

ALL INDIA BANK RETIREES' FEDERATION (REGD.)

D/1/ Sector C Scheme No. 71 Indore 452009

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SILVER JUBILEE YEAR (1994-2019)

Ref. 2020/117

21.06.2020

The members of Core Committee meeting

A.I.B.R.F

Dear Comrades,

Re Proceedings of Core Committee meeting held on 20& 21st June,20

Core committee Meeting held on 20th & 21st June 2020 deliberated issue of Payment of Commutation Arrears arising out of Supreme Court judgment dated 13.2.2018. During the deliberations, the following relevant import points on this subject emerged.

- (a) It was noted that because of continuous follow up done by AIBRF at the apex level as well as affiliates at the bank level, public sector banks have started paying commutation arrears to the eligible pensioners. 11 public sector banks have since calculated and paid the arrears. Other banks are also in the process of making payment of commutation arrears.
- (b) However it was noted with concern that while paying the arrears , these banks have simultaneously effected recovery of the commuted amount from back date along with recovery of interest. This act of banks has resulted in net payment reduced by 70 to 80 percent and in many cases banks have calculated recovery and has since initiated steps for recovery.
- (c) It was unanimously noted with concern that act of banks in simultaneous recovery of commuted amount with back date that too with interest is in gross violation of the Supreme Court judgment dated 13.02.2018, relevant provisions on commutation given in pension Regulation 1995 and various communications issued by the government of India from time to time. **It was noted that this act of banks has adversely affected interest of about 1 lakh pensioners.**
- (d) The committee was of unanimous view after examining the relevant documents that recovery of commuted amount should commence from future date after the date of actual payment made.
- (e) The committee observed that due to continuous follow up done by AIBRF, while IBA agreed to advise member banks to consider payment of commutation arrears but is not agreeable to advise specifically to member banks to recover commuted value from future date. Considering this, the committee was of unanimous view that further follow with IBA at this stage will not help in resolving the issue.
- (f) Report of the Sub- committee on this subject was also deliberated to decide future course of action.
- (g) The committee noted with satisfaction that due to various organisational efforts made by AIBRF immediately after the pronouncement of the judgment , IBA agreed to advise member banks to extend

the benefit to non- petitioners too with interest . This step ensured more than 1 lakh retirees getting arrears of more than Rs. 1000 crores. Some delay in resolving commutation issue should not be seen in the isolation and achievement secured through organisational efforts should not be forgotten. The committee decided to request the office bearers and central committee member to high light this achievement to remove negativity from the minds of the members which some disgruntled elements are trying to create on this count.

(h) Having deliberated the issue in depth, the committee was of unanimous view that time has come for exploring possibility of taking legal recourse to achieve. In this direction the following decisions were taken

DECISIONS TAKEN

- (a) All affiliates where commutation arrears have already been paid should write to the bank management for carrying violation in effecting recovery in next 15 days.
- (b) Affiliates where arrears have already been released should also write to AIBRF pointing out about the violation in their bank in effecting the recovery. Further these affiliates should give consent/ mandate for resorting to legal recourse at the apex level. Affiliates are asked to complete this step in next 15 days.**
- (c) AIBRF will take legal opinion on maintainability of legal action in Supreme Court proposed to be taken by AIBRF at the apex level and format of the petition to be filed. (Contempt or petition to seek modification / clarification in its order dated 13.02.2018). It was decided to take 2/3 legal opinions in this regard. The assignment has been entrusted to the President, DGs, Comrade S.V Srinivasan, Comrade Vishwanath Naik and team from Delhi. Deadline of one month was fixed to complete this task.**
- (d) Central office will prepare questioners as reference to take legal opinion in the matter.
- (e) On getting legal opinion, Core committee will take the decision on the mode of the petition and name of advocate.
- (f) To meet the expenses, AIBRF will allocate Rs. 2.5 lakhs from the central pool and each affiliate will contribute Rs. 25000 initially.

Status of Implementation of Supreme Court Judgment in Private Sector banks

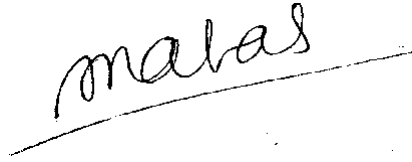
The committee noted with concern that despite very specific and clear decision of Managing Committee of IBA advising private banks also to implement Supreme Court order, many private sector banks have yet to take any step in this regard. It was observed that Our affiliates in these banks have been doing continuous follow up for payments for last 2 years with no positive results. It was further noted that there has been discontentment and anger among retirees because of non-payment of arrears even after lapse of 2 years. It was also noted by the committee with concern that wherever the order has been implemented, there also there have been different type of violations of the court order on various parameters.

In view of this position, the committee was of unanimous view that AIBRF should explore possibility of taking legal action for private banks too in consultation with sub- committee on Pvt. Banks to ensure justice to the retirees from these banks. AIBRF will take legal opinion in this matter. Further course of action will be decided on receipt of legal opinion in this regard and receiving appropriate mandate from affiliates from this sector.

Proceedings of the meeting held on 13th & 14th June 2020 on Group Insurance policy are being sent separately

With Greetings,

Yours Sincerely,

A handwritten signature in cursive script, appearing to read 'maha', is written over a horizontal line.

(S.C.JAIN)
GENERAL SECRETARY

C.C. to

Office bearers, Central Committee Members & State Committee Chiefs.

