

INDIAN NATIONAL BANK OFFICERS' CONGRESS

{Bank Officers Wing of Indian National Trade Union Congress (INTUC)}

INTUC National Head Quarters "Shramik Kendra" 4, Bhai Vir Singh Marg New Delhi - 110001

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INBOC:CIR NO:2021/17

Date : 11.06.2021

CIRCULAR TO ALL AFFILIATED UNITS

Dear Friends,

**Reg : Sanction of Family Pension without any ceiling
and enhanced contribution to NPS by Bank.**

We are attaching herewith copy of letter dated 10.06.2021 sent by four apex officer unions (INBOC,AIBOC,AIBOA,NOBO) to Hon'ble Finance Minister Smt Nirmala Sitaraman ji, GOI, New Delhi requesting for expediting clearance to enhanced Family Pension without any ceiling and increased contribution from employer under NPS.

We may recall that an understanding was reached on both the above issues in 8th joint note signed between IBA and Officer Unions. Accordingly recommendations were made by IBA to Govt and matter is pending at Govt's end for consideration.

The four apex officer unions are actively following up with both IBA and Govt, for immediate implementation of agreed issues.

With regards

Yours sincerely

**PREM KUMAR MAKKER
GENERAL SECRETARY**

**ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
INDIAN NATIONAL BANK OFFICERS' CONGRESS (INBOC)
NATIONAL ORGANIZATION OF BANK OFFICERS (NOBO)**

Date: 10.06.2021

Smt Nirmla Sitharaman ji
Hon'ble Minister of Finance and Corporate Affairs
Government of India
New Delhi

Respected Madam,

**SANCTION OF FAMILY PENSION WITHOUT ANY CEILING &
ENHANCED CONTRIBUTION TO NPS BY THE BANK**

We draw your kind attention to the above issues, which are pending for sanction at the Government level. The case in gist is presented hereunder for your kind perusal and necessary sanction.

A. ENHANCEMENT OF FAMILY PENSION:

There is a subsisting agreement dated 29th October 1993 at Industry level arrived at between Indian Banks' Association (IBA) and the negotiating unions for introduction of Pension with effect from 01.01.1986. The same was notified in the Gazette in September 1995 by Government of India. It is pertinent to mention here that there has not been any revision of family pension till date which is abysmally low ever since the agreement was signed.

2. In the recently concluded understandings by the four officers' and four workmen organisations with IBA on 11th November 2020, **it has been agreed upon that family pension shall be payable at the uniform rate of 30% of the Pay of the deceased employee and there shall be no monetary ceiling on Family Pension. The same will be applicable to SBI also.**

3. We understand that necessary recommendation in this regard from IBA was received by the respective department of the Government on 25.01.2021 and the same is under active consideration of the Government. The unstarred question raised by an elected representative in the Rajya Sabha and the reply thereof is also enclosed for your ready reference.

4. Madam, more than four months have since elapsed and the entire fraternity is anxiously awaiting the formal declaration and clearance of the enhanced family pension. We, therefore, urge upon your good office to accord sanction for the enhancement of family pension at the earliest. Your logical sanction will ameliorate the living standards of those families who solely live on paltry family pension.

B. NEW PENSION SCHEME – CONTRIBUTION BY THE EMPLOYER – ENHANCEMENT FROM 10% TO 14%

The New Pension Scheme was introduced in the Banking Industry with effect from 01.04.2010 and in SBI with effect from 01.08.2010. As per the scheme, the employer contributes @10% of Basic Pay + Dearness Allowance. Incidentally, for Central Government employees, the employer's contribution rate has been enhanced to 14% w.e.f 01.04.2019.

2. In the recently concluded industry level understandings with the IBA and the negotiating unions/associations, it was agreed upon that employers' contribution will be enhanced to 14% with effect from 11.11.2020 and the necessary approval of which is awaited from the Government.

In view of the foregoing, we would request your good office to kindly accord sanction for both the aforesaid issues at the earliest.

With best regards,

Yours sincerely,


(Soumya Datta)
General Secretary
AIBOC


(Nagarajan S)
General Secretary
AIBOA


(Prem Kumar Makker)
General Secretary
INBOC


(Viraj Tikekar)
General Secretary
NOBO

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

STARRED QUESTION No. *12

TO BE ANSWERED ON 2nd FEBRUARY, 2021(TUESDAY)/ MAGHA 13, 1942
(Saka)

Revision of pension of retired bank employees

Question

*12. SHRI M. V. SHREYAMS KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that pension of retired bank employees has not been revised for the past three decades and the Indian Bank Association at its 72nd Annual General Meeting (AGM) has advised the Bank authorities to update the pension;

(b) if so, the response of the Ministry thereon when Regulation 35 (1) of Bank (Employees') Pension Regulations, 1995 emphasise the updating of Basic Pension and Additional Pension, wherever applicable; and

(c) the details thereof along with reaction of Government in this regard?

ANSWER

**The Finance Minister
(Smt Nirmala Sitharaman)**

(a) to (c) : A statement is laid on the table of the house.

Statement referred to in reply to parts (a) to (c) of the Rajya Sabha starred question no. 12 for answer on 2nd February, 2021, regarding revision of pension of retired bank employees, tabled by Shri M. V. Shreyams Kumar, Member of Parliament

Pension of pensioners of nationalised banks is financed by the respective bank out of its commercially generated revenues. Such pension was introduced as a funded scheme on the basis of consensus arrived at between bank employee unions/associations and the Indian Banks' Association (IBA), which negotiated on behalf of participating banks. The Boards of the respective nationalised bank accordingly made Employees' Pension Regulations in exercise of their powers under section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980. While the said regulations do not provide for revision of the pension fixed thereunder consequent upon the retirement of an employee, regulation 37 thereof provides for six-monthly revision in dearness relief on the basis of rise in All India Consumer Price Index for Industrial Workers. Insofar as regulation 35(1) is concerned, the same applies only to employees who retired between 1.1.1986 and 31.10.1987 and the updating referred to therein (in terms of certain formulae) only have effect on the initial fixation of their pension and does not entail any revision of pension so fixed. With regard to whether IBA at its 72nd AGM has advised bank authorities to update pension, it is stated that as per IBA no such advice has been given and, further, that IBA has recently (on 25.1.2021) recommended that family pension, which is currently payable at the slab rates of 15%, 20% and 30% for different categories of pensioners with a cap of Rs. 9,284 per month, be improved to 30% for all employees without any cap, and the said recommendation is under consideration of the Government.
