



Andhra Bank Retired Employees Association (ABREA)

#215, Kubera Towers, Narayanaguda, Hyderabad – 500029

Mobile Nos.9490213002 Email ID abreahyd@gmail.com

A.Rajendra Prasad, President

NSN Reddy, General Secretary

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To
The Governor
Reserve Bank of India
Mumbai

Reg: Bank Pension Trust Funds – Governance Issues.

Respected Sir,

Majority of Bank Retirees are covered under Definite Benefit Pension (DBP) Plan and the contribution of the bank towards Provident Fund of the employees have been crediting to the Pension Fund over the years. When the pension updation issue came for discussion, the IBA and Banks are of the opinion that banks can't afford the revision of pension as there are no adequate funds in Pension Trust fund to meet the additional burden. Further, there are varied views on Bank Pension Funds and its efficacy of the fund trust boards.

In the above backdrop, the undersigned made an attempt to study the subject matter in depth duly collecting data from published annual reports of SBI & Public Sector Banks (PSBs) and submitted a detailed report on Bank Pension Funds. Copy of the report is attached for your kind perusal and information.

While going through the data, it is observed that banks are not making adequate provisions as desired on the plea that provisions are made on the basis of Actuarial Loss estimations report. It is not out of place to mention that many aberrations are found in Actuarial reports which need to be looked in to on priority. Further, there is an urgent need to improve the governance of Pension Trust Boards of the Banks in the interest of all stakeholders viz., Bank Pensioners and Banks.

Once again humbly request your good offices to pay focus on the issue of improving the Bank Pension Fund performance to meet the pension payment (revised) obligations with ease and enable them to live in peace in their twilight years.

Thanks and Regards,

Yours faithfully,

(N S N Reddy)
General Secretary