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**(Affiliated to All India Bank Retirees’ Federation )**

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**Circular No. 14 of 2017-20 Dated 17th July 2018**

Dear Comrades

**Meeting with IBA Officials**

We give below text of letter No.2018/66 dated 6th July 2018 issued by Shri S.C.Jain, General Secretary of AIBRF, the contents of which area self explicit.

“We recently met IBA officials to discuss and ascertain the latest position on the following issues

1. Benefit of 1616-1684 to those retired between 01.11.02 to 30.04.2005.

We pointed out that many banks are not considering payment of arrears to those retired between 01.11.2002 to 30.04.2005 though they were also paid pension between 01.11.2002 to 30.04.2005 based on index 16616 only and they are eligible to receive arrears as per the Supreme Court Judgement. IBA officials confirmed that this group of retirees is also eligible to receive arrears with interest as per the Supreme Court judgement wherein explanation 2(c) to Regulation 2(s) was struck down and as per the advice given to member banks vide its circular no. 4786 dated 03.04.2018 without any ambiguity. Despite this, if any individual bank approaches IBA for clarification in this regard it will provide to them to enable them to take decision in the matter.

We may inform you as per the information available with us Bank of India has already made payment of arrears to those retired between 01.11.2002 to 30.04.2005. This might be position in other banks too. However if any bank has not released the arrears so far to this group,the concerned affiliate/ individuals should represent to the management to pay the arrears and if required refer the matter to IBA for clarification with copy to us for follow up with IBA.

It may be mentioned that about 20000 bank employees retired during the above period are eligible to receive payment.

1. Payment of arrears in the matter of 1616-1684 in Private Sector Banks

We understand that in many private banks arrears have not been paid. We pointed out this position to IBA with the request to once again ask these banks to consider making payments.

In this regard IBA officials pointed out that above referred circular of IBA is clear and specific on the issue wherein it is stated that private sector banks who are implementing IBA pension scheme for retirees should also consider making payment of arrears as per the Supreme Court decision though strictly speaking it is not directly applicable on them. But, Private banks will be ultimately required to make payment on retirees approaching civil courts in the matter with higher burden of interest for delay. Further we understand that most of the private banks are in the process of making payments. AIBRF is keeping watch on the developments.

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1. Arrears on account of commutation difference on implementation of Supreme Court Judgement

On pointing out that most of the banks have not paid arrears on account of commutation difference and those banks have paid also simultaneously recovered the amount from original date, IBA stated that already there are clear and specific provisions for payment of commutation and its recovery. Concern bank should take decision to give treatment to the commutation arrears accordingly. If specific reference is made by any bank on any point, IBA will provide necessary guidelines in the matter.

During the discussion the following points emerged (a) Availing commutation is optional (b) Commutation can be taken on partial basic with maximum 1/3 rd. (c) Commutation option can be exercised only once (d) In the present case , commutation given to retirees originally have already been fully recovered and original basic pension restored, there cannot be second commutation account recoverable in future. (e) If commutation arrears are to be considered it has to be as of the original date with net payment / recovery

We shall get the above points examined to decide our future course of action in this matter. We shall also get calculations sheet of Canara Bank where treatment has been given for commutation examined . In the meantime we request our affiliates/ individuals to represent the case to the management of banks demanding commutation arrears with interest and recovery from future date.

We find that many banks particularly private sector banks have yet to make payment of arrears to all eligible retirees, in some cases for the want of relevant service record. We request our affiliates to actively follow up with the bank management for immediate release of payments without delay as the deadline fixed by the Supreme Court is already over.

1. Renewal of Group Insurance Policy for 2018-2019.

As you are aware, 3 years period for providing group insurance scheme applicable to bank employees and retirees will be over on 30.09.2018/ 31.10.2018. It is prime concern of AIBRF as representatives of bank retirees where effective health management is the first priority that the scheme is further extended at the reasonable cost with improvements in terms and conditions of the existing scheme. Though AIBRF is not directly involved in negotiating revised terms and conditions, we are making all possible efforts through liaising/ contacts to ensure better terms and conditions for retirees.

In this background we discussed the issue with IBA officials to ascertain present position of negotiation for renewal.

We understand that negotiations are still going on with UFBU, insurance companies to work out terms and conditions for employees based on experience of last 3 years in handling the scheme like claim ratio, functioning of TPAs, performance of UIICL, role of brooking firms in handling the scheme etc. We understand that definite picture for employee policy is likely to be available by end of July/ middle of August,18. Thereafter IBA would take view on extending the policy to retirees with or without additional terms and conditions. We will wait up to middle of August, 18 to decide our strategy in the matter.

There are indications that again there may be increase in premium for retirees in particular for domiciliary scheme in view of continuous high claim ratio of more than 200 per cent etc.

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In the meantime we have been approached by some insurance broking firms with offer to provide base group insurance policy with improved terms and conditions. We are keeping them on hold at present. We are also actively in touch with CBPRO representatives for handling the issue in coordinated manner.

**Text of letter No.2018/67 dated 10th July 2018 sent to Shri K.V. Acharya, Convenor, CBPRO, Delhi**

***Joint & Coordinated Efforts on Retiree Issues by CBPRO & AIBRF***

“It was a good beginning by both of our organisations to submit Joint Representation to Convenor of UFBU on the pending issues of 100 % DA to Pre- November 2002 retirees and improvement in family pension in the recent past. We feel it need to be further pursued jointly through some action programs . We would like to have your views/ suggestions on it.

2. The following other pending issues can also be taken in coordinated manner jointly at different level for resolution.

1. Group Insurance Scheme for retirees: As you are aware 3 years’ agreement for providing group insurance to bank employees/ retirees will expire on 30.09.18/31.10.18. We understand discussions are going on between IBA and UFBU to consider various alternates like identifying other insurance company, implementing the scheme without broking firm etc. Terms and conditions for retiree policy largely depend on those applicable to employees. Our areas of concerns are premium rates for retirees and removal of various problems faced by retirees in settlement of claims etc. However retirees’ representatives are not directly involved in discussion process despite our persistent request to IBA. We are left with 4 months times to prepare our effective strategy to ensure best possible terms for retirees.
2. High GST on Insurance Premium & Hospitalisation Charges: During 2018-19 so far bank retirees have paid about Rs. 200 crores by way of insurance premium for group insurance policy and claims settled under this policy are also about Rs. 200 crores. On this GST paid by bank retirees comes to about Rs. 72 crores. In addition to this bank retirees spend considerable amount on medical treatment every year. 18% GST is too high on medical expenses particularly for retirees/ senior citizens who have limited source of income. We must take up this issue with the government for placing medical expenses incurred by senior citizens under Zero Slab in GST. We may consider involving other retiree organisations in our joint efforts.
3. Effective date for payment of enhanced gratuity amount should be at par with the government sector.
4. Further legal option if needed in future in the matter of 100 per cent DA
5. Strategy to pursue pending issues during the on-going wage negotiation to achieve the desired results.

3. We seek your views on the above.”

With Warm Greetings,

**Yours sincerely,**

**(B.C.Bassi)**

**GENERAL SECRETARY**