



FEDERATION OF SBI PENSIONERS' ASSOCIATIONS

Regn. No. S/17025 of 1986 Under Societies Registration Act 1860 (Delhi)

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TO

ALL CONSTITUENT UNITS OF UFBU

Dear Comrades,

UNIFORM DEARNESS RELIEF FORMULA FOR PENSIONERS CHANGE OF BASE YEAR FROM CPI (1960=100) SERIES TO CPI (2016=100) SERIES

We are happy to note that the constituent units of United Forum of Bank Unions (UFBU) and the Indian Banks' Association (IBA) are holding discussions in the matter of change of base year from (1960=100) series to (2016=100) series for payment of Dearness Relief to Pensioners consequent upon the change of base year to (2016=100) series for payment of Dearness Allowance to employees, with effect from the 1st November 2022, in terms of the 12th Bipartite Settlement / 9th Joint Note dated 08.03.2024 agreed between the Indian Banks' Association (IBA) and Workmen Unions / Officers' organisations.

2. We are also happy to note that one of the constituent units of UFBU, National Confederation of Bank Employees (NCBE), took up this issue in December 2024, and also wrote to the Hon'ble Finance Minister on 30-09-2025 representing the grievances of the pensioners community, furnishing two types of conversion factors Viz., simple merger of Dearness Relief upto 8088 points of CPI on direct method as well as by cumulative method.

3. We are aggrieved to note the stand of IBA that the issue can be taken up only if it is cost-neutral and would not involve in additional outgo. IBA also sought for suggestions, in this regard, from the unions (as quoted in UFBU Circular No. UFBU/2025/6 dated 25.04.2025). In the recent communication of UFBU vide its Circular No. UFBU/2025/13 dated 26.09.2025, there is just a mention that the issue of Uniform DR Rates for all pensioners at 8088 points was also raised.

4. The neutral cost offer of IBA is just to nullify the increase in Dearness Relief on account of change of base year to (2016=100) series and that can be done only by reducing the multiplication factor proportionately linking the same to the rates of

Dearness Relief paid to the pensioners since 1st November 2022. In other words, the Dearness Relief would be merged with the existing basic pension at a lower level as against the agreed level under various Bipartite Settlements/Joint Notes, which is unreasonable.

5. The neutral cost method proposed by IBA would further increase the loss to the pensioners and constituent units of UFBU should not be a part of this illogical and unreasonable proposal of IBA inasmuch as the cost effectiveness could also be maintained through simple direct merger of Dearness Relief in place of cumulative merger. It is needless to mention here that, dearness relief is given to compensate price rise on account of inflation, which is common for retirees and serving employees. The cost is unavoidable.

6. The following illustration would depict the motive and intention of IBA to deny the just eligible benefit to the pensioners and this position would be the same in respect of all pensioners, who have retired under various bipartite agreement/joint note periods:

Illustration: Those retired under 5th Bipartite Settlement:

PERIOD			DR RATES		CONVERSION FACTOR	
			5TH BPS		ACTUAL	NEUTRAL COST
			EXISTING	PROPOSED		
Nov-22	to	Jan-23	1315.88	5.60	13.5424	13.4080
Feb-23	to	Jul-23	1357.42	9.40	13.5424	13.3219
Aug-23	to	Jan-24	1386.90	12.07	13.5424	13.2676
Feb-24	to	Jul-24	1427.77	15.73	13.5424	13.2012
Aug-24	to	Jan-25	1443.18	17.20	13.5424	13.1671
Feb-25	to	Jul-25	1487.40	21.20	13.5424	13.0974
Aug-25	to	Jan-26	1487.40	21.13	13.5424	13.1049

7. Further, we are of the view that,

- The increase in Dearness Relief under the direct method of simple merger upto 8088 points clearly indicates that pensioners are underpaid, might be, on account of errors in conversion of CPI from the present (2016=100) series to (1960=100) series and also on account of higher rounding of slab rate under the above referred Bipartite Agreement / Joint Note. In addition to that, the neutral cost offer of IBA, if accepted, would result in further loss of Dearness Relief to the pensioners.
- The super senior and senior pensioners are already drawing insufficient pension not commensurating with the present cost of living and the neutral cost proposal of IBA would increase their frustration further.

- c) The neutral cost proposal of IBA would also result in lower dearness relief to the pensioners who retired upto and including 31.10.2022 and those who retire/retired on or after 01.11.2022, which is irrational and totally unwarranted.

8. In this connection, our suggestions are as under:

- a. The neutral cost proposal of IBA should not be accepted inasmuch as it would create two categories of pensioners, which is against Law;
- b. Cost effective proposal might be discussed towards provision of appropriate, justifiable and eligible benefit to all pensioners;
- c. The delaying tactics of IBA, particularly on the issues relating pensioners, such as affordability, DFS approval, etc., should be contained and the inordinate delay in settlement of the above issue should not result in denial of the said benefit from the eligible date i.e., 01.11.2022;
- d. The affordability of banks could not be a reason as all public sector banks and State Bank of India are earning huge profits and also considering the meagre increase on account of adopting method of direct simple merger of dearness relief upto 8088 points CPI, UFBU should go all out against the neutral cost proposal of IBA.

9. We sincerely request all the constituent units of UFBU to fight unitedly on this issue by not only rejecting the irrational and illogical neutral cost proposal of IBA and also to insist on IBA to resolve the issue at the earliest, without any further delay. We further request the constituent units of UFBU to ensure provision of this benefit from the eligible date i.e., 01.11.2002 that would provide uniform Dearness Relief formula for all the pensioners, irrespective of their dates of retirement.

10. We, pensioners, assure that we would be behind any action programme chalked out by UFBU in this regard. We hope and trust that justice would prevail.

With best regards,

Yours comradely,



(G.D. NADAF)
GENERAL SECRETARY