

**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 25<sup>th</sup> 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





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	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


  
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