

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 866**  
TO BE ANSWERED ON 27<sup>TH</sup> JULY, 2021(Tuesday) / SRAVANA 05, 1943 (SAKA)

**Revision of Pension for bankers who retired after 2000**

866. DR L. HANUMANTHAI AH:

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that bank pensioners are demanding for pension revision since many years;
- (b) if so, the details thereof;
- (c) whether it is a fact that there is a disparity in pension for bankers who retired after 2000;
- (d) in spite of Supreme Court direction through the judgements, why the IBA is silent for many years; and
- (e) the amount in pension fund of public sector banks particularly in SBI and the details thereof?

**ANSWER**

The Minister of State in the Ministry of Finance  
(DR BHAGWAT KARAD)

(a) and (b): As pension of bank pensioners of commercial establishments has to be financed by such establishments out of their commercially generated revenues, pension for bank pensioners of nationalised banks was introduced as a funded scheme on the basis of consensus arrived at between unions/associations of bank employees and the Indian Banks' Association (IBA), which negotiated on behalf of the nationalised 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. Pension in nationalised banks is, thus, payable as per the agreement arrived at between bank unions/associations and the banks in the course of negotiations for periodic bipartite settlements, and the bank Boards concerned have accordingly made regulations governing the same. While such regulations do not provide for revision of basic pension, they provide for six-monthly revision in dearness relief on the basis of rise in the All India Consumer Price Index for Industrial Workers. Retired nationalised banks employees have sought revision and improvement in pension from time to time. In view of pension being a funded scheme introduced on the basis of consensus arrived at between employee unions/associations and IBA, requests for revision and improvement in pension are considered by the Government after taking into account the views or any proposal or recommendations of IBA in this regard. Earlier this year, IBA has recommended that family pension be improved to 30% for all employees

without any cap, and the said recommendation is under consideration of the Government

(c) and (d): IBA has informed that there is no disparity in pension for bankers who retired after 2000. However, in respect of dearness relief on basic pension there was a different approach for retirees after 1.11.2002 to that of pre-November 2002 retirees. This issue of change of approach in computation of dearness relief was questioned by some of the retirees. The matter reached the Hon'ble Supreme Court which *vide* its order dated 16.5.2018 held that it was satisfied that the Bipartite Settlement dated 2.6.2005 did not create any distinction which was inconsistent with principles laid down by the Court.

(e): The amount in pension fund of public sector banks, including State Bank of India, is at Annex

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Annex referred to in reply to part (e) of the Rajya Sabha Unstarred Question no. 866, for answer on 27.7. 2021

**Annex**

S. No.	Name of Public Sector Bank	Amount in Pension Fund (Rupees in crore)
1.	Bank of Baroda	23,754.79
2.	Bank of India	15,764.47
3.	Bank of Maharashtra	5,768.21
4.	Canara Bank	23,800.00
5.	Central Bank of India	14,872.54
6.	Indian Bank	14,961.61
7.	Indian Overseas Bank	9,856.98
8.	Punjab National Bank	46,731.79
9.	Punjab and Sind Bank	4,072.74
10.	State Bank of India	1,25,806.37
11.	Union Bank of India	26,720.88
12.	UCO Bank	8,053.52