



# AB Tak

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## Demand for Contributory Provident Fund

State Bank Retirees' Association is a Federation of erstwhile Associate Banks. Most of the erstwhile Associate Banks' Retirees' Organisations are a part of State Bank Retirees' Association. State Bank Retirees Association (SBRA) is fighting to secure every legitimate benefit its members are legitimately and/or legally entitled to. After, Government of India agreed to extend pension uniformly at 50% to Pensioners of State Bank of India instead of payment of pension at 40% - 50%. Now, this has created imbalance and discrimination.

**Brief History of Superannuation Benefits in State Bank of India.**

The predecessor of State Bank of India is Imperial Bank of India. Like all other Banks, Imperial Bank of India also had two benefits. In addition to Provident Fund, State Bank of India had Pension. In addition to Provident Fund, other Banks had Gratuity. The perception that State Bank of India had three benefits is totally incorrect. It was also two benefits, like other Banks' employees/officers. In 1972, Payment of Gratuity Act, 1972 was enacted and State Bank of India was not exempted from Gratuity Act. Thereby third benefit was introduced in State Bank of India in the form of Gratuity as per Payment of Gratuity Act. But, in all other Banks had only two benefits and continue to have two benefits.

Even at the time of extension of pensionary benefits in other Banks, in terms of Joint Note & Bipartite Settlement dated 29.10.1993, there was a ceiling in Pension. At that time, Managing Directors of erstwhile Associate Banks who had pension which was less than that of officers in MMGS III of erstwhile Associate Banks. This amount of was Rs.1,250/- and Rs.2,400/-. But during 1999 State Bank of India introduced payment of pension at 50% of Basic Pay if Basic Pay is less than the maximum of JMGS I and it was at 40% of Basic Pay, with a minimum of 50% of 'Basic Pay' of JMGS I. When 40%/50% concept was introduced, for 'Pay' upto Rs.8,500/-, pension was paid at 50% and it was at 40% with a minimum of Rs.4,250/-, if the 'Pay' was more than Rs.8,500/-. Then it was revised to Rs.7,550/- (50% of Rs.15,100/-, Rs.10,520/- (50% of Rs.21,040/-), Rs.15,750/- (50% of Rs.31,500/-, Rs.25,745/- (50% of Rs.51,490/-) and Rs.40,250/- (Rs.80,500/-) during subsequent settlement periods.

In the meantime, Federation of State Bank of India Pensioners Association approached Delhi High Court, seeking payment of pension uniformly at 50%. Government of India formed a Committee under the Chairmanship of Shri G C Murmu, Additional Secretary, DFS. During October 2016 did not favour payment of pension at uniform rate of 50%. But, the Committee submitted the report advising the Bank to continue with 50%/40% formula with maximum pay of JMGS I Officer.

When the Government offered to look into the issues of SBI Pensioners, in case of representation by them. Representatives of Federation of State Bank of India Pensioners Association. A Committee under the Chairmanship of Dr.M P Tangirala was formed to hear the grievances in terms of the order of the Hon'ble High Court of Delhi, which accepted the offer of the Government and directed the Petitioners to represent. Representing AISBOF, Com.Rupam Roy, the General Secretary of AIBOC & the President of AISBOF, Com.

Rupam Roy, the General Secretary of AIBOC & the President of AISBOF, Com.Soumya Datta, former General Secretary, AIBOC, Com.Deepak Kumar Sharma, General Secretary of AISBOF and Com.G D Nadaf, former General Secretary of AIBOC presented before the Committee. Shri Sunil Mehta, the Chief Executive of Indian Banks Association was one of the members of Dr.M P Tangirala Committee.

Following information is culled from the report:

- a. Till 1968, Pension Scheme in State Bank of India was a contributory Pension Scheme (contribution at 5%).
- b. Pension Scheme in the Government and Nationalised Banks are in lieu of Provident Fund, but it is not so in State Bank of India
- c. DMD (HR) representing SBI informed that 83% of post 1999 retirees are getting pension at 50%. But, in Nationalised Banks, all are getting Pension at 50%
- d. When IBA was asked whether there has ever been any demand from NBs for CPF and also any possibility of this demand may arise in future, in case demand of 50% pension in SBI is agreed to, IBA informed that no such demands have been received
- e. SBI itself in its letter dated 10.06.1997 requested for dual rate of pension
- f. DMD (HR) reiterated that there should not be any disparity among different group of pensioners for calculating pensionary benefits
- g. IBA while reiterating that no such demands for CPF have been received till date, Pension & other terminal benefits of SBI. IBA also stated that Pension was in existence from the Presidency/Imperial Bank days.
- h. Representatives of FSBIPA stated that both CPF and Pension right from the inception. Gratuity was introduced in 1972. In Nationalised Banks, retiral benefits included only Service Gratuity and CPF. In 1995 pension was introduced in lieu of CPF.
- i. FSBIPA also submitted that affected/aggrieved group of pensioners occupied executive and key positions in the Bank who are responsible for the Bank's growth and the pension structure has led to disparity. Clerks and Junior Officers often receive pension more than senior colleagues
- j. Shri Sunil Mehta, then Chief Executive of IBA stated that the anomaly in SBI needs to be corrected as different rates for employees of same organisation is not justified. He also stated that pension at uniform rate of 50% should be fixed in line with that of other organisations
- k. The Committee observed that payment of pension at uniform rate of 50% will only be restoration of the original rate at which pension was earlier given to this set of people.

**But, it is important to note that organisations which made submissions have deliberately provided half truths or false information. What are they?**

- a. Before Sastry Award, Pension was contributory. There were only two benefits in all the Banks. There was a ceiling, even though pension at 50% was paid;
- b. Dual rate came into existence only after entering into agreement with Officers' Association and the Bank itself recommended. Bank has introduced dual rates deliberately with a view to claim pension at 50% at a later date;
- c. Admittedly, pension in Banks was in lieu of CPF and naturally, this pension needs to be better than the pension in addition to CPF. Oranges cannot be compared to Apples. While stating the history, it is stated that pension in Nationalised Banks was in lieu of CPF, there is demand for equalisation of pension in the Banking industry;
- d. It is not true that there was no demand for CPF. AIRBEA and SBRA has represented for ending discrimination. This fact is hidden from the Committee. Demand for third benefit was in existence from the days of Awards;
- e. Pension of State Bank of India is being improved from time to time. But, pension in Nationalised Banks have

remained stagnant.

- f. In 1993 Bipartite Settlement, even State Bank of India was also had an option to introduce pension scheme in terms of the Settlement. Having opted to continue with a view that their superannuation benefits are superior to superannuation benefits in Nationalised Banks;
- g. Shri Sunil Mehta suggested that the anomaly in SBI needs to be corrected as different rates for employees of same organisation is not justified. But, what he has not stated that the Provident Fund Schemes of employees of Nationalised Banks also has two rates. They are 0% (pension optees) and 10% (provident fund optees). IBA cannot say that the pension was in lieu of CPF in Nationalised Banks, because the Committee never considered existence of CPF also in addition to Pension in State Bank of India. It is pertinent to note that all employees of Nationalised Banks are also members of Provident Fund, whether they are Pension optees or Provident Fund optees. Having considered Pension Scheme of SBI in isolation, CPF Schemes of Nationalised Banks should also be considered in isolation;
- h. Two benefits cannot be equated with three benefits;
- i. Pension Regulations, 1995 also provides for payment of pension to those who join the Banks on or after notified date, i.e 29.09.1995. They are not covered by clauses which stipulate surrender of Provident Fund. Therefore, they are covered by both Provident Fund and Pension. Consequently, even those who have joined the Banks before the notified date are also entitled to CPF.
- j. Provident Fund Rules have not been amended in many Banks. Therefore, Banks are liable to pay Provident Fund in terms of Provident Fund Rules. As said earlier, wherever Provident Fund Rules are amended, there is existence of two rates. They are 0% and 10%.
- k. In State Bank of India, there are four rates of Provident Fund. They are i) Provident Fund of those who have joined State Bank of India, ii) Provident Fund of those who belonged to erstwhile State Bank of Saurashtra and State Bank of Indore iii) Provident Fund of those who are from five erstwhile Associate Banks, which are amalgamated with effect from 01.04.2017 and iv) Those who have opted for Superannuation Benefits of erstwhile Associate Banks. When, two rates are impermissible for employees of the same bank in same rules as far as pension scheme is concerned, by applying the same principles to Provident Fund Scheme, it is impermissible to have four rates in Provident Fund Scheme of State Bank of India;
- l. When employees/officers/pensioners of Regional Rural Banks are entitled to all the benefits available in Sponsoring Banks, employees/officers/pensioners of erstwhile Associate Banks should also be entitled to all the benefits that are available to employees/officers/pensioners of State Bank of India. This is because, like Sponsoring Banks, State Bank of India was controlling erstwhile Associate Banks.

**Above information and facts clearly demonstrate that not only erstwhile Associate Banks' retirees, even retirees of other Nationalised Banks cannot be denied Contributory Provident Fund.**

**It is unfortunate that everyone, including former employees/officers/pensioners/retirees of erstwhile Associate Banks do not assert. It is both legitimate and legal right of former employees/officers/pensioners/retirees of erstwhile Associate Banks.**

## Legal Struggles by SBRA

The legal struggles launched by State Bank Retirees' Association or Apex Organisation, All India Retired Bank Employees' Association have reached decisive stage. Hon'ble High Court of Delhi had ordered submission of Comprehensive representation to the Banks, which are parties in Civil Appeal No.5525 of 2012 and connected matters seeking implementation of the Judgment therein. This Writ Petition was filed complying with the orders of Hon'ble Supreme Court in Contempt Petition filed by All India Retired Bank Employees' Association. This Writ Petition is pursuant to orders of Hon'ble Supreme Court to invoke appropriate proceedings in accordance with law in case our Association has a grievance with regard to non-implementation or improper implementation of the judgment in Civil Appeal No.5525 of 2012 and connected matters. It is also reported in the last week that a

comprehensive representation is sent to the Secretary, Department of Financial Services, New Delhi. Copies of this representation has already been sent to all Banks which are parties in Hon'ble Supreme Court. It is reiterated that each of the claim is supported by the decisions of Hon'ble Supreme Court, Writ Appeal and Writ Petitions before Hon'ble High Court of Karnataka and Delhi. AIRBEA and its Advocates are of the firm opinion that it is very difficult for the Banks not to implement the orders, both in letter and spirit.

Upon advise from Senior Advocate, Shri Shekhar G Devasa, separate representation is also sent to all these Banks duly modifying each of these representations with information applicable to respective Banks. Representation submitted to State Bank of India comprehensively covers following issues :

1. *Computation of Basic Pension in terms of Regulation 2 (s), 35 and 38 of the Bank Employees Pension Regulations, 1995, duly applying the relevant provisions in Reserve Bank of India Employees' Pension Regulations, 1990 to all those who retired during the period from 01.11.1997 to 30.04.2005;*
2. *Computation of basic pension in terms of Regulation 29, which covers notional addition of service to the maximum extent of 5 years subject to conditions stipulated in Regulation 29;*
3. ***Computation of Dearness Relief in terms of Regulation 37 of bank employees Pension Regulation, 1995 as existing on the date of the retirement;***
4. *Payment of Commutation on differential amount of Basic Pension in terms of Regulation 41 and 56 read with Rule 6 and 10 of Central Civil (Commutation of Pension), 1981;*
5. *Payment of all pensionary benefits that are being extended in Reserve Bank of India, such as: (a) Calculation of Pension by including the service from the date of initial appointment on temporary basis regularisation, itself (b) Payment of pension at 50% of 'Pay' after rendering service of 20 years (i.e., instead of 33 years) (c) payment of proportionate pension after serving 10 years; (d) Payment of pension duly reckoning higher of last ten months' average 'Pay' or 'last Pay' drawn' instead of last ten months' average 'Pay'; (e) Counting of period spent on leave during service for which leave salary is payable and all extraordinary leave granted on medical certificate shall count as qualifying service, unless otherwise decided*
6. *Recognizing and engaging with Petitioner - Association by all Respondents in Civil Appeal No.6254 of 2012 including State Bank of India*
7. *Interest on the total amount due and payable at 9% as on the date of payment, as directed by Hon'ble Supreme Court*
8. *Cost of Rs.10,000/- as imposed by the Hon'ble High Court of Karnataka which is paid to only to petitioners, to all.*

State Bank of India and all these Banks have six weeks' time to pass speaking orders complying with the orders of Hon'ble Supreme Court. These Banks should also provide calculation sheets in support of the orders passed. In case any of the above grievances survive, it is open to the Association to take recourse to legal remedies in case of any surviving grievance.

Consequent to the decision of Hon'ble Supreme Court in Contempt Petition and also in Writ Petition, AIRBEA is very close to get all these benefits to members of its affiliates, including that of State Bank Retirees Association. These Banks cannot raise any new grounds or objections in implementation of these Judgments. The scope for the Banks to avoid implementation is very limited. The General Secretary of State Bank of Mysore Pensioners' Commune is authorized to represent AIRBEA and all these cases on behalf of AIRBEA are filed by him. In the event of implementation of the decisions, history would be created.

It is expected that naysayers are eagerly waiting to find fault and undermine the efforts. They may say that this decision of the Court is only in respect of those who retired during the period from 01.11.1997 and 30.04.2005. Taking advantage of this decision covered by Hon'ble Supreme Court, these Associations have already filed cases before Hon'ble High Courts of Karnataka, Bombay and Telangana covering all those who have retired on or after 01.11.1997 and perpetually thereafter. Members should not be misguided by those whose interest is only to harm the interest of State Bank Retirees' Association and its affiliates. Just time is between such people and the truth. All such persons would be compelled to eat humble pie. Advancing negativity has a very small shelf life.



**However, in these representations, it is stated that members are entitled to all the benefits ordered by Hon'ble Supreme Court and Hon'ble High Courts of Karnataka in decisions referred in the representation. However, AIRBEA would also be providing the list of Pensioners of the Bank, whom it does not represent/cannot represent.**

## **Campaign by some activists against interest of SBRA**

Memories of members are recalled. During 2019/2020, i.e before advent of COVID, State Bank Retirees' Association launched campaign for initiating legal struggle to secure payment of pension in terms of existing regulations, more particularly, under Regulation 37. Members of affiliates from State Bank of Mysore, State Bank of Patiala and State Bank of Hyderabad contributed Rs.5,000/-, in large numbers. Such amount was paid to the accounts of respective Organisation, but not to the account of State Bank Retirees' Association. But Court cases were filed by either State Bank Retirees' Association and State Bank of Mysore Pensioners' Commune and some members of affiliates. This was also informed at the time of this campaign itself, that State Bank Retirees' Association is taking a lead role in legal struggles, but not affiliates. **This struggle is a joint action by affiliates in the name of State Bank Retirees' Association and therefore, there cannot be any decision, by any affiliate which could damage the interest of State Bank Retirees' Association or that of its affiliates. State Bank Retirees' Association has an absolute right to initiate such actions, to protect its interest, interest of its affiliates and their members. State Bank Retirees' Association cannot represent any of those who instigate or undermine efforts or doubt credentials or cast aspirations. There cannot be any compromise. There are some who are acting at the behest of other Pensioners Association, who have no intention to fight on behalf of retirees/pensioners of erstwhile Associate Banks. Some of those who either do not want to contribute or does not have faith in the struggle or not aware of the campaign did not join the struggle by contributing the amount of Rs.5,000/-. Sadly, some of those who had not contributed Rs.5,000/-, commenced negative campaign. Some from State Bank of Patiala and many from State Bank of Hyderabad, withdrew after giving an undertaking to the effect that they will not be represented. But, only two from State Bank of Mysore withdrew. There was another round of campaign again. About a few hundred from SBHREA submitted letters seeking withdrawal. Amount paid by them was refunded. In State Bank of Mysore only SIX opted for refund, when offered refund. But, refund to SIX in SBM was made only after obtaining letters of undertaking from these six of its members. **It was decided to refund the amount collected from all, in an Organisation, it is because it would have been unfair to those who had contributed, but did not seek withdrawal, if amounts were not to be refunded to them. Those who have complete trust in their organisation and do not withdraw and those who withdraw with or without handing over letters of undertaking cannot be treated equally.** Those who do not have trust in their Organisation or in legal struggle or those who were misguided withdrew without giving letters of undertaking cannot be treated at par with those who did not chose to withdraw. Those who did not pay may or may not have any doubt about their organisation. It may even be because of lack of full information. **Therefore, those who have withdrawn have explicitly indicated that they do not trust or do not have faith and they cannot be represented.** In this background, what should be the decision or opinion of State Bank Retirees Association. Moreso, in the case of those who have paid and withdrawn or not paid but continuously undertook negative campaign or undermined legal struggles of State Bank Retirees Association. One or more of following actions are contemplated, which would be decided in appropriate forum of State Bank Retirees' Association :**

- a. Withdraw the case/s filed by State Bank Retirees' Association in respect of payment of pension in terms of Regulation 37, whereby benefit of payment of pension including Dearness Relief in terms of Pension Regulations will not flow to members of its affiliates and/or
- b. Provide a list of members who have submitted letters seeking withdrawal of amount of Rs.5,000/- paid by them, which amounts to expression of lack of intention of pursuing the legal struggles, also that of those who undertook negative campaign and those who created doubts about our legal struggles, itself. Since, this struggle is initiated on behalf of all affiliates, some members of any one or more of affiliates cannot hold Apex organisation to ransom.

- c. Initiate such steps which make those who had undertaken negative campaign against State Bank Retirees' Association or its affiliates or leaders of these organisations, understand that the organisation is bigger and stronger.

Those who intend to weaken erstwhile Associate Bank Retirees' movement should be made to understand that such campaigns are taken in its stride and befitting response would be given in a hard way. It is bounden duty of State Bank Retirees Association to be with the organisation.

**Some entertain a fond hope that the Benefits secured by legal struggles of State Bank Retirees Association would be extended by State Bank of India to all similarly placed pensioners. Some wants to enjoy fruits of struggles and sacrifice of others. They want to be beneficiaries of labour of others, whom they had criticised in the past. And whom they did not trust. They do not want to run, but wants to join in victory stand.**

**Those who withdrew are guided or misguided by some individuals. Therefore, those who have withdrawn their contribution, should seek assistance of those who have misguided or guided them to get the benefit, if such benefits are not extended by the Bank. Neither State Bank Retirees' Association nor its affiliates can help them, as the benefits might not have been paid on account of inclusion of their names in the list of members/non-members whom State Bank Retirees' Association cannot represent.**

There are some more pensioners of erstwhile Associate Banks' Retirees, who have become principal office bearers of State Bank of India Pensioners' Association. They were even a part of organisation of Associate Banks' retirees. State Bank Retirees' Association cannot support them. They need to be made to understand that it is only State Bank Retirees' Association, which is working in the interest of erstwhile Associate Bank Pensioners and Retirees. All such persons would be made to understand in a hard way. There cannot be any sympathy or support to those whose actions weaken or make attempts to weaken State Bank Retirees' Association and its affiliates.

## **Bank cannot ignore SBRA for long**

Members of affiliates of State Bank Retirees' Association are aware of strength of erstwhile Associate Banks. They have courage. They have the knowledge. They have the strength and they even have committed memberships. Affiliates of State Bank Retirees' Association and State Bank Retirees' Association cannot be kept away for a long time. They are not puppet organisations. They are fighting to enforce every legal right and protect every benefit. State Bank Retirees' Association should be invited for every meeting or settlement or seminar, whenever any decision for or against its members is taken. It has an Order of Hon'ble Supreme Court. Shortly, the Bank would be compelled to listen to the leaders of State Bank Retirees' Association. Holding discussion is not out of goodwill, but as a legal duty.

Members are aware of a Writ Petition was filed by Associate Bank Officers' Association, before Telangana High Court and the judgment is expected to be delivered shortly. One of the benefits claimed is payment of Provident Fund from the date of their joining, not from the date of amalgamation. Unfortunately, this case does not cover payment of Provident Fund to those who have retired from erstwhile Associate Banks. Another option sought is also for opting 'State Bank of India Superannuation Benefits', but not vice versa. State Bank Retirees' Association has already initiated appropriate legal action for extension of another option to chose Superannuation benefit of erstwhile Associate Banks. Immediately after delivery of Judgment by Telangana High Court, appropriate proceedings would be launched for securing Contributory Provident Fund to all eAB pensioners/retirees.