

Talks with IBA on 13th April, 2010: Pension Share Finalized

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We reproduce herein the text of UFBU Circular No. 3 of date on the details of the discussions held between UFBU and IBA today (13th April, 2010) at Mumbai. Pension related issues: While the draft of the Pension Option Settlement has been discussed and finalised, important issues of sharing the deficit / gap were discussed today. Various proposals of sharing method were discussed by us in the UFBU meeting including differential formula for pension optees and PF optees and taken up with the IBA.

However, having regard to certain legal and other implications, it has been finalised to have a uniform sharing formula. The details are given in the UFBU circular herein. Improvements in pension scheme: UFBU has also decided to take up various issues relating to improvements in the Pension Scheme like periodical updation of pension along with wage revision for serving employees, 100 % DA to be paid to all pensioners, common indexation of pension, increase in commutable portion of pension, increase in Ex Gratia for Pre-1986 retirees/widows, higher pension for pensioners above the age of 80, etc. Final Settlement: Various informations are being floated amongst the employees that the 9th Bipartite Settlement would be signed on 15th, 17th, 25th, etc. As of now, IBA has proposed that the final settlement can be signed on 20th April, 2010 since according to them all the issues stand resolved and the draft is also getting finalised. However, from our side, there are very important issues like IBA's proposals on outsourcing and increase in duties of Single Window Operators, Head Cashiers and Special Assistants without increase in Special Pay on which there are serious differences with the IBA. Without resolving these issues it would not be possible for AIBEA to sign the Settlement. We will keep members informed of all developments. Units and members are requested not to be carried away or provoked by attempts from any quarter to create confusions and diversions. Text of UFBU Circular No.3 dated 13th April, 2010. Another round of bipartite talks was held between IBA and UFBU constituents at Mumbai today. IBA was represented by Mr. Ramakrishnan, Chief Executive, Mr. Unnikrishnan, Dy. Chief Executive and Mr. M. Venugopalan, Officer on Special Duty. From UFBU, representatives of all the 9 Unions were present. In today's meeting, issues relating to settlement on pension option were taken up. The draft Settlement was discussed in details and finalized. Regarding retirees, the formula for contribution of Rs. 934 crores (30% gap) of the deficit after refund of the PF amount (Bank's contribution), it has been decided that the retirees will contribute as under:

time of	Refund of PF amount (Bank's contribution) actually received at the	
	retirement (no interest is payable on this amount)	Rs. X
	Plus: 56 % on this amount of Rs. X	Rs. Y
	Less: Commutation amount Receivable from the Bank	
Rs. Z	Net Amount refundable to the	Bank (X + Y - Z)
	Rs. ₹	

Regarding existing employees / officers, out of the net gap of Rs. 6000 crores, Banks would contribute 70 % i.e. Rs. 4200 crores. For the balance of Rs. 1800 crores (30%) employees / officers would contribute as under: (This will be a onetime contribution and would be recovered from the arrears.) For existing employees/officers - 1.6 times of Basic Pay payable for the month of November, 2007. For employees who have joined the banks after 1st November, 2007 their contribution would be proportionately reduced. Date of effect of pension option: IBA reiterated their stand that pension option would be effective from the date of the Settlement while we have explained our viewpoint that it should be w.e.f. 1-4-2008. Difference on this issue persists. UFBU decided to take steps to find a solution to this issue. Improvements under Pension Scheme: We took up with IBA various improvements in the Pension scheme like periodical updation of pension along with wage revision for serving employees, 100 % DA to be paid to all pensioners, common indexation of pension, increase in commutable portion of pension, increase in Ex Gratia for Pre-1986 retirees/widows, higher pension for pensioners above the age of 80, etc. After discussion it has been decided to submit a memorandum on these issues to the IBA and the Government and to be pursued further.