

Shri M.V.Murli
Convenor, United Forum of Bank Unions
Hyderabad

Dear Sir

Re: Record Note dated 25.05.15 on issues relating
To Retirees.

We have come to know that while signing wage settlement on 25th May, 2015, separate Record Note of discussion on retiree issues was signed jointly by IBA and 9 constituents of UFBU.

2. We find from this document that in its opening Para , IBA has made statement " any demand of retirees can be examined as a welfare measures as contractual relationship does not exist between banks and retirees " Further it is observed that unions have not recorded their view points on this issue separately in the document thereby endorsing the stand of IBA while signing it.

3. As you are well aware that pension scheme applicable in the banking industry is Defined Benefits Pension Scheme and has been designed on the models of pension schemes applicable in the government sector and Reserve Bank of India. Basic principle and premises of pension scheme applicable in banking industry and those in Govt./ RBI is that pension payment to retirees is nothing but DEFFERED WAGES and is legal right enforceable in court of law. This right has been acquired with long drawn battles by working class of the country. The status of deferred wage to pension has been confirmed in several judgements delivered from time to time by courts of the country including Supreme Court. As you know this principle has been laid down by 5 judges constitutional bench of Supreme Court in the famous case of Nakara Versus Union of India. The courts have further ruled that the provisions of pension scheme under concept of deferred wages need to be reviewed periodically along with the wage revision of employees.

4. In view of this we are of strong view that it is not correct for IBA to say that demand of retirees can be examined as welfare measure only and contractual relationship does not exist between banks and retirees and this statement is an attempt to reverse the hard earned legal rights of retirees and working class with serious repercussions in the coming years.

5. Considering the seriousness of the issue, we shall feel obliged if you will clarify the position and stand of UFBU on it.

With Respectful Regards

Yours Sincerely

**(S.C.JAIN)
GENERAL SECRETARY**

c.c to All Constituents of UFBU

