

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1767
ANSWERED ON:01.08.2003
PENSION TO BANK EMPLOYEES
DHANI RAM SHANDIL

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are contemplating to provide pension facility to the bank employees who were appointed before 1995 ;
- (b) if so, the financial burden likely to be borne by the exchequer as a result thereof ; and
- (c) if not, the reasons therefor ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a), (b) & (c) : The Bank (Employees') Pension Regulations were notified in the Gazette of India by the nationalised banks on 29.9.1995. All those officers/ employees who were in the service of the bank before the notified date and continued to be in service of the bank on or after the notified date were to exercise an option to take pension or continue to be with the then existing scheme of Contributory Provident Fund (CPF). Similar option was also provided to the employees who were in the service of the bank on or after 1.1.1986 and retired before the notified date. Around 50 per cent of the employees gave option for pension and the remaining employees opted to continue with the scheme of CPF.

Although there has been persistent demand from those employees who had not opted for pension within the stipulated period, the same could not be considered by the Government keeping in view the fact that servicing of the pension fund in respect of existing members has proved to be a costly proposition to the banks. As per actuarial calculations, the estimated cost as on 31.3.2003 for providing fresh option for pension was Rs.10,160 crores. Keeping in view the financial implications on the banks, the demand in question has been found unacceptable.