



# ALL INDIA BANK OFFICERS' ASSOCIATION

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To:

ALL UNITS / STATE COMMITTEES

Comrades,



## FULL EXEMPTION OF AMOUNT OF LEAVE SALARY ON RETIREMENT

\* \* \*

In terms of the 8<sup>th</sup> joint note signed on 11.11.2020 by the four officers' Organisations with IBA, an officer is entitled to have the accumulated Privilege leave beyond 240 days up-to 270 days. However, encashment of Privilege leave is restricted up-to a **maximum of 240 days**.

2. Central Government employees, on their retirement, are also entitled encashment of the earned leave and **it is totally tax-free**. Whereas, the non - governmental employees on their retirement, the tax exemption is up-to Rs.3 Lacs. For the rest amount, the retired employee has to bear the tax between 20% to 30%.

3. The issue of total exemption of tax on leave encashment on retirement was taken up with IBA in the discussion held on 13<sup>th</sup> April 2022, after the observance of two days' strike by our organization. The commencement of discussions by IBA on residual issues were on account of our strike call followed by the direction from labour authorities New Delhi. This issue has also been incorporated in the Charter of demands submitted to IBA for the ensuing wage revision talks.

4. The Budget presented by the Hon'ble Finance Minister today has not addressed many of the critical issues of the people of our Nation. However, there is an announcement that the total **tax exemption limit** on Leave encashment on retirement for non-governmental employees has been **enhanced from Rs.3.00 lacs to Rs.25 Lacs**.

5. We shall communicate the other details in due course.

Yours Comradely,

/S.NAGARAJAN/

GENERAL SECRETARY

REPRODUCED BY KARNATAKA BANK OFFICERS' ORGANISATION (REGD.) MANGALURU-575 003

Mangaluru  
02.02.2023

(Suresha Hegde S.)  
GENERAL SECRETARY