



Joint Note on agreed conclusions reached between the Indian Banks' Association on behalf of the Managements of Banks listed in the Schedule and All India Bank Officers' Confederation (AIBOC), All India Bank Officers' Association (AIBOA), Indian National Bank Officers' Congress (INBOC) and National Organisation of Bank Officers (NOBO)

- (A) A Joint Note for introducing Pension Scheme in the Banking Industry as second retiral benefit in lieu of Contributory Provident Fund was signed between Indian Banks' Association (IBA) on behalf of Management of Banks and their officers represented by All India Bank Officers' Confederation (AIBOC), All India Bank Officers' Association (AIBOA) and Indian National Bank Officers' Congress (INBOC) on 29th October 1993. The terms of the said Joint Note were incorporated in the Bank Employees' Pension Regulations, 1995 notified in the official Gazette of India by all the Nationalised Banks on 29th September 1995 and by Associate Banks of State Bank of India on 26th March 1996.
- (B) According to the Joint Note dated 29th October 1993 and Bank Employees' Pension Regulations, 1995/1996 framed incorporating the terms of Joint Note, Pension in lieu of Contributory Provident Fund was introduced in respect of those Officers who opted for the said Pension Scheme.
- (C) Those Officers who were in the service of the banks prior 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued to be in service of the banks on or after 29th September 1995 / 26th March 1996 respectively and did not exercise the option to join the Pension Scheme were eligible only for the Contributory Provident Fund Scheme.
- (D) The United Forum of Bank Unions (UFBU) representing workmen and officers in Banks were requesting to allow another option to those who were in the service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continued in service on or after that date and did not opt for pension when offered as per the Scheme. IBA was not agreeable to the demand and reiterated its inability to extend the present Pension Scheme to those who had not opted for pension on cost consideration. However, both the parties agreed to discuss alternate proposals. The same was incorporated in the fifth paragraph of the Joint Note on salary revision for officers dated 2nd June 2005. The UFBU pursued the demand inspite of the above position and offered to share a portion



of the initial funding liability on one-time basis for extending pension to the non optees. Protracted negotiations were held between the parties over a period of time. An actuarial valuation of liability by actuaries appointed by mutual consent was carried out and based on this, the funding gap was estimated as Rs.6000/- crores. The employees offered to contribute Rs.1800/- crores, being 30% of the estimated funding gap, for extending pension to those employees who were in the service of the bank prior to 29th September 1995 in the case of Nationalised banks and 26th March 1996 in case of Associate Banks of State Bank of India and continue to be in service thereafter and did not opt for pension. They had also requested to extend the Pension Scheme to –

- (a) Those who were in the service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had retired after that date.
 - (b) The family of those officers who were in service of Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, did not opt for pension and had died while in service after that date.
 - (c) The family of those officers who were in service of the Banks prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, retired from service of the Banks after that date and died thereafter.
- (E) Subject to their opting to be under the Pension Scheme and refunding the banks' contribution to Provident Fund with interest paid to them at the time of retirement/ death of the officer concerned and also contribute their share in meeting 30% of the funding gap. An actuarial valuation on similar lines as conducted for serving employees had estimated the funding gap as Rs.3115 crores for those retirees/ family of retirees.

The parties held various rounds of discussions in the matter and have now reached conclusions as set out hereunder:

- (1) All officers who are in the service of the bank as on the date of this Joint Note who exercise option to join the Pension Scheme in terms of this Joint Note will contribute from their arrears on account of wage revision in terms of the Joint Note between the parties dated 27th April 2010 an amount of Rs.922 crores towards their share in the



amount of Rs.1800 crores offered by UFBU towards 30% of the estimated funding gap of Rs.6000 crores. The said amount is worked out @2.8 times of the revised pay for the month of November 2007, for individual officers.

Another option for joining the existing Pension Scheme shall be extended to those Officers who:-

- (2) (a) were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and continue in the service of the bank on the date of this Joint Note;
(b) exercise an option in writing within 60 days from the date of offer, to become a member of the Pension Fund and
(c) authorise the Trust of the Provident Fund of the bank to transfer the entire contribution of the bank along with interest accrued thereon to the credit of the Pension Fund.
- (3) (a) were in service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India and retired after that date and prior to the date of this Joint Note;
(b) exercise an option in writing within 60 days from the date of offer to become a member of the Pension Fund and
(c) refund within 30 days after expiry of the said period of 60 days, the entire amount of the banks contribution to the Provident Fund and interest accrued thereon received by the officer on retirement together with his share in contribution towards meeting 30% of Rs.3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause (3), (4) and (5) of this Joint Note. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the officer on retirement.
- (4) The family of those officers who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India retired after that date and had died will be eligible for family pension, provided –
 - (a) the family of the deceased officer exercises option in writing within 60 days of the offer to become a member of the Pension Fund and



- (b) refund within 30 days after expiry of the said period of 60 days, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received by the deceased officer on retirement together with his share in contribution towards meeting 30% of Rs.3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause (3), (4) and (5) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received by the officer on retirement.
- (5) The family of those officer who were in the service of the bank prior to 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India, but have died while in service of the bank after that date will be eligible for family pension, provided –
- (a) the family of the deceased officer exercises an option in writing within 60 days of the offer to become a member of the Pension Fund and
- (b) refund within 30 days after expiry of the said period of 60 days, the entire amount of the bank's contribution to the Provident Fund and interest accrued thereon received upon death of the employee together with his share in contribution towards meeting 30% of Rs.3115 crores which is estimated and reckoned as the funding gap for those eligible under Clause (3), (4) and (5) of this agreement. On an individual basis, the payment over and above the bank's contribution to Provident Fund and interest thereon has been worked out at 56% of the said amount of bank's contribution to Provident Fund and interest thereon received on death of the officer.
- (6) (i) The existing pension scheme will not be applicable to those who join the services of banks on or after 1st April 2010.
- (ii) Officers joining the services of banks on or after 1st April 2010 shall be eligible for the Defined Contributory Pension Scheme, the banks will be introducing for them. The Defined Contributory Pension Scheme proposed to be introduced for them will be one as governed by the provisions of New Pension System introduced for employees of Central Government w.e.f. 1st January 2004 and as modified from time to time. The Scheme shall be regulated and administered by the Pension Fund Regulatory and Development Authority (PFRDA).
- (iii) The officers joining the services of the banks on or after 1st April 2010 shall contribute 10% of Pay and Dearness Allowance towards the Defined Contributory



Pension Scheme and the bank shall make a matching contribution in respect of these officers.

- (iv) There shall be no separate Provident Fund for officers joining services of Banks on or after 1st April 2010.
- (7) Officers who ceased to be in service on or after 29th September 1995 in case of Nationalized Banks / 26th March 1996 in case of Associate Banks of State Bank of India on account of voluntary retirement under special scheme after rendering service for a minimum period of 15 years, shall be eligible to exercise an option to join the Pension Scheme subject to the terms and conditions mentioned for retiring officers opting for joining the Scheme.
- (8) Pension/ Family Pension to those who opt to join the pension scheme complying with the terms of this Joint Note shall be payable with effect from 27th November 2009, provided that officers who retired after that date shall get pension from the respective dates of their retirement. All the Regulations of the Bank Employees' Pension Regulations, 1995 / 1996 shall be applicable to those who opt for the Pension Scheme in terms of this Joint Note except to the extent mentioned in the foregoing Clauses of this Joint Note.
- (9) The terms of this Joint Note shall not be applicable to State Bank of India.
- (10) The conclusions arrived and recorded in the above Clauses together with a copy of the Scheme of Pension will be forwarded to the Government by the IBA for their approval and further action in terms of Section 19 of The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970/1980 by complying with the procedure for amendment of the relevant Pension Regulations.
- (11) The terms of this Joint Note shall be applicable to officers of Private Sector Banks who are parties to this Joint Note in respect of those who were in the service of the bank on date of implementation of the Pension Scheme in terms of the Joint Note dated 29th October 1993 and did not opt for pension.
- (12) National Organisation of Bank Officers (NOBO), which is not a party to the Joint Note dated 29th October 1993, hereby endorses all the terms of the said Joint Note.



- (13) The Associations which are parties to this Joint Note agree that during the operation of this Joint Note, they will not raise any demand of any nature whatsoever on any banks in respect of matters covered by this Joint Note.
- (14) Any difference of opinion regarding interpretation of any of the provisions of this Joint Note, the matter will be taken up only at the level of the Indian Banks' Association and the Officers' Associations for discussion.

Mumbai
Dated: 27th April 2010

For Indian Banks' Association

For All India Bank Officers' Confederation

M V Nair

K S Shetty

R Sridharan

G D Nadaf

Narayanan Raja

P V Mathew

K Ramakrishnan

P K Sarkar

Rajeev Rishi

T T Natarajan

B B Das

K Ananda Kumar



K Unnikrishnan

T N Goel

M Venugopalan

S K Kohli

K Ramakoteswara Rao

G Muthuswamy

K D Kheda

For All India Bank Officers' Association

Alok Khare

R J Sridharan

S Nagarajan

D K Pauddar



Sidharth N Dutta

For Indian National Bank Officers' Congress

K K Nair

L R Prem Kumar

Subhash W Choudhari

V Ramamohan Reddy

For National Organisation of Bank Officers

M S Bhagwat

A N Madhusudan

Dr. Sunil U Deshpande

S K Rathod



SCHEDULE

LIST OF BANKS

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Dena Bank
10. Indian Bank
11. Indian Overseas Bank
12. Oriental Bank of Commerce
13. Punjab & Sind Bank
14. Punjab National Bank
15. Syndicate Bank
16. UCO Bank
17. Union Bank of India
18. United Bank of India
19. Vijaya Bank
20. State Bank of India
21. State Bank of Bikaner & Jaipur
22. State Bank of Hyderabad
23. State Bank of Indore
24. State Bank of Mysore
25. State Bank of Patiala
26. State Bank of Travancore
27. Bank of Rajasthan Ltd.
28. The Catholic Syrian Bank Ltd.
29. The Dhanalakshmi Bank Ltd.
30. The Federal Bank Ltd.
31. ING Vysya Bank Ltd
32. The Jammu & Kashmir Bank Ltd.
33. The Karnataka Bank Ltd.
34. The Karur Vysya Bank Ltd.
35. The Lakshmi Vilas Bank Ltd.
36. The Nainital Bank Ltd.
37. The Ratnakar Bank Ltd.
38. The South Indian Bank Ltd.
39. ABN-AMRO Bank, N.V.
40. Bank of America N.A.
41. The Bank of Tokyo-Mitsubishi UFJ, Ltd.
42. BNP Paribas
43. Citibank, N.A.
44. The Hongkong & Shanghai Banking Corporation Ltd.
45. Sonali Bank
46. Standard Chartered Bank