



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 3427/Delhi)

State Bank of Buildings, St. Mark's Road, Bangalore – 560 001

CIRCULAR NO.110

DATE: 26.12.2011

TO ALL AFFILIATES /MEMBERS:

**DENIAL OF OPTION TO JOIN THE PENSION SHCME
TO PF OPTES WHO RETIRED UNDER
VOLUNTARY RETIREMENT/EXIT OPTION SCHEME EVOLVED BY THE
BANKS AND ALSO THOSE WHO RESIGNED AFTER COMPLETING
PENSIONERABLE SERVICE OF 20 YEARS**

We have addressed a letter to the Secretary, Department of Financial Services, Ministry of Finance, Government of India, highlighting therein the injustice meted out by IBA to the Officers who retired under Voluntary Retirement Scheme evolved by Public Sector Banks, Exit Option Scheme introduced by the Associate Banks and the officers who resigned from the service of the Bank after completing pensionable service of more than 20 years, etc., by denying another option to join the Pension Scheme.

2. We have explained in detail before the Secretary as to how a blatant injustice is caused to the above category of Officers when we had called on him on 22.12.2011 at Delhi to make a presentation on the recommendations of the Khandelwal Committee.

3. The text of the letter is annexed and is self-explicit.

4. Further developments will be informed to you.

With greetings,

**(G.D.NADAF)
GENERAL SECRETARY**

Encl:



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State Bank of Buildings, St. Mark's Road, Bangalore – 560 001

No.1410/383/11

Date:26.12.2011

To,
Shri. D.K. Mittal,
Secretary,
Department of Financial Services
Ministry of Finance, Government of India,
3rd Floor, Jeevan Deep Building,
Parliament Street,
NEW DELHI -110 001.

Respected Sir,

**DENIAL OF OPTION TO JOIN THE PENSION SCHEME TO P.F.
OPTEES WHO RETIRED UNDER VOLUNTARY RETIREMENT /EXIT
OPTION SCHEME EVOLVED BY THE BANKS**

During April, 2010, the Hon'ble Finance Minister took a decision to extend one more option to join the existing Pension Scheme to all Bank Employees both existing as well as retired, who did not opt for pension earlier, when Bank Employees' Pension Regulations 1995/1996 were implemented. This decision of the Hon'ble Finance Minister was based on the MOU dated 27.11.2009 signed by IBA representing the Managements of Banks and AIBOC, along with other Associations representing the officers' community in the Banking Industry. The provisions of the MOU were incorporated in the Joint Note dated 27.04.2010, signed by IBA and AIBOC.

The Joint Note dated 27.04.2010 states;

"(1) -----Another option for joining the Existing Pension Scheme shall be extended to those officers who;

2.(a): were in the service of the Bank prior to 29th September, 1995 in

case of Nationalised Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continue in the service of the Bank on the date of this Joint Note.

3. (a) were in the service of the Bank prior to 29th September, 1995 in case of Nationalised Banks/ 26th March 1996 in case of Associate Banks of State Bank of India and retired after that date and prior to the date of Joint Note.”

2. It is very clear from the above that the intention of IBA, as well as AIBOC and other signatories to the Joint Note, was that Pension shall be available to all those who have not opted for it i.e., all the officers including those, who were in the service of the Bank as on 29.09.1995/26th March, 1996 as the case may be, and those who retired thereafter. Even the family members of the deceased officers, who were in service prior to 29th September, 1995/26th March, 1996 and died thereafter were made eligible to opt for pension, subject however to some conditions.

3. However, while conveying the above decision of the Government, IBA vide their Circular letter dated 10.08.2010 addressed to all Banks distorted the very essence of the Hon’ble Finance Minister’s decision as far as retired officers are concerned.

4. The employees with minimum of 15 years service retired under Special VRS during the year 2001 are eligible for 2nd Option on Pension. The resignees are also eligible for Pension under the existing scheme. But the IBA has denied the option to those who retired under normal VR Scheme of the individual banks as provided in the Officers Service Regulations (OSR) 19(1) to 19(7), even though they had completed more than 20 years of pensionable service at the time of VRS/ resignation. Similarly, the officers in Associate Banks who retired under the ‘Exit Option’ Scheme have also been denied the option to join the existing pension scheme. We understand that, while arriving at 2nd Option cost,

actuaries have already taken into account all retirees after 29.09.1995/26.03.1996. The number of such officers is small, as compared to total CPF Optees.

5. The clause 14 of the joint note contains a provision to clarify the doubts, if any, on the 2nd Option to the Banks, in consultation with the Associations/signatories. We have addressed several letters to IBA to resolve the issue, but there is no response from them.

6. We therefore, request your kind intervention in the matter and advise the IBA to set right the anomaly, by offering 2nd option on pension to VRS retirees and resignees.

Thanking you sir,

Yours faithfully,

A handwritten signature in black ink, appearing to be 'G.D. NADAF', written in a cursive style.

(G.D.NADAF)
GENERAL SECRETARY