pre November 2002-Retirees:**

The Officer retirees in the Banks were getting tapered DA on their Basis pension. This anomaly was rectified at the time of salary revision in May 2005. However, while implementing 100% DA Neutralisation, the benefit was not given to those who had retired before November 2002. Sir, you will appreciate that price rise affects all pensioners in equal measures and hence an artificial classification on the basis of the date of retirement violates Article 14 of the constitution. The arbitrary denial of 100% DA Neutralisation to the oldest of the pensioners is therefore unreasonable and unfair. We therefore request your intervention in advising IBA & DFS to remove the anomaly and oblige.

3. **Pension Updation/Revision**

Pension scheme in the banks was introduced in 1995 with effect from 1.1.1986. Pension Regulation 35(1) provided that Basic pension and additional pension shall be updated in respect of those who retired between 1.1.1986 & 31.10.1987 as per the formula given in Appendix-I. Accordingly the updation was implemented. With a view to facilitating updation alongwith future salary revisions, Pension Regulation 35(1) was amended vide Gazette Notification in March 2003 as follows:

**“Basic Pension & Additional Pension wherever applicable shall be updated as per the formula given in Appendix I”**

This amendment to Pension Regulations made the provision for updation an open ended one. However, it remains unimplemented. Sir, you will appreciate that even the Honourable Supreme Court has held that wage revision and pension revision are inseparable. The Govt of India has already implemented Pension updation/revision in Reserve Bank of India with effect from 1.4.2019. In as much as our pension scheme is akin to Government Pension Scheme & RBI pension scheme, we request you to consider the pending pension updation issue favourably and oblige.

4. **Medical Insurance Scheme for Bank Retirees**

The Department of Financial Services advised IBA & the Banks vide its letter dt. 24.2.2012 to evolve a medical insurance scheme - both for serving & retired employees. Accordingly, a new medical scheme was introduced at the behest of IBA in the year 2015-16. While introducing the New medical insurance scheme, the premium was borne by the banks for serving employees and the retired employees who deserved the benefit of medical insurance scheme the most, were given the option to join the scheme only on payment of premium by individual retirees. Since the communication from DFS did not stipulate the payment of premium by the beneficiaries, the implementation was a distortion which adversely affected the pensioners. We have been demanding for the premium to be borne by the banks in respect of retirees too. Alternatively, we should be covered under a scheme on the lines of CGHS for which one-time fixed contribution may be collected from the retirees at the time of retirement from the service. It is pertinent to mention here that the medical insurance premium for the retirees was Rs 7500/- with OPD facility at the time of introduction of the scheme in 2015-16 but it has now been successively enhanced to more than Rs 95000/- with OPD facilities during the year 2019-20. With the meagre fixed pension, the pensioners & family pensioners are finding it difficult to make both the ends meet. Under such circumstances, the hefty premium charged to Banks' pensioners and retirees is simply unaffordable. A levy of 18% GST on the premium and also on hospitalization bills comes as bolt from the blue. We request your urgent help in this regard.

5. **Reckoning of Special Allowance for Superannuation benefits**

In the last salary revision (wef 1.11.2012), a special allowance as a specified percentage of basic pay and also attracting DA was introduced. However, it was not reckoned for superannuation benefits viz. pension & gratuity. Such exclusion is ultravires and ex-facie illegal. Honourable Supreme Court has held that there cannot be two pays- one for monthly salary & other for computation of pension. In another case, it was held by the Honourable Supreme Court that any allowance which is attracting DA and is of permanent nature, not assigned to performance of any specific duties and also paid during the period when the employee is on leave is to be treated as a part of basic pay. The banks are reckoning this allowance for the purpose of encashment of leave also. The special allowance paid by the bank fulfils the criteria laid down by the Honourable Supreme Court. We therefore request that the said special allowance may please be reckoned for computation of pension & gratuity in respect of those pensioners who have retired after 1.11.2012.

With Regards,  
Yours faithfully.

Sd/-  
K.V.Acharya  
**PRESIDENT**

Sd/-  
S.Sarkar  
**GENERAL SECRETARY**

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