



UNITED FORUM OF BANK RETIREES

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JUSTIFICATION OF PENSION UPDATION FOR RETIREES UPTO 31 ST OCTOBER 2017

Pension updation has been discussed vigorously for last about 6 years after the X th BPS talks were finalized. IBA in May 2015 advised that availability of funds and sustainability of banks for additional load for pension updation are to be looked into. The issue was also in the agenda at the beginning of the XI th BPS talks but again pushed to back stage. In the meantime pension funds of Public Sector banks have grown from about Rs.2.0 lakh Crores to Rs.3.2 lakh Crores in 6 years due to both income from fund and bank contribution of retiral benefits for subsequent retirees. Position of pension fund, pension payment position, number of pensioners are analysed to give some idea about additional load on pension updation.

Position as on March 2021

Amount Rs. Crores

PS Bank particulars	Pension payment Year 2020-21	Number of Regular pensioners	Number of Family pensioners	Pension fund balance as on March 2021	Profits of PS banks as on Sept 2021 (FY 2021-22)
1.Nationalised Banks	16776	349621	80810	195013	15590
2.State Bank of India	8318	201794	68370	125806	14131
3.Total PS Banks	25094	551415	149180	320819	29721
4. Nationalised bank/ SBI	2.01	1.73	1.18	1.55	1.10

Source: Annual Reports of PS Banks and reply to RTIs filed.

Pension fund growth is substantial, actuarial estimates are needed separately for the additional load on pension updation for **retired pensioners up to 31 st October 2017 batch with number about 3.1 lakhs out of total pensioners of about 7.0 lakhs** as per RBI pattern, which is also the industry pattern.. Now **1.50 lakh family pensioners received the pension improvement w.e.f 1st April 2021 and about 2.4 lakh pensioners retired after 31st October 2017 received pension revision in XI th BPS by revision in basic pension by index point merger.** Whatever additional load is assessed in actuarial estimate of pension improvement of family pensioners, almost same estimated load will also be for pension updation of eligible regular pensioners as number is half but benefit is almost double for family pensioners compared to regular pensioners. **Moreover, Banks were making loss continuously for 5 years from 2015-16, but made profit of about Rs. 34,000 Crores in the year 2020-21 and trend is better in year 2021-22. The incidence of merger also played big role in profitability. In case of shortfall the same can be amortised, but it will be a big relief for Bank Pensioners retired upto 31st October 2017 numbering about 3.1 lakhs now.**

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