



**RECORD NOTE OF DISCUSSIONS HELD ON
VARIOUS DATES BETWEEN INDIAN BANKS'
ASSOCIATION
REPRESENTING MEMBER BANKS AND AUTHORISED
REPRESENTATIVES OF WORKMEN UNIONS AND
OFFICERS ASSOCIATIONS IN THE MATTER OF
PENSION**

Issues relating to costing of pension for the purpose of wage revision in case of serving employees and redefining pay for the purpose of pension at 50% of pay last drawn were discussed in detail and understandings reached as herein below:

1. Pay for Pension

- * In respect of an employee retiring on or after 01.05.2005, "average emoluments" as defined in Pension Regulations for the purpose of pension, be calculated reckoning pay last drawn during the last ten months of the employees' service in the Bank.
- * Since this is an improvement over the existing provisions, in view of the legal decisions obtaining in the matter, the pension of retirees of the period 01.04.1998 to 30.04.2005 is to be re-fixed with effect from 01.05.2005 reckoning actual 'pay' drawn by them prior to retirement, i.e. during the last ten months of service in the Bank.
- * Accordingly, the pension of retirees of period 01.04.1998 to 31.10.2002 will be re-fixed with effect from 01.05.2005 as per 'pay' as defined in Clause 6 of 7th Bipartite Settlement dated 27th March 2000 and note under Clause 5 of the Joint Note dated 14th December 1999 (Refer Annexure).
- * The Pension of retirees of the period 01.11.2002 to 30.04.2005 will be re-fixed with effect from 01.05.2005 as per 'pay' as defined in Clause 6 of 8th Bipartite Settlement dated 2nd June, 2005 and Note(2) under Clause 6 of the Joint Note dated 2nd June, 2005 (Refer Annexure).
- * These retirees between 01.04.1998 and 30.04.2005 will have their pension re-fixed accordingly w.e.f. 01.05.2005 but no arrears of pension and commuted value of pension is payable on account of such re-

fixing of pension.

- * The total cost to banks on account of such re-fixation in respect of retirees of the period 01.11.2002 to 30.04.2005 will be costed and taken together with the additional cost of pension in respect of serving employees who are members of the pension Fund.
- * In respect of retirees of the period 01.04.1998 to 31.10.2002, the additional cost on account of re-fixation shall be shared equally between the banks and the employees (officers and workmen), reckoning the annual additional cost which has been determined at Rs. 62 crores.

2. Costing of Pension

In the last wage revision settlement, the additional cost of pension to banks was reckoned at 16.5% of the pensionable pay of each member of the Fund and for the purpose of wage revision, the additional cost to banks on account of increase in pay was shared equally between banks and the employees at 8.25% of pensionable pay. During the period since then, influenced by market factors, the cost of pension to banks had gone up and IBA had placed the additional cost of pension to banks at 20.5% of the pensionable pay. Following the procedure adopted in the last wage revision, this would have meant sharing the total cost at 10.25% each by both the parties. While the Unions/ Associations were not agreeable for any increase in the additional costing more than 8.25% however, after detailed discussions, it was agreed to reckon the total cost over and above 16.5% to be borne by the employees (Officers and Workmen) at Rs. 36 crores p.a This would translate to the employees sharing the additional cost at 9.25% of pensionable pay and the banks bearing the cost of the remaining 11.25%.



PLACE: Mumbai
DATE : 22nd June, 2005

Sd/-	For Indian Banks' Association
Sd/-	Sd/-
For All India Bank Officers' Confederation	For All India Bank Employees' Association
Sd/-	Sd/-
For All India Bank officer's Associations	For National Confederation of Bank Employees
Sd/-	Sd/-
For National Organisation of Bank Officers	For Bank Employees Federation of India
	Sd/-
	For National Organisation of Bank Workers

ANNEXURE

A. WORKMEN

(1) Clause 6 (ii) of 7th Bipartite Settlement dated 27th March, 2000

"In Supersession of Clause 12 of the Bipartite Settlement dated 14th February, 1995 and Clause 1 of the Bipartite Settlement dated 14th December, 1996 'Pay' for the purpose of D.A., HRA, and Superannuation benefits shall mean Basic pay, Stagnation increments, Special pay, Graduation pay, Professional Qualification Pay and Officiating Pay, if any."

(2) Clause 6 of the 8th Bipartite Settlement dated 2nd June, 2005

'Pay' for the purpose of D.A., HRA and Superannuation benefits shall mean Basic Pay, Stagnation increments, Special Pay, Graduation Pay, Professional Qualification Pay and Officiating Pay, if any."

Note:

The increment component of Fixed Personal Pay as given in column 2 Schedule III shall rank for Superannuation benefits."

B. OFFICERS

(1) Note under Clause 5 of Joint Note on Salary Revision for Officers dated 14th December, 1999

"Note:

"Pay" for the purpose of Provident Fund shall mean Basic Pay including Stagnation Increments and Professional Qualification allowance, Increment component of Fixed Personal Allowance and Officiating Allowance"

(2) Note(2) under Clause 6 of the Joint Note on Salary Revision for Officers dated 2nd June, 2005

"Pay" for the purpose of Provident Fund and Pension shall mean Basic Pay including Stagnation Increment, Professional Qualification Pay, Increment component of Fixed Personal Pay and officiating Allowance."