

Federal Bank Retired Officers' Forum

Resolutions Proposed in the 26th Annual General Body Meeting (Hybrid Meeting)

held at FISAT, Mookkannoor on 28th November, 2021

RESOLUTION NO. 1

On Revision of Gratuity Payable to Employees as per amended Payment of Gratuity Act, 1972.

The Payment of Gratuity Act, 1972 was amended by Government of India and the ceiling of Gratuity Payable to workmen on their superannuation was enhanced to Rs. 20 lakhs from Rs. 10 lakhs, in line with the 7th Central Pay Commission's recommendations accepted by the Central Government. The relevant amendment for Central Government Employees was notified on July 25, 2016 and the enhanced ceiling was made effective retrospectively from January 1, 2016. But on amending the Gratuity Act for extending the benefits of enhanced ceiling to employees in Non-Government Sector, effective date was given prospectively only, i.e., w.e.f. the date of passing the amended bill by Parliament, i.e., 29th March 2018, thereby depriving the benefits to thousands of employees in non-Government sector. In view of the discrimination in the matter, the following resolution is proposed. Therefore;

“The 26th Annual General Body Meeting of Federal Bank Retired Officers' Forum held at FISAT, Mookkannoor on 28th November 2021, resolves to demand Ministry of Labour & Employment, Union of India to extend the benefits of enhanced Gratuity ceiling to Employees of Banks who retired during the period from 1st January, 2016 to 28th March, 2018.”

RESOLUTION NO. 2

On reckoning Special Allowance as per 10th Bipartite Settlement for calculation of Gratuity & Basic Pension.

10th Bipartite Settlement introduced a new concept of carving out a major chunk of the benefit accrued on merger of DA as a separate “Special Allowance” and only a small portion of the DA merger benefits was taken for fixing the Basic Pay. The settlement also stipulated that this newly introduced ‘Special Allowance’ will not count for Superannuation benefits of Pension & Gratuity, whereas this ‘Special Allowance’ is counted for calculation of PF contribution and Leave Encashment. Non reckoning of Special Allowance for the purpose of calculating Superannuation benefits, is a violation of Pension Regulation 2 (s)(a) (ii), as it provides that all Allowances counted for the purpose of making contribution to the Provident Fund and for payment of DA shall be included as a component of Pay. The only purpose of the negative clause was to take away the benefits conferred under Pension Regulation 2 (s) (a)(ii).

Hence, “The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers' Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand IBA and UFBU to take necessary action to strike off the negative clause in the 10th Bipartite Settlement to exempt ‘Special Allowance’ for reckoning Basic Pension and Gratuity payments with retrospective effect from 1st November 2012”.

RESOLUTION NO. 3

On Updating of Basic Pension and 100% DA neutralization for Bank Retirees.

The Bank Retirees who have been left high and dry, are denied of the Periodical Updating of Pension. Family Pension also requires substantial improvement. When the Pension regulations were formulated in 1995, it was a sigh

of relief for Officers as pension was hailed as the major social security measure available to officers to pull their life together after their hard work across various parts of the country. But to their great disappointment there was no Updating of Basic Pension periodically and as such a Senior Executive who retired ten years back is drawing Pension lesser than an Entry Level Officer who retired later than him. Therefore -

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021 resolves that the Union Government should come out with Periodical automatic Updating of Pension scheme for Bank Officers and Employees on par with the regulations available to the retired employees of the Central Government, with 100% DA neutralization”.

RESOLUTION NO. 4

On Refund of PF dues to the retirees of the Bank.

The nonpayment of the Provident Fund dues due to the Beneficiaries in our Bank has been a grave and seriously protracted issue and the legal battle has been going on for quite long. It has now reached a conclusion with the dismissal of the Special Leave Petition filed by the PF Commissionerate, by the Division Bench of the apex Court of the Nation. Many of the retired beneficiaries of PF passed away without enjoying the benefits and most of the remaining have crossed the age of 70 and are sick invalids, unable to sustain themselves. There is no dispute to the fact that the Retirees, including those who are no more, have contributed their might with their lives to take our Bank to this present day stature and status. They all have stood with our Bank in the inordinately long drawn legal battle with the PF Authorities with patience and perseverance and this patient waiting shall not be understood or underestimated as their failure to fight further for their legitimate dues.

This General Body Meeting of the Retired Officers’ Forum is gravely concerned and renews the demand for immediate release of the legitimate dues to the beneficiaries in the wake of the recent judgement of the Supreme Court in the PF Case and requests all concerned to do justice to the retirees. Therefore;

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand the Federal Bank Ltd to pay the eligible amount of PF deducted from the salary with interest with immediate effect”.

RESOLUTION NO. 5

On Representation of Retirees in the Pension Fund Trust

Pension Payout to the Retirees of an Institution is the payment of deferred wages accrued to the Employees while in service. The Corpus of Fund is nothing but the contribution of the PF component by the Employer which is a portion of the deferred wages. The Fund is, however, managed by the Bank and the payout is effected by subscribing to the Annuities of Life Insurance Corporation of India who is demanding exorbitant premia year after year. In the wake of change in related policies by Govt. of India, now the Bank is open to quotations from other Insurers like SBI Life, etc. In these circumstances and policies, it is high time that the Retirees have a role in the management of the Pension Fund of the Bank. Hence;

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand the Federal Bank Ltd to give representation to the nominee of Federal Bank Retired Officers Forum in the Pension Fund Trust of the Bank of the Bank, with immediate effect”.

RESOLUTION NO. 6

On Exemption of Income Tax from Pension.

Pension is the right of the employees for their past services. The Bank Retirees are really facing financial hardships, mainly on account of rising cost of sustenance, healthcare, price rise, etc. Senior citizens are very seriously hit by the adverse movement of interest rates on their small savings and bank deposits. In a developing economy such adverse

indicators are bound to hit the fixed income group people more so the senior citizens. The impact on family pensioners gets compounded in view of the meager amount of Basic Pension. This is because of periodical Updating and Revision of Basic Pension not taking place in the case of Bank Pensioners whereas the same is taken care of by the Central Pay Commission. Hence -

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021, resolves to consider complete exemption of Income Tax to pensioners and retirees to the extent of their income from Pension and Interest income on Small Savings and Bank Deposits”.

RESOLUTION NO. 7

On IBA Health Insurance Scheme for Hospitalization reimbursement.

After introduction of IBA’s Medical Insurance Scheme, there has been multifold increase in the premium on subsequent renewals, compelling many of the retirees to opt out of this scheme for the reasons of un-affordability, more particularly those who are family pensioners drawing as low as Rs 4000 per month as pension. The entire amount of Annual Pension in such cases would not be sufficient to meet the medical insurance premium. The sky rocketing premium has robbed many pensioners of the benefit under IBA policy which has been, otherwise largely helpful to the retirees.

Govt communication dated 24.02.2012, did not envisage payment of medical insurance by the retirees, but it should be borne by the Bank as in the case of serving Officers/Employees. It is a fact that Executive Directors/ Managing Directors/ Chairman and Managing Directors are extended the benefit of medical expenses reimbursement even after retirement without any charge to them as they were entitled during their service. It is therefore discriminatory on the part of the Banks to create a class within the class with regard to extension of medical benefit facility to retired bank officers/employees vis-a-vis top retired functionaries of the Bank on the one side and serving employees on the other side.

The Retirees are facing a lot of hardships in getting their legitimate hospitalization and domiciliary claims settled. There are instances of undue delay in settling the claims and unreasonable or illogical denial of certain medical expenses incurred. It is absolutely necessary to have a cashless scheme to be paid by the Bank. The scheme should be drastically improved by allowing 100% reimbursement for self and family, without ceiling. So;

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021, resolves to demand IBA and authorities to implement the scheme strictly and reimburse the hospitalization expenses to the retirees ensuring 100% reimbursement for self and family without any ceiling and the Banks to bear 100% of the premium of the retirees”.

RESOLUTION NO. 8

On payment of GST on the Insurance Premium of Officers/Employees

Dept. of Financial Services, Ministry of Finance, Govt. of India advised IBA, vide their communication dated 24th February 2012 to evolve a Medical Insurance Scheme for Serving and Retired Employees of Banks. IBA put it as a management issue and discussions were held. A new medical insurance scheme got introduced both for the Serving Employees, w.e.f October 2015 and Retired Employees, w.e.f November 2015.

After implementation of the IBA Medical Insurance Scheme the load of retirees further increased from 2018 renewal onwards when GST was charged on the Insurance premium paid by the retirees. Since all the retirees are Senior and Super Senior Citizens their medical insurance being a social security measure, the payment of insurance premium and so also the hospitalization bills be brought under 0% slab of GST. Therefore;

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand Authorities to consider complete exemption from payment of GST on Medical Insurance premium and on the hospitalization bills paid by Bank Retirees.

RESOLUTION NO. 9

On Non-payment of Interest for Pension Arrears to Pre- 2002 Retirees.

On 13th February 2018, Hon'ble Supreme Court ordered rectification of the anomaly in merger of DA at 1684 points instead of 1616 points in computation of pension of the Pre- 2002 retirees within 4 months from the date of Order and also ordered to pay interest @ 9% on the amount due to retirees. IBA, vide their letter NoHR&IR / 2018-19/G2/13 dtd 13.05.2018 gave directions to the Member Banks to implement the order of the Hon'ble Supreme Court by refixing the payment of arrears with interest to all employees/officers who retired on or after 01/04/1998 up to 30.04.2005" But our Bank implemented the Supreme Court order only partially. The arrears were released but the interest on the arrears and Commutation Arrears for the enhanced Basic Pay, is not paid. Therefore; "The 26th Annual Generalized Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers' Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand the Management of the Bank to pay the Interest due on the Arrears and also the Commutation Arrears for the enhanced Basic Pay for the pre- 2002 retirees."

RESOLUTION NO. 10

On option for Pension for Compulsorily Retired Officers/Employees

Second option for Pension was not made available to the Officers/Employees who were compulsorily retired by the Banks while extending second option for pension to Officers/Employees as per the Joint Note dated 27.04.2010 signed along with 9th Bipartite Settlement. Some of the aggrieved Officers/Employees approached different High Courts and obtained favourable orders. The SLPs preferred by the Banks/IBA in Supreme Court against the judgment of the High Courts were dismissed. IBA sought legal opinion on the judgment from 'M/s Kelkar & Associates', the Legal Retainer of IBA. The law firm opined as follows: "... we are of the considered view that the banks are bound to give 2nd option to all the Employees/Officers who are compulsorily retired and who fall within the ambit of the Joint Note to exercise 2nd option..."

In spite of the crystal clear legal opinion to grant option to all affected Employees/Officers of Banks which are parties to the Bipartite Settlement, the Managing Committee of IBA decided to advise only the Chief Executives of Public Sector Banks to implement the same, leaving behind the Retired Officers/Employees of Private Sector Banks. Our Apex organisations CBPRO & AIBPARC are following up this with IBA and UFBU. So;

"The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers' Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand IBA and Authorities to allow Second Option for Pension to the Officers/Employees who were compulsorily retired by the Banks, while extending second option for pension to Officers/Employees as per the Joint Note dated 27.04.2010, signed along with 9th Bipartite Settlement".

RESOLUTION NO. 11

On Option for Pension to Resignees with Pensionable Service.

Option for pension was denied to those Employees/Officers who had resigned after completing pensionable years of service. Some of the affected resignees of Vijaya Bank filed suit against this discrimination. The suit was finally disposed in favour of the petitioners by the Hon'ble Supreme Court and ordered Vijaya Bank to extend the benefit of second option for pension to them. However, IBA has not taken steps to advise other banks to extend the benefit of second option for pension to the similarly placed persons in other Banks. CBPRO and AIBPARC have taken up the issue with Dept. of Financial Services under Ministry of Finance, Govt. of India, IBA and UFBU for early resolution of the matter.

"The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers' Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to demand IBA and Authorities to allow option for pension to those Employees/Officers who had resigned after completing pensionable years of service."

RESOLUTION NO. 12

On Full Benefit of Standard Deduction (Rs50000/-) for Family Pensioners.

As per Section 57(iia) of ITAct, in the case of income in the nature of Family Pension, a deduction of a sum equal to thirty-three and one-third per cent of such income or fifteen thousand rupees, whichever is less is allowed as standard deduction in a year.

(Explanation. —For the purposes of this clause, “family pension” means a regular monthly amount payable by the employer to a person belonging to the family of an employee in the event of his death)

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT Mookkannoor on 28th November 2021 resolves to consider full standard deduction of Rs 50,000/- from the monthly pension amount received by family pensioners to the extent of their income from family pension.”

RESOLUTION NO. 13

On Attack on Trade Unions and On the Threat to the Existence of Old Generation Private Sector Banks.

Trade Unions in our country have grown to the present day stature owing to the long drawn struggles and hard work put in by lakhs of Employees in the Banking industry for several decades. Overt and covert attempts are being made by the Managements of Banks, especially in Private Sector to weaken the Trade Unions in order to facilitate unhindered implementation of their anti-people and exploitive business agenda where the focus is solely on profit maximization and hiking of the payout to the top Management, who are often found to migrate to various other Banks/ Institutions.

Adding Fuel to Fire, the Reserve Bank of India, hurting the sentiments of the Employees of the Private Sector Banks in India, both Past & Present, announced its decision to merge Lakshmi Vilas Bank, an old generation Private Sector Bank with a legacy of 94 years and a customer base of 2 Million. with DBS Bank of India, an Indian subsidiary of DBS Bank, Singapore, which marked a shift in the prevailing policies of Reserve Bank of India and Govt. of India in directing Public Sector Banks in India with the task of revival of ailing old generation Private Sector Banks. The actions of Govt. of India and the Reserve Bank in this connection, appeared a pre-planned exercise. Lakshmi Vilas Bank, as a part of this merger, has been delisted from the Stock Exchanges where it was listed, the entire Share Capital & Reserves, including Share Premium Account has been written off as per terms of the amalgamation. The lending policies are being rewritten to suit funding corporates rather than following the Bank’s customary strength of lending to small business. Lakshmi Vilas Bank withdrew its mandate to Indian Banks Association for the 11th Bipartite Settlement in the last minute, putting into serious jeopardy, the rights and privileges of the Employees of the Bank, both Past & Present. In another astonishing move, the Bank reported profit after booking loss in 9 continuous quarters, by writing back the provisions made earlier for wage revision and superannuation benefits.

The Officers and Workmen in CSB Bank are on an agitation under the banner of United Forum of Bank Unions, demanding the immediate implementation of 8th Joint Note and 11th Bipartite Settlement and the Anti-labour Policies of the CSB Management. Therefore;

“The 26th Annual General Body Meeting (Hybrid Meeting) of Federal Bank Retired Officers’ Forum held at FISAT, Mookkannoor on 28th November 2021 resolves to condemn all attempts of anti-employee policies and attack on trade union rights and on the threat to the existence of old Generation Private Sector Banks like Lakshmi Vilas Bank and expresses solidarity to the striking Employees and Officers of CSB Bank demanding an early settlement and demands reversal of changed stance / policies on revival of the ailing Private Sector Banks and protect the interests of its Customers and Employees”.