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Reg. No.: 197/Jaipur/2001-2002



# Bank of Rajasthan Retired Staff Society

(Affiliated to All India Bank Pensioners' and Retirees Confederation)

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GS/ICICI/02

Date: 20-Dec-

2023

The Managing Director & CEO,

ICICI Bank Ltd.

ICICI Bank Tower

Bandra Kurla Complex, Mumbai

**Sub: Implementation of Dearness Relief Neutralization for Pre- 01-11- 2002 Retirees' & Family Pensioners'**

Refer: IBA advisory to MD/CEO of Member Banks Party to Pension Settlement No. HR & IR /MBR / G2/0533 October 16,2023.

Respected Sir,

With reference to the above we draw your kind attention to the landmark pension settlement arrived between Banking Industry Unions & IBA representing 58 Banks on 29-October-1993; pension in banking industry is paid basis this Pension Settlement modelled on Reserve Bank of India Employees Pension Regulations 1990 as mentioned therein vide para 6 & 12.

Ours, The Bank of Rajasthan Ltd. (BORL), one amongst 58 Banks party to the Pension Settlement through the irrevocable authority furnished to IBA in this respect and continued thereafter implementing all subsequent improvements amendments arrived between IBA and industry level unions in Pension Scheme.

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The Pension settlement thus arrived is deemed subordinate legislation enacted by the Parliament under provisions of Industrial Disputes Act 1947, therefore, a deemed statute.

The BORL implemented the pension scheme as advised by IBA from time to time which continues till pensioner, family pensioner covered by it exists.

Sir, Upon Bank's acceptance & RBI approval w.e.f. 12-August-2010, para 4(a) & 4(e) of the merger document; the Undertakings of BORL, without any further act, instrument or deed stand transferred to and vested in the ICICI Bank Ltd. as going concern to become the properties, assets, rights, title, interest, and authorities of the ICICI Bank Ltd. The meaning of terms properties, assets, rights, title, interest, and authorities is provided in para 2 of the RBI approved merger document available with the bank.

The Bank of Rajasthan Employees' Pension Scheme framed under the provisions of Industry wide Pension Settlement 1993 (BORL amongst 58 Banks party to Pension settlement) is one of such properties, assets, rights, title, interest, and authorities vested in the ICICI Bank through the RBI approved merger document of 12-August-2010, besides being a statutory liability towards the pensioners' of BORL operated through the Bank of Rajasthan Employees' Pension Rules & Pension Fund Rules 1996 wherein Chapter III- para 11 bank is obliged to make annual contributions. The Pension is defined as 'Benefit' in para 13 of Chapter-III of the aforesaid Pension Rules.

Sir, since amalgamation ICICI Bank has consistently been making payment of pensionary benefits. Also made payment of arrears to pre-01-November-2002 retirees in June 2018 retired between period 01-04-1998 to 31-05-1998 with 9% interest for difference of basic pension on Consumer Price Index 1684-1616 as advised by IBA under the Pension Settlement. Thus DR neutralization is the benefit accrued.

Sir, The Bank has been implementing DR as advised by IBA every February & August, half yearly on the lines of RBI as per para 6 of Pension Settlement for the Banking industry Pensioners and Family Pensioners.

The Dearness Relief Neutralization for Pre- 01-11- 2002 Retirees' & Family Pensioners' is another anomaly which they have been suffering since 01-05-2002 now allowed w.e.f. 01-October-2023 through continued persuasion between the Unions and IBA approved by Government of India being statutory.

Sir, the pre-01-November-2002 retirees & family pensioners have been a sufferer lot amongst the Bank employees, now in the age group of 80-100. Removal of this anomaly has refreshed them to have some relief in their monthly pension in this inflationary time; since most of their basic pension is sub-Rs.9,000/- to meet sustenance, basics at this stage of life, hard.

We, therefore, most humbly request you to direct the bank's Pension payment department to implement the above IBA advisory w.e.f. 01-October-2023 on DR neutralization immediately.

Regards,

*VijayKumarGarg*

General Secretary

Encl: IBA No. HR&IR/NBR/G2/0533 DR neutralization



## Indian Banks' Association

### HR & INDUSTRIAL RELATIONS

No.HR&IR/MBR/G2/0533

October 16, 2023

### MD / CEO of Member Banks party to Pension Settlement

Dear Sir / Madam,

### Sub : Dearness Relief (DR) Neutralization for pre- 01.11.2002 Retirees and Family pensioners

In terms of the provisions of Bank Employees' Pension Regulations 1995, pensioners and family pensioners are entitled to draw Dearness Relief (DR) on their pension.

2. The Unions / Associations and the employees retired prior to 1<sup>st</sup> November 2002 were requesting for payment of uniform DR at lowest slab of Basic Pension in the existing DR framework.
3. The issue was discussed in Managing Committee of IBA and now the Department of Financial Services, Government of India has provided their no objection to advise the Public Sector Banks to implement the 100% DR neutralization to pre-November 2002 retirees and family pensioners.
4. It is to be noted that, with effect from 1<sup>st</sup> October 2023
  - a. DR to be paid at a uniform rate applicable to lowest slab of Basic Pension in the existing DR frame work to all pensioners / family pensioners retired prior to 01.11.2002 under various settlement period.
  - b. ₹.800 and ₹.450 per month to be paid as ex-gratia amount as a standalone benefit, which will not attract DR, to pensioners / family pensioners falling under 1<sup>st</sup> slab of Basic Pension and drawing highest DR, and 2<sup>nd</sup> slab of Basic pension attracting second highest DR in the present framework, respectively. The ex-gratia amount shall be absorbed in future changes in pension structure, if any.
  - c. No arrears shall be payable for the periods falling prior to 01.10.2023.
5. We are also sharing DR rate chart applicable from 01.10.2023, for pre 01.11.2002 Pensioners and Family pensioners.

Yours faithfully,

(Brajeshwar Sharma)

Senior Advisor (HR & IR)



**Indian Banks' Association**

**DR rate chart applicable from 01.10.2023 to January 2024 for Pensioners retired during the period from 01.01.1986 and prior to 01.11.2002 and their Family Pensioners**

Sl. No	Retirement Date	Basic Pension	Existing Dearness Relief Structure (Aug-23 to Jan -24)	Revised Dearness Relief Structure w.e.f. 01.10.2023 to January 2024	Ex-Gratia over and above Basic Pension and DR thereon
			Dearness relief for the months August to January 2024 Average Index		
(1)	(2)	(3)	(4)	(5)	(6)
1	For pensioners / Family Pensioners of the period from 01.01.1986 to 31.10.1992 / 30.06.1993	Upto Rs. 1250	1386.90 %	1386.90 % (DR shall be at the uniform rate of 0.67% per slab over 600 Points)	₹. 800/-
		Rs. 1251 to Rs. 2000	Rs. 17336.25 plus 1138.50% of basis pension in excess of Rs. 1250		₹. 450/-
		Rs. 2001 to Rs. 2130	Rs. 25875 plus 683.1% of basic pension in excess of Rs. 2000		₹. 0/-
		Above Rs. 2130	Rs. 26763.03 plus 351.90% of basic pension in excess of Rs. 2130		₹. 0/-
2	For pensioners / Family Pensioners of the period from 01.11.1992 / 01.07.1993 to 31.03.1998	Upto Rs. 2400	676.55 %	676.55 % (DR shall be at the uniform rate of 0.35% per slab over 1148 Points)	₹. 800/-
		Rs. 2401 to Rs. 3850	Rs. 16237.20 plus 560.57% of basis pension in excess of Rs. 2400		₹. 450/-
		Rs. 3851 to Rs. 4100	Rs. 24365.46 plus 328.61% of basic pension in excess of Rs. 3850		₹. 0/-
		Above Rs. 4100	Rs. 25186.98 plus 173.97% of basic pension in excess of Rs.4100		₹. 0/-
3	For pensioners / Family Pensioners of the period from 01.04.1998 to 31.10.2002	Upto Rs. 3550	431.76 %	431.76 % (DR shall be at the uniform rate of 0.24% per slab over 1684 Points)	₹. 800/-
		Rs. 3551 to Rs.5650	Rs. 15327.48 plus 359.80% of basis pension in excess of Rs. 3550		₹. 450/-
		Rs. 5651 to Rs. 6010	Rs. 22883.28 plus 215.88% of basic pension in excess of Rs. 5650		₹. 0/-
		Above Rs. 6010	Rs. 23660.44 plus 107.94% of basic pension in excess of Rs.6010		₹. 0/-

- A. Please note that the Ex-gratia amount mentioned above is a standalone benefit which will not attract any DR and the same shall be absorbed in future changes in pension structure, if any.
- B. Total Pension w.e.f 01.10.2023 will be Total of Basic Pension + DR as per Column (5) on the Basic Pension.
- C. In addition to total pension mentioned in (B), Ex-gratia amount will be paid as per Column (6).
- D. No arrears for the period prior to 01.10.2023 to be paid.