

### **JUSTIFICATION OF PENSION UPDATION FOR RETIREES UPTO 31 ST OCTOBER 2017**

Pension updation has been discussed in a positive manner on different forums for last about 5 years after the X th BPS talks were finalized. IBA in May 2015 mentioned that pension updation is subject to availability and sustainability of pension funds of banks. The issue was in the agenda at the beginning of the XI th BPS talks and now it is being discussed as a residual issue during the year 2022. Family pension improvement was implemented in the year 2021-22. Congratulations to leaders of UFBU for achieving one and negotiating for the other. But one of the leaders mentioned about additional load due to family pension improvement. The additional load is estimated to be about Rs.18,000 Crores and banks provided Rs.12,000 Crores in the year 2021-22, the remaining provision required is about Rs.6,000 Crores. While looking at the annual reports of banks it appears to be a different story. Pension funds of banks have grown up from about Rs.2.0 lakh Crores to more than Rs.3.3 lakh Crores in last 5 year.

**Consolidated position as on March 2022 is given below.**

**Amount Rs. Crores**

SL No.	Category of PSB	Pension payment 2021-22	Pension Payment 2020-21	Regular pensioners March 2021	Family Pensioners March 2021	Pension fund value	
						March 2022	2021
1	Nationalised Banks	20293	16776	349621	80810	205816	194165
2.	State Bank of India	4927	3476	201794	68370	130591	106446
3	Total	25220	20252	551415	149180	336407	300611

It is clear from the above table that there is growth in the pension payment amount. There are some reasons like increase in number of pensioners, increase in quantum of pension amount due to increase in DA, improvement in the family pension amount, payment of arrears in release of stagnation increments and some others. Therefore, it may not be correct to say that family pension improvement has caused huge additional load. Moreover, pension fund growth is substantial and it is not the constraint, if actuarial estimate is done separately for the additional load on pension updation for **retired pensioners only up to 31 st October 2017 batch with number about 3.0 lakhs out of total pensioners of about 5.51 lakhs**. Employees retired after 31 st October 2017 XI BPS has received new basic pension re-fixed in 2021 after taking into account index merger points up to 6352. Therefore, pension updation as per RBI pattern, which is also the industry pattern, needs pragmatic actuaries report to assess the additional load correctly for about 3.0 lakh regular pensioners, though some family pensioners will also get benefits in this pattern of index merger. Urgent request is made to UFBU leaders to consider pragmatic approach for pension updation.

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