

# State Banks' Staff Union (Kerala Circle)

(Affiliated to All India State Bank of India Staff Federation)

Reg. No. 01-36-2000

Circular No.50/25  
To All Unit Secretaries



State Bank of India  
Local Head Office  
Poojappura  
Thiruvananthapuram-695 012

Dear Comrade,

Date: 24.06.2025

## **PROVISION FOR EXERCISING CHOICE OF PENSION FUND MANAGER TO EMPLOYEES UNDER NEW PENSION SCHEME (NPS)**

We reproduce hereunder the full text of letter No. FED/GS/2025/116 dated 24<sup>th</sup> June, 2025 addressed to the Dy. Managing Director (HR) & Corporate Development Officer, Corporate Centre, Mumbai, submitted by Com. L Chandrasekhar, General Secretary, AISBISF, the contents of which are self-explicit.

Yours comradely,

(Akhil S)  
General Secretary

"We invite your attention to a matter of grave concern impacting thousands of employees of our esteemed Bank who have joined the Bank's service on or after 1st August 2010 and are governed by the National Pension System (NPS).

2. We refer to our earlier letters vide FED/GS/2024/20 dated 06.09.2024, FED/GS/2024/47 dated 26.11.2024 and FED/GS/2025 dated 16.05.2025 wherein we consistently urged the management to create a provision for employees to exercise the Choice of Pension Fund Manager under the Tier-1 account of NPS. It is indeed disheartening that these repeated appeals have not yet been given due consideration. Despite urging the management several times, no update or response has been provided on the above letters. The continued inaction on this critical issue has caused growing discontent and resentment among NPS-covered employees across the Bank.

3. As you are aware, the Gazette notification by Ministry of Finance dated 31.01.2019, categorically provides that government subscribers under NPS, like their private-sector counterparts, may choose any one of the Pension Fund Managers, including private sector PFMs, and may change their option once in a year. Unfortunately, this provision has not been operationalized in our Bank, leaving thousands of employees restricted to SBI Pension Funds Pvt. Ltd., regardless of its performance.

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4. Over the past decade, the performance of SBI Pension Fund Pvt. Ltd. has consistently lagged behind other leading PFMs such as LIC Pension Fund and HDFC Pension Fund. This underperformance has directly impacted employees' accumulated retirement corpus. According to credible assessments by the National NPS Reforms Coordination Committee, employees have suffered an estimated cumulative financial loss of ₹10-12 lakhs each since 2010 due to lower returns. If such a trend continues unchecked until superannuation, the projected loss could exceed ₹1 crore for each employee, jeopardizing their post-retirement financial stability.

5. It is important to emphasize that the NPS is a market-linked scheme, and the returns depend entirely on the performance of the Pension Fund Manager. Therefore, the freedom to choose a better-performing fund manager is not only a statutory right but a financial necessity for employees to safeguard their future.

6. The continued denial of this choice by the Bank is not only a violation of the Ministry of Finance and PFRDA directives but also causes serious financial harm to employees. Employees are aggrieved and feel that the Bank is indifferent to their financial security, despite their consistent and dedicated service.

7. In view of the above, we urge the Bank to immediately implement the provision allowing NPS covered employees to exercise their choice of Pension Fund Manager, in accordance with the Gazette of India and PFRDA guidelines. This is not merely an administrative issue but a matter of financial justice and employee welfare. Continued inaction on this front not only undermines employee rights but also exposes the institution to potential long-term reputational and legal consequences. A prompt and positive decision will not only uphold the statutory rights of employees but also restore their trust in the Bank's commitment to their well-being. If the genuine concerns of thousands of employees are not addressed, we will be left with no alternative but to initiate trade union action, for which the entire responsibility will rest with the management.

We hope the seriousness of the issue is duly acknowledged and look forward to swift action."

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