



All India RRB Officers' Federation (AFFILIATED TO AIBOC)

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All Affiliates/ Members
(Please re-circulate)

PAYMENT OF PENSION AT PAR WITH SPONSOR BANKS TO OFFICERS & EMPLOYEES OF RRBS

All our comrades are aware that the demand for payment of pension to officers & employees of RRBs germinated along with the demand raised by AIBOC and AIBEA/NCBE for officers and employees of PSBs respectively. AIRRBOF for officers' and AIRRBEA for workmen were the members of Coordination Committee for Pension consisting of all the Trade Unions in the Banking Industry. Settlement was arrived in 1992-93 in regard to grant of Pension to the officers & employees of PSBs who would opt for the same. Even though the Equation Committee constituted under the Chairmanship of Shri P. Kottaiah, then Managing Director, NABARD and the Anomalies Committee under the Chairmanship of Shri R.C. Gupta, then General Manager, NABARD clearly slated in their report that RRBs should be brought out from EPF & Misc. Provisions Act, 1952 and should be equated with the terminal benefits available in PSBs, Govt. of India did not take any action on their part on the report.

With the introduction of Pension Scheme for workmen & officers in PSBs from 1993/95 and denial of the same to the officers & employees of RRBs, relentless fight is going on under the auspices of AIRRBOF to get the Pension implemented in RRBs. The harbinger of the legal battle for Pension was the Writ in the nature of Public Interest Litigation (PIL) filed by AIRRBOF before the Hon'ble High Court at New Delhi. Ultimately, in the matter of Pension Writ filed by Gramin Bank Pensioners' Samity, Rajasthan High Court, Jodhpur Bench gave clear verdict that Pension need to be paid to officers & employees of RRBs in the same line with their counterparts in Sponsor Banks. Govt. of India, DFS should have gracefully accepted the verdict and allow Pension Scheme in RRBs. Instead of that Union of India filed SLP(c) No. 39288 in 2012 before the Hon'ble Supreme Court challenging the order of the Hon'ble High Court of Rajasthan at Jodhpur.

The SLP(c) was time and again heard by different benches of the Hon'ble Supreme Court. Ultimately, it moved to the bench headed by Hon'ble Justice (Shri) J.S. Kehar. Number of hearings took place. AIRRBOF is an important intervener in the case with Gramin Bank Pensioners' Samity being the respondent. Those who had the privilege of witnessing the arguments that took place before the Hon'ble Bench of Justice Kehar, would vouchsafe to recall that the utterance of the Hon'ble Justice in regard to Payment of



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Pension to all the officers and employees of RRBs without any qualification was not all positive. After couple of days of hearing the Hon'ble Court passed an order on 26.11.2014, after consulting the Addl. Solicitor General of India that both the contending parties shall arrive at a consensus in regard to the Payment of Pension. The Govt. of India proposal for Payment of Pension is a qualified one with the rider that only those RRBs having Profit shall be eligible to make payment to the Pension Corpus so that Pension can be payable.

Instead of trying to arrive at a consensus in regard to grant of Pension without the qualification of Profit, Govt. of India, DFS constituted a Committee with Chairman, NABARD as Chairman. The Committee held meetings with Apex Level Trade Unions in RRBs, but did not positively consider the proposal submitted by AIRRBOF so as to reckon the notional accrual of PF/Pension Corpus considering the eligible amount of 10% of BP without any ceiling. AIRRBOF also disputed the data presented by the Committee in regard to the Funds available under PF and Pension Corpus with RPFCL. The data obtained under RTI from RPFCLs by activist of AIRRBOF vary widely with the data presented by NABARD. Govt. of India, DFS solely relied on the Report submitted by the Chairman of NABARD and filed another affidavit on 21.08.2015 having made Pension Payment entirely linked to Profit and CRAR of RRBs. Definitely it would create injustice and discrimination amongst RRBs.

Our membership shall definitely appreciate that while 2nd option for Pension was granted to officers & employees of PSBs, the Pension Payment was made contributory to the extent of 30%. The same condition of contribution was made mandatory in the Pension Scheme formulated by the Committee under the Chairmanship of NABARD. AIRRBOF wants to break the dead lock on the Pension issue and we contemplate that the Judgment from the Hon'ble Supreme Court might not be positive. In case the Supreme Court accepts the Govt. of India proposal for Payment of Pension with qualification of Profit & CRAR this would create serious discrimination amongst RRBs and vitiate the prospect of Pension for loss making or RRBs are having inadequate CRAR. On the other hand, the Hon'ble Supreme Court might totally reject the demand of pension to officers and employees of RRBs. In both the situations the order of the Hon'ble Supreme Court shall be irrevocable and it would entirely vitiate our demand for payment of Pension to all.



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In this background, the 61st Meeting of the Central Committee of AIRRBOF held at Raipur on 28th May, 2016 took the historic decision to try to break the stalemate by formulating a contributory Pension Scheme which shall ensure Payment of Pension to all officers and employees of RRBs without any qualification of Profit or CRAR. After careful study by a team of office bearers of AIRRBOF we could prepare the scheme. A power point presentation of the scheme was also prepared. We submitted our proposal to the Addl. Secy. (Financial Services) and also made the power point presentation before the officials of DFS in the month of July, 2016.

We had held several consultations with our legal counsel in the Pension Case and he also advised that let AIRRBOF should submit an affidavit articulating the contributory Pension Scheme. Accordingly an application had been prepared by our Advocate in the Supreme Court Case and the same is expected to be submitted within a couple of days before the Supreme Court. The SLP(c) No. 39288/2012 is now likely to be listed before the Hon'ble Supreme Court on 23rd August, 2016. We attach the Pension Scheme prepared by us under Annexure. A perusal of the Scheme would convince our membership that Pension Scheme is payable with little contribution of officers & employees which can be at least 200% compensated by a portion of the Pension being commuted in case of Retired officers & employees.

It is quite important to note that with the introduction of Pension for officers & employees who were on roll of RRBs as on 01.04.2010, all the officers and employees who were recruited post that date shall be covered under New Pension Scheme (NPS) where the contribution by employees and employers shall be 10% each without any ceiling. NPS is much better than present anarchic PF/Pension Scheme under the EPF & Misc. Provisions Act, 1952.

Friends, AIRRBOF always remained at the vanguard of the movement for ensuing benefit to officers of RRBs. The move by AIRRBOF shall also, expectedly, ensure Payment of Pension to all.

All our affiliates/member should give wide publicity to the move of AIRRBOF to ensure Pension to all. WIN WE MUST.

With greetings,


(S.K. Bhattacharjee)
GENERAL SECRETARY



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ANNEXURE PROPOSED PENSION SCHEME

		Rs. In Crore
1	Financial Load (as per Actuarial Calculation) as on 31/03/2014 as stated by the affidavit of Union of India in August 2015.	7560
2	Less : Corpus (Bank's Contribution to PF) for 70848 Employees minimum @ Rs. 6 Lac.	4250
3	Less : 40% share of Net Profit of Rs.2382.52 & 2795 Crore as on 31.03.2013 & 31/03/2014 respectively	2071
4	Less : Additional contribution due to calculation of pension load taking into account contribution @ 10% by officers & employees from 01.04.2010 to 31.10. 2012 (pre revised salary period) And from 01.11.2012 to 31.03. 2016 (post salary revision)	289 564
	Total	853
5	Balance of short fall (1)-(2)-(3)-(4)	386

With reckoning the notional date of Pension Payment from 01.04.2010, the contribution to Pension Corpus @ 10% of B.P. between 01.04.2010 to 31.03.2016 shall contribute Rs.853 Cr. to Pension Corpus assuming average Basic Pay of Rs. 15000/- per month (pre revised) & Rs. 25000/- per month (after revision). The gap remaining between Available Fund for creating Pension Corpus and required shall be bridged by contribution by officers & employees. If we add the 40% share of Profit of 2015 & 2016 there shall not be any deficit or shortfall in the Pension corpus.

The contribution shall not be uniform as the gap shall be lower in profit earning RRBs and higher in loss making RRBs. The payment of pension on actual basis shall commence from 01.04.2016 after Pension Corpus is established at RRB level and the Fund so created shall be managed by Fund Manager(s) to be chosen by a Committee Comprising of representatives of GOI, DFS, RBI and SEBI.


(S.K. Bhattacharjee)
GENERAL SECRETARY