



ALL INDIA BANK EMPLOYEES' ASSOCIATION

(Central Office : Chennai)

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ALL INDIA BANK OFFICERS' ASSOCIATION

(Central Office : Chennai)

AK Nayak Bhavan, 14, 2nd Line Beach, Chennai-600001



CIRCULAR TO ALL UNITS & MEMBERS

READ AND CIRCULATE

March, 2, 2017

Dear Comrades,

Improvements in Gratuity under Gratuity Act

* * *

Our units are aware that Gratuity is one of the important retirement benefits for the bank employees and officers. In all Banks (except SBI), Gratuity is paid as per formula under BPS/OSR or under the Gratuity Act whichever is higher. (In SBI, Gratuity is payable under the Act only).

While there is no ceiling for Gratuity under BPS/OSR, under the Act, there is a ceiling which is at present Rs. 10 lacs. (from 25-5-2010). When an employee or officer retires from the Bank, his/her Gratuity entitlement would be calculated both under the Act and under BPS/OSR and the higher of the two will be paid.

- For example, a senior substaff/ Daftary retiring after 40 years' service would be eligible for (approx.) Rs. 5 lacs under BPS and Rs. 8 lacs under the Act and hence would be paid Rs. 8 lacs as Gratuity.
- A senior Clerk/Special Asst. would be eligible for Rs. 9.50 lacs under the BPS and Rs. 10 lacs under the Act and hence would be paid Rs. 10 lacs.
- A senior General Manager of a Bank retiring after 40 years' service would be eligible for Rs. 17 lacs under the OSR and Rs. 10 lacs under the Act and hence would be paid Rs. 17 lacs.

Due to continued inflationary trend and erosion in value of rupee, AITUC and all other Central Trade Unions have been demanding improvement/ removal of ceiling under the Gratuity Act. Due to their effort, the ceiling was increased from Rs. 1 lac to Rs. 2.50 lacs, and then to Rs. 3.50 lacs and to Rs. 10 lacs in May, 2010. They have been demanding for removal of ceiling on Gratuity under the Act.

AITUC and Central Trade Unions have been pursuing this issue for the last more than 4 years through various programmes and struggles.

20/21-2-2013	2 days national strike by all workers	AIBEA and AIBOA participated in this strike
6-8-2013	Central Trade Unions Convention	AIBEA and AIBOA participated in this Convention
25-9-2013	Satyagraha/jail baro programme	AIBEA/AIBOA leaders courted arrested at various centres along with the workers
12-12-2013	Massive Morcha to Parliament	20,000 members of AIBEA and AIBOA participated in this Morcha

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15-9-2014	Central Trade Unions Convention	AIBEA and AIBOA participated in this Convention
5-12-2014	Protest Day Rallies	AIBEA and AIBOA members participated in the protest rallies all over the country
26-5-2015	Central Trade Unions Convention	AIBEA and AIBOA participated in this Convention
2-9-2015	General Strike by all workers	AIBEA and AIBOA participated in this strike
10-3-2016	Protest Day Rallies	AIBEA and AIBOA members participated in the protest rallies
30-3-2016	Central Trade Unions Convention	AIBEA and AIBOA participated in this Convention
2-9-2016	General Strike by all workers	AIBEA and AIBOA participated in this strike

Thus AIBEA and AIBOA have been part and parcel of all these programmes and strikes on the 12 Points Charter of Demands of the Central Trade unions which includes the demand for improvement in Gratuity Act.

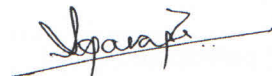
AITUC and Central Trade Unions have been following up these demands with the Government and as a result, recently on 23-2-2017, the Central Government called for a Tripartite meeting on the issue of revising the ceiling on Gratuity. From AITUC, its Secretary, Com D L Sachdev participated and put forth the following suggestions.

- i) While there should be no ceiling for Gratuity, as an interim measure, Government's proposal to increase in ceiling of Rs. 20 lacs can be accepted.*
- ii) The revised ceiling should be made effective from January, 2016.*
- iii) Minimum service of 5 years for eligibility for Gratuity to be removed.*
- iv) Gratuity to be paid at 30 days wage per year instead of 15 days wage as at present.*
- v) All factories/establishments to be covered by the Act irrespective of number of workers.*

All these matters have to be finally cleared by the Labour Ministry and then by Finance Ministry and then to be brought to the Parliament for amendment to the Gratuity Act.

Units are aware that improvement in Gratuity Act has been one of the demands of our strike on 28-2-2017. We are in touch with the AITUC and will keep our units informed of any further development in this regard.

With greetings,


(S. NAGARAJAN)

GENERAL SECRETARY, AIBOA

Yours comradely,



(C.H. VENKATACHALAM)
GENERAL SECRETARY, AIBEA

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