12th Position

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA

STARRED QUESTION No. *12

TO BE ANSWERED ON 2nd FEBRUARY, 2021(TUESDAY)/ MAGHA 13, 1942 (Saka)

Revision of pension of retired bank employees

Question

*12. SHRI M. V. SHREYAMS KUMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that pension of retired bank employees has not been revised for the past three decades and the Indian Bank Association at its 72nd Annual General Meeting (AGM) has advised the Bank authorities to update the pension;

(b) if so, the response of the Ministry thereon when Regulation 35 (1) of Bank (Employees') Pension Regulations, 1995 emphasise the updating of Basic Pension and Additional Pension, wherever applicable; and

(c) the details thereof along with reaction of Government in this regard?

ANSWER

The Finance Minister

(Smt Nirmala Sitharaman)

(a) to (c) : A statement is laid on the table of the house.

Statement referred to in reply to parts (a) to (c) of the Rajya Sabha starred question no. 12 for answer on 2nd February, 2021, regarding revision of pension of retired bank employees, tabled by Shri M. V. Shreyams Kumar, Member of Parliament

Pension of pensioners of nationalised banks is financed by the respective bank out of its commercially generated revenues. Such pension was introduced as a funded scheme on the basis of consensus arrived at between bank employee unions/associations and the Indian Banks' Association (IBA), which negotiated on behalf of participating banks. The Boards of the respective nationalised bank accordingly made Employees' Pension Regulations in exercise of their powers under section 19 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980. While the said regulations do not provide for revision of the pension fixed thereunder consequent upon the retirement of an employee, regulation 37 thereof provides for six-monthly revision in dearness relief on the basis of rise in All India Consumer Price Index for Industrial Workers. Insofar as regulation 35(1)is concerned, the same applies only to employees who retired between 1.1.1986 and 31.10.1987 and the updating referred to therein (in terms of certain formulae) only have effect on the initial fixation of their pension and does not entail any revision of pension so fixed. With regard to whether IBA at its 72nd AGM has advised bank authorities to update pension, it is stated that as per IBA no such advice has been given and, further, that IBA has recently (on 25.1.2021) recommended that family pension, which is currently payable at the slab rates of 15%, 20% and 30% for different categories of pensioners with a cap of Rs. 9,284 per month, be improved to 30% for all employees without any cap, and the said recommendation is under consideration of the Government.

***