Karnataka Bank Officers' Organisation (Regd.)

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Circular No. 7/2017 | **READ AND CIRCULATE** | June 9, 2017

Dear Comrades,

CHARTER OF DEMANDS OF OFFICERS

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Members were informed about the commencement of the wage revision exercise and as already informed an introductory meeting was held between the IBA and the UFBU representatives on the 2nd May, 2017 at Mumbai. After that the first meeting between the negotiating committee of the IBA headed by Mr. R.K.Takkar and UFBU representatives took place on the 5th of May, 2017. In that meeting UFBU submitted the Common Charter of Demands on behalf of the Officers organisations and Workmen unions separately to the IBA.

In this connection, we are reproducing here below the excerpts of the Common Charter of Demands of officers as released by AIBOA for the information and guidance of our members.

With warm greetings,

Yours comradely,
Sd/-
(K. RAGHAVA)
GENERAL SECRETARY

CHARTER OF DEMANDS

Submitted by

ALL INDIA BANK OFFICERS' CONFEDERATION [AIBOC]
ALL INDIA BANK OFFICERS' ASSOCIATION [AIBOA]
INDIAN NATIONAL BANK OFFICERS' CONGRESS [INBOC]
NATIONAL ORGANISATION OF BANK OFFICERS [NOBO]

To

Indian Bank Association, Mumbai

on 5th June 2017

PART I

Salary Revision and Allowances

OBJECTIVE

The remuneration package of the Bank officers needs to be framed in such a manner that officers would feel that they are valued and fairly paid considering their work load and undertaking of enormous risks and responsibilities. They should be treated at par with Government officials and PSU officers. As stated in the 7th Pay Commission Report the status of an officer in the society should also be taken into account while fixing the salary.

Remuneration of officers is an important element of proactive functioning in Banks in this era of competitive scrimmage and their commitment, dedication and hard labour towards the progress of the economy of the country. In general, the level and structure of salary / remuneration / compensation should aim to achieve four objectives as under:

(i) Salary Structure should be sufficient to attract and retain quality officers.

(ii) Salary Structure should motivate officers to work hard.

(iii) Remuneration should induce other human resource management reforms.

(iv) Salary should be set at a level to ensure relativity with minimum salary in Banks and officers' initial pay in line with compression ratio, as shown below, of Central Government Group A officers' initial pay and their minimum pay of Group D employees.

(v) Salary should take into account the Risk, Responsibility, Accountability and also the Transferability of Officers.

(vi) The Bank Officers have a status similar to the Govt Officials and to maintain that status the salary should be adequate, by offering additional cushion.

(vii) As promotions depend only on vacancies which depends on the presence and business of the individual banks nobody should be allowed to stagnate and running scale should be introduced.

(viii) The anguish, agony and the aspirations of lady officers should be taken into account

(ix) Superannuation benefits should help one to live a respectable life after retirement

(x) The hardwork and contribution of the bankers for the development of the economy should be acknowledged through decent salary hike and allowances.

Table: 1

Compression ratio of minimum Basic Pay of Group D employees and Group A officers under different Pay Commissions of Central Government.

Central Pay Commission	Minimum Basic Pay (Group D) Rs.	Minimum Basic Pay of Officer Grade (Group A) Rs.	Compression Ratio
III CPC (1973 to 1985)	196	700	1:3.57
IV CPC (1986 to 1995)	750	2200	1:2.93
V CPC (1996 to 2005)	2550	8000	1:3.13
VI CPC (2006 to 2015)	7000 (Band Pay 5200 + Grade Pay 1800)	21000 (Band Pay 15600 + Grade Pay 5400)	1:3
VII CPC (2016 onwards)	18000	56100	1:3.11

Table: 2

Compression ratio of minimum Basic Pay of Sub-Staff and Officer Grade under different Bi-partite Settlements in Banks.

Bi-partite Settlements	Minimum Basic Pay (Sub-Staff) Rs.	Minimum Basic Pay of Officer Grade Rs.	Compression Ratio
2nd Bipartite (01.01.1970)	116	500 (01.01.1970)	1: 4.31
3rd Bipartite (01.09.1978)	245	700 (01.10.1979)	1: 2.85
4th Bipartite (01.07.1983)	430	1175 (01.02.1984)	1: 2.73
5th Bipartite (01.11.1987)	815	2100 (01.11.1987)	1: 2.57
6th Bipartite (01.11.1992)	1600	4250 (01.11.1992)	1: 2.65
7th Bipartite (01.11.1997)	2570	7100 (01.11.1997)	1: 2.76
8th Bipartite (01.11.2002)	4060	10000 (01.11.2002)	1: 2.46
9th Bipartite (01.11.2007)	5500	14500 (01.11.2007)	1: 2.63
9th Bipartite (01.05.2010)	5850	14500	1: 2.47
10th Bipartite (01.11.2012)	9560	23700 (01.11.2012)	1: 2.47

We insist that the anomaly created in the last wage revision by providing special allowance with DA instead of Basic Pay has to be rectified this time. The merger of special allowance and DA with the Basic Pay has been done already for LIC Officers and RBI Officers.

A standardization of salary and allowances for Bank staff has been done by a Committee famously known as the Pillai Committee which gave certain recommendations in 1974 which were further discussed and rationalized and implemented in 1979.

Pillai Committee had taken into account the guidelines of UN publication, handbook of Civil Service Law and practices 1966, which mentioned 3 major requirements of sound pay structure viz..inclusiveness (pay structure in relation to other sectors of economy) comprehensibility (an easy quick picture of gross emoluments) and adequacy (to attract right type of persons and retain them). The Pillai Committee added 2 more viz.. rationality (functions and responsibility of posts) and career planning.

It said in view of the importance of the national approach to wage problems we consider it necessary to make the pay structure in nationalized banks broadly similar to that obtaining in the State Bank Group, in the Central Government and in Public Sector undertakings (Para 5-2, vii).

The committee also said, “If the objective of attracting the best talent in the country is to be achieved, the pay of the bank officers at the entry level should not be anything less than that obtaining in Class I services and Public Sector industries” (Para 5-10).

The Parliamentary Committee on Subordinate legislation in its 141 report has also endorsed these principles.

However between 1979 and now there is a huge downward trend in the Bank Officials salary which has to be rectified now.

Table: 3

Comparative analysis of minimum Basic Pay between Central Govt Officers Group A and Bank Officers.

Period of CPC	Minimum B.P. of Central Govt. Officers Rs.	Period of Bipartite Settlements	Minimum B.P. of Bank Officers Rs.	Comparison of Basic Pay
III CPC (1973 to 1985)	700	PCR 01.10.1979 4th BPS 01.02.1984	700 1175	Both are same Bank officer BP is 67.85% **higher** than officers of Cent. Govt.
IV CPC (1986 to 1995)	2200	5th BPS 01.11.1987	2100	Bank officers' BP is 4.54% **lower** than officers of Cent. Govt.
		6th BPS 01.11.1992	4250	Bank officers' BP is 93.18% **higher** than officers of Cent. Govt.
V CPC (1996 to 2005)	8000	7th BPS 01.11.1997	7100	Bank officers' BP is 8.75% **lower** than officers of Cent. Govt.
		8th BPS 01.11.2002	10000	Bank officers' BP is 25% **higher** than officers of Cent. Govt.
VI CPC (2006 to 2015)	21000 (15600+5400)	9th BPS 01.11.2007	14500	Bank officers' BP is 30.95% **lower** than officers of Cent. Govt.
		10th BPS 01.11.2012	23700	Bank officers' BP is 12.85% **higher** than officers of Cent. Govt.
VII CPC (2016 onwards)	56100	11th BPS 01.11.2017	61000 (Proposed) * Govt pay scale of 56100 is based on DA 1.1.2016 whereas we are proposing DA merger on 31.10.2017	Bank officers' BP is 8.73% **higher** than officers of Cent. Govt

PERIOD	% of increase of B.P. of Bank officers' than Central Govt. Officer	PERIOD	% of decrease of B.P. of Bank officers than Central Govt Officers
01.02.1984	67.85%	**01.11.1987**	4.54%
01.11.1992	93.18%	**01.11.1997**	8.75%
01.11.2002	25.00%	**01.11.2007**	30.95%
01.11.2012	12.85%		
01.11.2017	To be discussed		

The above table only establishes the gradual erosion in minimum Basic Pay of Bank Officers in comparison to Central Government Officers with the passage of two decades.

Table: 4

Comparison of minimum salary of Bank Officers with that of minimum salary of Clerical and Subordinate staff of Bank since 6th Bipartite Settlement to 10th Bipartite Settlement

Date	Subordinate Staff				Clerical Staff				Officer cadre			
Period	Basic Pay	DA	Total	% of increase	Basic Pay	DA	Total	% of increase	Basic	DA	Total	% of increase
31.10.1992	815	748 (91.79%)	1563	---	900	826 (91.79%)	1726	---	2100	1928 (91.79%)	3928	---
01.11.1992 6th Bipartite	1600	62 (3.85%)	1662	6.33	1750	67 (3.85%)	1817	5.27	4250	164 (3.85%)	4414	11.43
31.10.1997	1600	829 (51.80%)	2429	---	1750	907 (51.80%)	2657	---	4250	2202	6452	---
01.11.1997 7th Bipartite	2570	130 (5.04%)	2700	11.15	3020	152 (5.04%)	3172	19.38	7100	358 (5.04%)	7458	15.59
31.10.2002	2570	993 (38.64%)	3563	---	3020	1167 (38.64%)	4187	---	7100	2743 (38.64%)	9843	---
01.11.2002 8th Bipartite	4060	168 (4.14%)	4228	18.66	4410	183	4593	9.69	10000	413 ** (4.14%)	10413	5.79
31.10.2007	4060	1199 (29.52%)	5259	---	4410	1302 (29.52%)	5712	---	10000	2952 (29.52%)	12952	---
01.11.2007 9th Bipartite	5500	396 (7.2%)	5896	12.11	6200	446 (7.2%)	6646	16.35	14500	1044 (7.2%)	15544	20.01
31.10.2012	5850	4107 (70.20%)	9957	---	7200	5054 (70.20%)	12254	---	14500	10179 (70.20%)	24679	---
01.11.2012 10th Bipartite	9560	1042 (10.9%)	10602	6.47	11765	1282 (10.9%)	13047	6.47	23700	2583 (10.9%)	26283	6.49

25537 (including SA)

** For Pay upto Rs.9650 --- 0.18% per slab i.e. 4.14%

From Rs.9651 to Rs.15350 --- 0. 15% per slab i.e.3.45%

Salient features of above table no.4

Item no.1

	Sub-Staff Salary	Officer Salary	Comparison
On 01.11.1992	Rs. 1662	Rs. 4414	Officer salary 165.58% higher
On 01.11.1997	Rs. 2700	Rs. 7458	Officer salary 176.22% highe
On 01.11.2002	Rs. 4228	Rs.10413	Officer salary 146.28% higher
On 01.11.2007	Rs. 5896	Rs.15544	Officer salary 163.63% higher
On 01.11.2012	Rs.10602	Rs.26283	Officer salary 147.90% higher

Item No.2

	Clerical Salary	Officer Salary	Comparison
On 01.11.1992	Rs. 1817	Rs. 4414	Officer salary 142.92% higher
On 01.11.1997	Rs. 3172	Rs. 7458	Officer salary 135.11% higher
On 01.11.2002	Rs. 4593	Rs.10413	Officer salary 126.71% higher
On 01.11.2007	Rs. 6646	Rs.15544	Officer salary 133.88% higher
On 01.11.2012	Rs.13047	Rs.26283	Officer salary 101.44% higher

Item No.3

Officer Salary on 31.10.2007	Officer Salary on 01.11.2007	% of increase on 01.11.2007
Rs.12952	Rs.15544	20.01%

Item No.4

Officer Salary on 31.10.2012	Officer Salary on 01.11.2012	% of increase on 01.11.2012
Rs.24679	Rs.26283	6.49%

It is also necessary to see that the decrease in the increase of salary over a period in relation to the subordinate staff and clerical staff also should be arrested in this wage revision.

Table No. 5

Comparison of Basic Pay of Bank Officers and Officers of Life Insurance Corporation of India

BANK OFFICERS		LIC OFFICERS	
Date of effect	Basic Pay	Date of effect	Basic Pay
01.11.1992	4250	01.08.1992	4250
01.11.1997	7100	01.08.1997	7535
01.11.2002	10000	01.08.2002	11110
01.11.2007	14500	01.08.2007	17240
01.11.2012	23700	01.08.2012	32795

Date	Bank	DA Merging of CPI	Date	LIC	DA Merging of CPI
01.11.2007	2836	7.2%	01.08.2007	2944	3.15% as on 01.11.2007
01.11.2012	4440	10.9%	01.08.2012	4708	1.68% as on 01.11.2012

Comparative Salary of officers of Bank and LIC as on 01.11.2007 and 01.11.2012 at entry level

Date	Bank Officers				LIC Officers				
	B.P.	D.A.	Spl. Allow	Total	B.P.	D.A.	Total	Difference	LIC officers salary is higher by
1	2	3	4	5	6	7	8	9 (8-5)	10
01.11.2007	14500	1044 (7. 2%)	------	15544	17240	543	17783 (3.15%)	2239	14.40
01.11.2012	23700	2583 (10.9%)	1837	28120	32795	551	33346 (1.68%)	5226	18.58%

From the above analysis it is clearly evident as under:

- As on 01.11.1992 the Basic Pay of officers of Bank and LIC at entry level were same.
- As on 01.11.2007 LIC officers were getting 14.40% higher salary than Bank officers.
- As on 01.11.2012 LIC officers were getting 18.58% higher salary than Bank officers.

So, it is crystal clear that the Bank Officers' salary is drastically being reduced gradually resulting in erosion of wage in comparison to LIC officers. In the same principle of the Pillai Committee recommendation, Bank officers salary should be at par with the Govt as well as LIC Officers.

An important point to note

Of and on it comes for discussions while salary of Central Govt employees gets revised at 10 years interval, Bank employees' salary is being revised at 5 years interval. Let us analyse, as under, that despite salary revision at 5 years interval how salary of Bank officers is lagging behind during last 23 years duration in comparison to salary of Central Govt Officers Group-A at entry level onwards. Please also note that 7th Pay Commission has recommended that without waiting for next pay commission the salary should be revised based on the data given by Simla based Labour Bureau.

Date	Central Govt. Officer Group A				Bank Officers				
	Basic Pay	Grade Pay	D.A.	Total	Basic Pay	Special Allow	D.A.	Total	Difference Rs.
01.11.1992	2200	----	1826 (83%)	4026	4250	------	164 (3.85%)	4414	388 (Salary of Bank officers was **higher** by 9.63%)
01.11.2012	15600	5400	15120 (72%)	36120	23700	1837 (7.75%)	2784 (10.9%)	28321	7799 (Salary of Bank officers was **lower** by 27.53%)
01.01.2016	56100	-----	-----	56100	23700	1837	10164 (39.8%)	35701	20399 (Salary of Bank officers was **lower** by 57.13%)

From the above table it is evident as under:

- From 01.11.1992 to 01.01.2016 the salary of Central Govt Group A officers has been increased by 1293.44% (56100-4026=52074/4026 X 100) at entry level.
- From 01.11.1992 to 01.01.2016 the salary of Bank officers has been increased by 708.81% (35701-4414=31287/4414 X 100) at entry level.

Moreover the 7th Pay Commission has recommended that there is no need for a commission once in 10 years. It has recommended that based on the Labour Bureau reports the increase can be done periodically.

Salary in Reserve Bank of India

- In case of RBI officers, the starting basic pay which was Rs.17100 has been increased to Rs.28150 and at entry level. They also get a local allowance of 5% of pay, family allowance of 4% of Pay, Grade allowance of Rs.6000 and a special allowance of Rs.6000 (Rs.1625 for those who joined in 2016) which is eligible for DA. So their salary structure is much superior to other bank officers.

NEW GENERATION PRIVATE SECTOR

There is a sea of difference in the emoluments between the new generation Private Sector Banks / Foreign Banks and the Banking Industry covered by the IBA. These Banks adopt the compensation system that is prevailing in the new sectors of the economy on the plea of attracting the best talent in the financial sector. The same is true in the case of Public Sector and old generation banks as well. The competitive environment is such that the performance of the New Generation Private Sector Banks is always quoted as a model for others including the Oldgeneration Private and Public Sector Banks, whenever the issue of compensation in comparison with them is raised. The efficiency parameters are similar and hence the factors of compensation system prevailing in the New Generation Private Sector and Foreign Banks should be extended to all Bank Employees as well. They have lunch allowance, huge entertainment allowance and also many of the allowances are tax free as the Bank pays the tax.

What is important is that the Asst. Managers in these Private Banks are only doing clerical job and the comparison of our pay should be compared with the Dy. Manager of these Private Banks with our Asst. Managers. Many in Govt. and Banks Board bureau are making statement without understanding the reality.

** The salary & allowance and service conditions should be made applicable automatically to Officers serving Regional Rural Banks

Pay Scales

The pay scales will be arrived at based on the above principles discussed.

Merger of Pay Scales

The present 7 Scales be reduced to two scales.

No1. Scale 1- Manager Grade – Integeration of presene Scale I to IV

And Scale II – Executive Grade – Integration of Scale V , VI & VII

Dearness Allowance

Since the entire D.A. outstanding as on 31.10.2016 is to be merged with the existing Basic Pay, the percentage of revised D.A. as on 01.11.2017, for every rise or fall of four points of index on the quarterly average of D.A. over and above November 2016 index should be recalculated @ 0.07% per slab of 4 points.

House Rent Allowance

In view of the fact that nearly 60% of officers have been staying in leased houses / flats of banks, increase in the percentage of H.R.A. will not extend them any benefit of salary increase, on the contrary they will have to suffer more loss for the same leased house / flat.

Hence, existing percentage of HRA should be retained without any change and thus, lesser amount of allocation towards HRA out of total amount to be allotted for wage revision can be diverted in other areas where from all officers can be benefitted. Alternatively, self leasing of own houses should be permitted to avoid the huge disparity under the present dispensation of capital cost.

CITY COMPENSATORY ALLOWANCE

The existing classification of centre should be reviewed classified in the following categories:

CATEGORY	CENTRE
I Major Metro	Kolkata, Delhi,Mumbai, Chennai, Bangalore, Hyderabad, Ahmedabad, Pune, etc.
II Metros (Area I)	All centres with more than 12 lakh Population and State Capitals
III	Centres with population of 1 lakh and above and all District Head quarters

RATES OF CITY COMPENSATORY ALLOWANCE:

Category I - 20% of Basic Pay

Category II - 17.5% of Basic Pay

Category III - 15% of Basic Pay

F.P.P.: It should be the last increment without any ceiling.

PQP : For completion of Part I JAIIB and Part II CAIIB, one and two increments are to be considered instead of consolidated amount as in the past. The present embargo on non payment of PQP and FPP should be removed.

FIXATION OF SALARY OF CENTRAL PARA MILITARY PERSONNEL IN BANKS:

1. **Removal of anomalies in wage fixation of Central Para Military Personnel joining Bank :**

   Extension of benefit of Pay Fixation to the Officers, who joined in the Bank from Central Armed Police Forces / Para-Military Forces / State Police,which mean Border Security Force (BSF), Central Reserve Police Force (CRPF), Indo – Tibet Border Police (ITBP), Sashastra Seema Bal (SSB) and State Police etc. in accordance with the guideline issued by Government of India time to time in the matter.

   Before 2005, a majority of Officers from Defence Forces (which includes Indian Army, Indian Air Force and Indian Navy) are joining in the bank in the specialised cadre whereas; few Officers from Central Armed Police Forces /Para-Military Forces/ State Police are joining at that time. After 2005, there is a transition change in the above scenario on the wake of better re-settlement facility arranged/provided by Director General Resettlement (DGR) to the Officers of Defence forces in the Public /Private sectors and due to lagging behind wage settlements at subsequent stages as compared to PSU/Central/Private sectors. And accordingly, theses officers preferred joining the Institution, other than the Public Sector Banks (PSB), where they get better remuneration and other benefits. Therefore, the gap has been filled up by the officers from Ex Central Armed Police Force (CAPF) Officials and now majority of the officers working in the PSB banks in the specialized cadre of Security (Security Officers) are from CAPF only.However, it is observed that despite the appropriate Government direction, these Officers have been denied their legitimate right of Pay Fixation in the same line as the Officers from Defence Forces are/were getting after joining the Bank.

The relevant guideline is re-iterated hereunder:

Banking Division,Department of Economic Affairs, Government of India, has issued direction vide F.No-201/3/85-SCT(B) dated 14th October 1985 and the same was compiled and published in the year 1992 by Indian Banks' Association, Mumbai under"Compendium of Government Guidelines in the matter of Re-Employment, Pay Fixation etc. of Ex-Servicemen in Public Sector Banks" (copy of relevant guideline enclosed). The extracts of the guideline published by the IBA under reference is given hereunder:

> "With effect from 1st November, 1984 those officers, not below the rank of Inspector of Police/Company Commander or equivalent rank, who have been appointed in the specialised cadres in the banks in the lowest scale of pay of officers i.e. Junior Management Grade Scale I, may be granted advance increments equal to the completed years of service rendered by them in the Police/Armed Police/ Para-Military Force on a basic pay. The Services rendered by these Officers in the ranks/posts below of Inspector of Police/Company Commander or equivalent will not be counted for this benefit.
>
> The Services of these officers for this benefit will only be counted from the date of their appointment/promotion in the rank of Inspector of Police/Company Commander or equivalent rank/post in the Police/Armed Police/Para-Military Force."

2. Introduction of Senior-Junior Check Off for Ex-Servicemen Employed in Banks:

The wage fixation of Ex-Servicemen who has retired from Military and on joining PSBs is based on the last pay drawn by them from Military. This has led to an anomaly in which salary of Ex-Servicemen who are already in the service of the Bank becomes much less compared to to an Ex-Servicemen who joins the Bank much afterwards due to enhancements in wages on account of implementation subsequent Pay Commission Reports during the intervening period between the retirement dates of both these Ex-Servicemen. Such anomalies are addressed in Central Govt. Through a mechanism called Senior – Junior check Off. Under Senior – Junior Check off, the wages of a senior will be re-fixed to ensure that his salary will be more than the salary fixed for a junior joining the same post. This ensures that the salary of a Senior will be always higher than the salary of a junior. We demand that Senior – Junior Check off on similar lines to be implemented in PSBs to address this anomaly presently existing in PSBs.

Fixation of salary on Promotion:

Salary fitment on promotion should be discussed with the Officers Organisations. Now Seniors who were drawing special allowances are at a loss on their promotions in some cases. Hence the fitment formula for promotion should be thoroughly discussed with the officers' organisations along with the wage revision.

PART-II

Other Allowances & Benefits

INCENTIVES FOR WORKING IN RURAL CENTERS AND OTHER SENSITIVE AREAS:

It is necessary to provide incentives to all those officers who are posted to serve in the rural areas/most sensitive and difficult areas/ areas with security problems/ areas of weather aberrations in different parts of the country. It is vital to increase the rural branches and to succeed in financial inclusion, arresting skewed growth and migration in urban centers

We propose that the following incentive may be provided to the officer concerned;

- An additional allowance to the extent of 20% of the Basic Pay drawn by him/her;
- Weightage for the purpose of Promotion (already available if they serve beyond minimum period of two years)
- Choice place of posting on completion of the assignment
- An additional LTC to enable him/her to meet the family etc; (As provided for those serving in North East for the Public Sector Employees)

OTHER ALLOWANCES SUCH AS HILL AND FUEL ETC.

All the allowances other than what have been covered in the earlier chapters should be enhanced appropriately.

EDUCATION ALLOWANCE:

As cost of Education has increased a lot Education Allowance to be introduced for school education and higher education similar to that existing in Govt / PSUs / Private Sector.

AREAS DECLARED AS SEZ/NEZ/EPZ:

The branches coming under the above areas should be treated on par with Metro Centres for all allowances and perquisites.

SPECIAL ALLOWANCE TO NORTH EAST, SIKKIM J & K, ANDAMAN AND OTHER DISTURBED AREAS / NAXAL PRONE AREAS:

Special allowance as prevailing in Central Government/RBI for Officers serving in these areas including locals should be extended to Bank Officers.

CLOSING ALLOWANCE:

All officers irrespective of the office of posting/ i.e. branch/administrative office etc., should be paid the closing allowance equal to 15 days of their salary once in 3 months.

HALTING AND TRAVELING ALLOWANCES

a. Review and rationalization of Halting/Boarding/Traveling expenses.

b. The Boarding expenses should be linked to lodging expenses.

c. All officers should be eligible for travel by Air, irrespective of distance with Executive Class entitlement for Senior Management.

d. For places not connected by Air, Officers should be permitted to travel by AC-1st Class by rail.

e. Option to be granted for travel by road in any other mode also including own vehicle. Seeking permission of the competent authority to be done away with in case of exigency and emergent circumstances.

f. Lodging & Boarding expenses and diem allowance for 15 days to continue.

DATE OF SANCTION OF ANNUAL INCREMENTS:

Increments falling due between 1st January to 30th June should be sanctioned on1st January of the year itself. Increments falling due between 1st July to 31st December should be sanctioned on 1st July of the year itself. (In tune with 7th Pay Commission)

PERQUISITES, OTHER ALLOWANCES AND WELFARE FACILITIES:

The perquisites and other allowances as well as welfare facilities provided by the banks and settled at the industry level should not be reckoned for the purpose of arriving at the cost of wage revision. It is an essential area of functional expenditure, as in the case of business promotion in other sectors of the economy. We should strive for parity in allowances, welfare facilities and perquisites. We therefore propose that the Bank should bear the tax on perquisites.

POST ALLOWANCE:

Post allowance should be reintroduced in order to provide incentive for officers for working in the most competitive sector, to compensate him for taking additional load on account of diversification, technology initiative etc.,

i. 25% of the Basic Pay should be paid as post allowance to all designated officers viz., Branch Managers, Divisional Managers, etc.,

RISK ALLOWANCE :

Risk Allowance should be introduced to provide cover to all lending risks to all sanctioning authorities at all grades as present dynamics of banking involves various types of risks beyond the normal prudence of banking.

Differently abled:

A special care and allowance should be paid to the differently abled in terms of the Govt of India guidelines

a. Government guidelines on concessions to such employees in recruitment/ promotion/ transfers/rotations/postings, etc. to be strictly followed by all Banks.

b. Revision of conveyance allowance paid to these employees

c. Physically challenged children of employees to be defined as dependents irrespective of age or marital status

d. 25 days CL for physically challenged employees.

e. Full pension to physically challenged employees at 50% of Pay irrespective of service rendered.

The Government guidelines should be implemented in toto.

Disturbed Area Allowance :

Disturbance Area Allowance of 20% of Basic Pay should be paid to officers working in the branches which comes under disturbed area and Terrorist prone areas called as The Red Corridor.

MEDICAL REIMBURSEMENT: HOSPITALISATION CHARGES:

We have to roll back the present one and switch over to the earlier scheme with improvement. Family also should be provided 100% reimbursement. Medical reimbursement should be exempted from tax, as it is not an income.

Tax free medical reimbursement should be introduced.

Medical Check Up

Considering the stress and strain as well as the increasing health hazards, we need Master Health Check-up for the officer and his / her spouse once in two years if the officer's age is less than 50 and every year if the officer crosses 50 years of age. This will actually keep them fit.

LEAVE FARE CONCESSION:

We need to review the existing scheme in a comprehensive manner. The entitled mode of travel should be made as air travel to all officers For Executive Cadre it should be executive class.

The encashment of leave fare concession should be the actual expenditure he / she would have incurred had the officer traveled actually by entitled class.

RBI and NABARD provide Rs.107000 per head to officers upto E grade and for F grade and above Rs.160000. The same can be extended to our officers. (Separate note annexed).

Foreign Travel to be allowed within the entitlement upto the maximum distance permissible in India.

The IBA should take up with the Government and seek exemption from payment of income tax whenever the amount is drawn on the basis of reimbursement.

SPECIAL ALLOWANCES:

The existing special allowances paid to different places should be revisited and revised in a comprehensive manner for example in places like J & K, Sikkim, North Eastern States, Himachal Pradesh, Andaman & Nicobar Islands, Lakshadweep, the red corridor and other similar centers. The hardship allowance should be redefined and new areas should be added on the basis of the norms already available. It should also be revised wherever it is already being paid.All the officers serving in those places including those who belong to the same area should also get these allowances in order to meet the higher cost of living etc., and wherever it is paid, it should be suitably reviewed.

HILL AND FUEL ALLOWANCE & SPECIAL AREA ALLOWANCE:

Since the Bank officers are paid either of the Hill & Fuel allowance or Special Area Allowance and both are not paid in case of payment of Adhoc Temporary Incentive for officers posted in North East (popularly known as North East Allowance). In Central Government Special Compensatory/Remote Locality allowance (Special Area Allowance in our case) is paid in addition to special duty allowance (Adhoc Temporary Incentive for officers posted in North East in our case). The North East Allowance as being paid @ 20 % of Basic pay the rate of both the allowances should be suitably revised as prevailing in Central Government. The rates of this allowance shall automatically increase by 25% whenever the Dearness Allowance payable on revised pay structure goes up by 50%.

DEPUTATION ALLOWANCE: The allowance should be suitably revised and made uniform in the industry.

EXGRATIA:

The concept of minimum exgratia should be reintroduced in a rational manner. Exgratia is now available to all the Foreign Banks etc., which has created a serious differential in the emoluments between the workforce in the Public Sector and other sectors. It is also prevalent in Govt. Sector such as Railways/ Postal and in Public Sector Undertakings and paid during festivals. Hence, an amount equivalent to not less than one month's gross salary should be paid as exgratia to all.

PART III

ISSUES CONCERNING LADY OFFICERS:

Thanks to the awareness that has been created amongst the women in the country over the last several years to excel on par with men in all walks of life, the intake of the lady officers in the banking industry has very substantially increased in almost all the banks. It is nearly 50% of the total recruitment in some of the banks and it may increase in due course due to the changing demographic profile of employable educated youth.

They are also to-day accepting challenging postings, transfers, and specialized areas in the banks without any hesitation. They are now in a position to accept higher responsibility in their career and look to head the institutions eventually.

The Officers Organisations have been receiving a number of representations, memorandum and also resolutions highlighting the problems of the lady officers through the various conferences as well as the Women's wing. Based on these suggestions, it has been decided to exclusively devote a chapter to consider their special situation and demand appropriate relief.

(a) PLACEMENT AND POSTINGS:

One of the major concerns of the lady Officers has been their placements and postings in the banks. The country is yet to develop in the matter of infrastructure, the facilities exclusively to the lady members in different places. Hence, a separate Transfer / placement Policy taking into account the problems of the lady officers should be designed and forwarded to the member banks by IBA. The IT sector is a classical example where a lot of sympathy is shown to the women employees in the matter of posting and placement in order to get the best from them. Yet another major consideration is their safety and security at different centers.

The lady Officers need to be extended the benefit of flexi-time and flexi-place concept. They should be given choice of their place at the time of transfer and placement keeping their difficulties in view. The Banks should be advised to keep one exclusive lady Officer in charge of Personnel Administration in all the Banks to attend to their exclusive issues including transfer, placement etc.

The Government guidelines pertaining to female officers should be introduced in all banks.

Flexi timing as well as work from home facility should be introduced for a limited period of 3 years during the entire service.

(b) PROVISION OF CRECHE FACILITY:

The Banks should provide Creche facility for the benefit of children of Officers who are required to attend to office as the children need parental attention.

(c) LEAVE FACILITIES:

The existing Maternity Leave of 6 months at a time should also be extended in case of adoption of a child (from present 3 months) and increased to one year for one birth. 3 months' additional sick leave be sanctioned after attaining the age of 45 years as lady officers are prone to diseases at this age.

Child Care leave as applicable to the Central Government employees must be made available to lady officers i.e. two years CCL with salary. It should be also extended to male officers if they are single parents.

(d) PATERNITY LEAVE:

The Paternity leave should be extended to 60 days on 2 occasions.

(e) LFC/HTC:

Spouse employed in the same bank to be permitted to avail LFC separately as per individual eligibility. The lady officers should be permitted to take their dependent parents and parents in law along with them on LFC/LTC.

(f) DEFINITION OF FAMILY:

The parents, father-in-law & mother-in-law, dependent of an officer, sons and daughters, brothers and sisters divorced or deserted, daughters or sisters etc to be treated as members of family for the purpose of LFC/HTC and medical facilities.

(g) FERTILITY TREATMENT

Now a days infertility is a serious problem affecting family life. Additional leave of 6 months at different intervals along with salary and medical reimbursement should be provided. This will also apply to men who undergo infertility treatment.

(h) WORK FROM HOME

The Board of the largest Bank, State Bank of India recently approved the 'Work from Home' policy to enable its employees/officers to work while at home using mobile devices to address any urgent requirement they may have, which prevents their travelling to work.

The concept of "Work from Home" is a very welcome move, especially for the lady officers/ employees. The increasing number of women in the Bank stands testimony to their faith in the Industry and their commitment amidst all the constraints. A large number of organizations have already come up with theiraction-plan to protect the interest of the women in our country. The trade unions in the organized sector have also contributed their mite to organize the women workers and help them in providing leadership to women workers and to espouse their cause with the Government and other agencies. Besides the IT Sector, the Banking Industry is one of the major sectors, employing a large number of women who are occupying several high positions in the organization. Hence, it is imperative on the part of the Bank as well to protect the interest of the women and ensure a congenial working environment along with the option to work from home at their convenience.

A Sub Committee may be constituted to arrive at the type of jobs which can be entrusted under the concept of work from home. Care should also be taken to see that it does not lead to excessive work and intrude into the privacy of the employee.

(i) FLEXI TIME SCHEME

The initiative aims at creating an employee friendly environment, promoting a healthy work life balance and employee engagement through welfare measures, in tune with the best Human Resources practices. This also helps in providing flexibility to employees to attend to inevitable exigencies of personal /professional life and will definitely help in reducing attrition.

PART - IV

SUPERANNUATION BENEFITS

NEW PENSION SCHEME

The employees and officers who joined the banking industry on or after 01.04.2010 should be governed by the original pension settlement signed on 29th October 1993 and Gazetted in the year 1995.

The seventh pay commission has recommended as below.

Pension has been one of the key Terms of Reference (TORs) for successive Pay Commissions. While the VI CPC was the first Pay Commission to have been constituted after the introduction of the National Pension System (NPS) which came into effect on 01.01.2004, the VII CPC is the first one to be constituted after some experience has been gained on this count. Pension Related TOR of the Commission. The TOR of the present Commission - to examine the principles which should govern the structure of pension and other retirement benefits, keeping in view that retirement benefits of all Central Government employees appointed on and after 01.01.2004 are covered by the National Pension System (NPS)–limits the mandate of this Commission only to the Old Pension System (OPS). However, during its interaction with staff associations and other stakeholders, the Commission received many grievances/suggestions relating to both the OPS and the NPS. It has also been averred, inter alia, that NPS is proving to be an impediment in attracting and subsequently retaining the best talent for the Central Civil Services/All India Services (AIS). In this backdrop, the Commission decided to address the grievances related to NPS, which have been discussed in this chapter. Issues relating to OPS and other retirement benefits have been dealt in Chapter 10.1 and Chapter 10.2.

NPS Background - The Commission notes that the NPS is the culmination of a series of social security and pension related reform initiatives in India. As in many other countries, pension reforms in India were driven by the fiscal constraints of supporting a public pension system and the longer-term problems of an ageing population. Government of India, in 1998, set up the Committee for Old Age Social and Income Security (OASIS). The OASIS committee concluded, among other things, that the Defined Benefit Scheme (DBS), serving the Central Government retirees, is unaffordable for government and it should be replaced by a Defined Contribution Scheme (DCS). The Commission notes that the total pension liability on account of Central Government employees had risen from 0.6 percent of GDP (at constant prices) in

1993-94 to 1.66 percent of GDP (at constant prices) in 2002-03. Pension expenditure of the Central Government grew at a compound annual growth rate (CAGR) of 21 percent during the period 1990 to 2001. This was also reflected in the increasing fiscal deficits. Further, in the DBS, pensions were wage indexed, and thus the outgo on this account would have increased manifold. The stressed fiscal situation, thus, set the stage for introduction of the NPS in India. The Bhattacharya Committee Report of the Seventh CPC 422 Index Report (HLE Group on NPS) (Feb 2002) recommended that an unfunded Defined Benefit (DB), Pay As You Go (PAYG) scheme or a pure Defined Contribution (DC) scheme would not be suitable and therefore recommended a hybrid DB/DC scheme to meet the requirements of central civil servants. *International Experience on Pension Reforms Pension reforms, in recent times, have been initiated in many countries across the world. The Commission notes that an aging population, changing social structures, uncertain and inadequate social security benefits and rising fiscal liabilities have been the major causes behind pension reforms, especially for a transition from DBS to DCS.*

Introduction of NPS On the basis of various reports, the Central Government made the decision to place all new recruits into Central Government from 01.01.2004 onwards (excluding Defence Forces) under NPS. NPS is managed by the Pension Fund Regulatory and Development Authority (PFRDA), which was initially set up as an interim authority. The PFRDA Act was passed by Parliament and notified w.e.f. 01.02.2014, bestowing statutory status on the authority. Under the NPS, employees contribute 10 percent of their monthly salary (basic plus DA) towards their pension with matching contribution from Central Government. In respect of the AIS officers working under them, the matching contribution is made by the State Governments. Three professional Pension Fund Managers invest the funds under NPS following an asset allocation framework mandated by government. The Central Record Keeping Agency (CRA) maintains a separate pension account for each individual employee identified by a unique Permanent Retirement Account Number (PRAN). Individual employees have been given online access through the CRA website to view the status of their pension wealth.

Under the NPS, upon superannuation, the individual is required to invest at least 40 percent of pension wealth for purchase of annuity and the remaining up to 60 percent is paid to him as lump sum. The annuity provides for pension for the lifetime of the employee. Individual subscribers to the NPS are not covered under the General Provident Fund. Regulations issued by the PFRDA now provide for partial withdrawals up to 25 percent of the contribution made by the subscriber to his individual account after at least ten years from the date of joining, up to a maximum of three times during the tenure of the subscription for certain specified purposes, before superannuation. The regulations issued by PFRDA also provide that if the employee dies in service, then at least 80 percent of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity and the balance amount would be paid to the nominee(s)/legal heirs.

Report of the Seventh CPC 423 Index Performance of the NPS Over 13 lakh Central Government subscribers have accumulated pension wealth of over Rs.24,000 crore by the end of 2013-14. The Compound Annual Growth Rate (CAGR) of returns on the scheme are tabulated below:- (in percent) Year 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 CAGR (Central Govt.).

The Commission further notes that all State Governments (with the exception of Tripura and West Bengal) have switched to NPS on the Central Government pattern.

Grievances against the NPS- The NPS has now been in effect for over 10 years. During this period, there has been perceptible progress in putting together the architecture and providing information to subscribers. Major concerns, however, remain. Broadly, these are as under: i. The larger federations and staffassociations advocated scrapping the NPS on the ground that it discriminates between two sets of government employees. ii. Individuals covered under NPS have pleaded for reverting to the OPS on the grounds of uncertainty regarding the actual value of their future pension in the face of market related risks. iii. Individuals have pointed out that under NPS, the effective salary becomes less since the employee has to mandatorily contribute 10 percent of pay towards the pension fund. iv. Individuals have stated that grievance redressal facility is not effective and consultation with stakeholders has been non-existent.

This communication gap has generated insecurity in the minds of stakeholders including staff and Group 'A' officers of Central Government as well as All India Service Officers. v. Associations have complained that Family Pension after the death of the employee is not ensured in the NPS. Moreover, if an employee dies at an early age, the family would suffer since annuity from the contribution would be grossly inadequate. vi. Individuals have complained that NPS subscribers have no recourse to GPF for their savings. Their personal savings (10% of salary) are considered part of a larger corpus. It has been pointed out that the right approach would be to consider only government's contribution and the returns earned on it as the effective amount available for purchase of annuities. vii. Associations have pointed out that unlike the facility under GPF, it is not possible to take refundable advances under NPS, even to meet obligatory social expenditure.

This forces employees towards increased indebtedness as they have to borrow from elsewhere. viii. Grievances also relate to tax treatment under NPS. While contributions and accumulations in NPS are exempt, lump sum withdrawals from NPS at any time are taxable at par with any other income. In addition, there is a service tax liability on any amount utilised for purchase of annuity. It has been pointed out that though NPS became effective from 2004, detailed instructions were issued only in late 2009 and in many cases the credit of contributions began from 2012. In the case of AIS officers in some States, contributions by the concerned State Government are yet to be fully made and deployed. The net result of this has been that contributions for the period 2004-2012 have not been made in full or have earned simple interest and did not get any market linked returns. Because of the prevailing confusion, contributions made by some AIS officer have been returned to them without interest. This will have a huge impact on the eventual corpus as the benefits of compounding were not available for the first 8-9 years. x. Individuals, in their presentation before the Commission, stated that annuities under NPS have no compensation for inflation unlike dearness relief under OPS. Further, in the case of OPS there is a revision in basic pension itself after every Pay Commission. This too is not available in respect of annuity of NPS subscribers. xi. It has been pointed out that government employees are not given freedom of choice in choosing their fund manager based on performance and track record as the contributions are divided in a pre-specified ratio among selected Pension Fund

Managers. It has been stated that government employees have no say in asset allocation of their money. xii. Concerns were raised that the contribution of 10% + 10% will not be sufficient to create a corpus which provides reasonable assurance that pension will be 50 percent of the last pay drawn.Analysis of the Issues by the Commission -The Commission has examined these concerns raised by the stakeholders. The Commission also interacted with Chairman, PFRDA, and representatives of the Department of Pensions and Pensioners Welfare (DPPW), Department of Personnel and Training (DoPT), Department of Expenditure (DoE) and the Department of Financial Services (DFS). In so far as the future value of pension under NPS is concerned, the Commission notes that this would depend upon a combination of factors: (i) performance of the invested fund, which in turn would depend on the asset mix of the investment and general economic situation of the country, (ii) cost of financial intermediation, (iii) contribution rates, (iv) period of contribution, (v) performance of the fund manager and (vi) development of the annuity market.

Analysis of the Asset Mix of Investments - On asset mix of the investment, the pension funds, the world over, are invested in different assets including government and corporate bonds, equities, foreign securities etc. government bonds are generally the lowest risk and lowest yield. Corporate bonds and equities are higher risk and higher yield. Typically, systems use a mix of at least two types of assets– Government Bonds and Corporate Bonds/Equities.

As per the investment guidelines stipulated by the government for Central Government employees under NPS, up to 55 percent can be invested in government bonds, up to 40 percent in corporate debt securities, up to 15 percent in equities and up to 5 percent in money market instruments. International experiences on asset mix vary across countries which have adopted the DCS.

The Commission notes that an innovative approach to investment under the DCS is the Life Cycle Approach. Under this, the asset mix of each individual changes based on his/her age. The underlying assumption under this approach is that younger workers are better able to absorb year on year volatility and therefore can undertake risk while older workers should reduce risk as they approach retirement.

A carefully selected asset mix is the sine qua non to higher returns. The Commission recommends that the investment choices under NPS be calibrated on a life cycle approach and the choices be offered in a simple manner so that any lay person can understand and act accordingly. The Commission also recommends that government, in consultation with PFRDA, come up with different options for investment mix and provide subscribers a range of options.

Contribution Rates - In DCS, typically, the employees as well as the employers contribute towards a pension fund. As discussed earlier, the quantum of pension payouts would also depend upon the contribution rates. Higher the contribution rate, better would be the pension payouts. The contribution rates for both the employees and the employers vary across the globe. The Commission has received suggestions that the government's contribution should be enhanced from the present 10 percent in aid of a higher payout under the NPS. Associations and individuals have made presentations before the Commission highlighting that forecasts suggest that a 10 percent contribution from government will not be adequate to provide reasonable post retirement financial security in all cases. TheCommission, therefore, recommends that this important aspect should be re- examined in detail by an expert body for making course corrections if required.

Period of Contribution - The Commission notes that time is of the essence in building up a reasonable corpus and ensuring that effects of compounding are significant. It is therefore essential that contributions by individuals and corresponding contributions by government are made in time, and more importantly, are deployed without any loss of time. Any delays in this respect, particularly in the initial years can have a large impact on the eventual corpus.

Government employees who have joined service between 2004 and 2011 have suffered due to delay in finalizing the structure of the NPS and the issue of detailed instructions. Although they have made regular contributions, in many cases, this money and/or counterpart contributions were not deployed in the market. In the case of AIS officers, some states are yet to release counterpart contributions or pay interest on delayed contributions. This has led to a situation where the accumulated corpus even after 11 years of service could be meagre. It is necessary that this situation which arose during the transition from OPS to NPS be addressed. The Commission therefore recommends that Central Governments and State Governments should, in a time bound manner, ensure that all the due contribution along with compounded interest, where contributions have been delayed, be deposited in the accounts of the beneficiaries. Advisories should be issued to the State Governments to deposit amounts, if not already done, in respect of NPS beneficiaries belonging to All India Services.

Many Associations have pointed out that unlike the facility under GPF, it is not possible to make withdrawals under NPS, even to meet obligatory social expenditure. This forces employees towards increased indebtedness as they have to borrow from elsewhere.

The Commission notes that under the NPS Tier-I account, a subscriber is permitted to make partial withdrawal of twenty five percent of the contributions made to his/her individual pension account for certain specified purposes. Such withdrawals are permitted a maximum of three times during the entire tenure of subscription and a period of at least five years should have elapsed between two such withdrawals.

The Commission further notes that there exists a voluntary Tier-II account. Under this account, a subscriber can, at any time, withdraw the accumulated wealth either in full or part and there is no limit on such withdrawals provided the account has sufficient balance of accumulated pension wealth to cover the amount being withdrawn. However, the Tier-II account is yet to be made operational. The Commission therefore recommends that PFRDA should take steps to make the Tier-II accounts operational as early as possible to enable the NPS subscribers the facility of withdrawals from their accounts in case of requirement.Transparency under NPS- Many associations and individuals have complained that the information relating to the NPS is inadequate, resulting in high degree of uncertainty in the minds of contributors about post-retirement benefits. The Commission noted that PFRDA sends a communication to every participant each month with the current pension wealth and the latest contribution that has been credited. The Commission recommends that focused efforts be made to capture email addresses and mobile numbers of subscribers so that seamless communication is ensured for all subscribers. The Commission recommends that consultation with stakeholders should also be held periodically in different parts of the country.

The Commission notes that no department of Government of India is taking ownership of the NPS. The Commission recommends that a Committee consisting of Secretary, Department of Financial Services, Secretary, Department of Pensions and Pensioners Welfare and Secretary, Department of Administrative Reforms and Public Grievances may be constituted to review the progress of implementation of NPS. The Commission also recommends that steps should be taken for establishment of an Ombudsman for redressing individual grievances relating to NPS.

Tax Treatment under the NPS - NPS is under the Exempt–Exempt - Tax (EET) regime while the General Provident Fund under the OPS is under Exempt–Exempt–Exempt (EEE) dispensation. Under the NPS, while the contributions and the accumulations are tax-exempt, withdrawals are taxable. As such, this is an inferior tax treatment when compared to other pension programmes such as General Provident Fund, Contributory Provident Fund, Employees Provident Fund and Public Provident Fund wherein contributions, accumulations and withdrawals are tax-exempt. The Commission feels that tax neutrality should be ensured across various avenues for long term savings for post retirement incomes so that the employees covered by NPS are not at a disadvantage. The Commission therefore recommends that withdrawals under the NPS should be tax-exempt to place NPS at par with other pension schemes. The Commission also recommends that the service tax levied at the time of annuity purchase by NPS subscribers should be exempted.

Issue of Family Pension In Case Of Death of the Subscriber Another complaint received by the Commission from staff associations and individuals is that Family Pension after the death of the employee is not ensured in the NPS. The Commission notes that the government had provisionally extended benefits under the Central Civil Service (Extraordinary Pension) Rules, Family Pension/Extraordinary Family Pension/Liberalised Pensionary Award to government servants appointed on or after 01.01.2004.

Rules regulating these benefits have now been notified by the PFRDA. PFRDA regulations provide for an exit option from NPS in case of premature death of the subscriber by availing of additional relief from government, in which case the entire accumulated pension wealth inclusive of subscriber’s contribution would be transferred to government. The Commission recommends notification of a scheme by government for provision of additional relief in such cases consequent to exit from NPS.Framing of Rules and Regulations - The Commission notes that rules and regulating relating to NPS are being framed and notified by PFRDA from time to time. Associations and individual officers have raised the issue of the need for greater involvement of stakeholders in finalizing these regulations The Commission recommends that government encourage the PFRDA to set up a strong consultative mechanism involving the DPPW, DoPT, DFS and some associations of employees for a review of regulations and for finalizing future regulations to bring clarity and remove uncertainty relating to NPS. The Commission also recommends that draft regulations should be widely publicized to enable subscribers to respond to any proposed changes, as normally done by other regulatory authorities.

So there is a need to go back to the old scheme or convert NPS into an assured pension scheme.

If the pension contribution is Rs.1000 per month for 20 years the accumulated interest and Principal at 12% will be Rs.1000000 and the Bank will be able to pay Rs.10000 per month as Pension at 12% Interest. In fact banks had a Perenial Pension Plan in which this was provided. When most of the loan schemes fetch more than 12% this is very much feasible. Each Bank can maintain the fund themselves and lend it for loans with Interest rate of 12% or above and will be able to pay an assured pension. Instead of allowing the funds to be invested in markets, Banks should be allowed to manage them and the Banks should pay 50% of the last drawn pay as pension. This is very much feasible.

A committee should be constituted to address the issues pertaining to the New Pension Scheme introduced in the Banking system from 01-04-2010. The Committee should complete the exercise during the course of the negotiation and the decision should form a part of the joint note.

GRATUITY:

The Gratuity should be paid at the rate of one month salary and allowances without any ceiling. The gratuity should be completely exempt from payment of income tax. The calculation of gratuity should be changed as we move over to 5 day week.

The service Gratuity or the Gratuity under the payment of Gratuity Act should be considered. It should be made applicable uniformly to all .

PROVIDENT FUND:

Based on the principles of retirement benefits which allot Provident Fund, Gratuity and Pension for different purposes, the Provident Fund should be at the rate of 12% of the total salary and allowances. The Provident Fund should be payable to all employees.

ENCASHMENT OF LEAVE:

Encashment of entire leave at credit should also be permitted on resignation, removal and compulsory retirement. Now, half permitted on resignation & full on compulsory retirement.

The existing ceiling on encashment of leave should be removed at the time of resignation / superannuation as directed by the Punjab & Haryana Court judgement. The entire amount should be exempted from income tax as in the case of the Central Government Employees. Encashment of PL should be allowed without any ceiling.

MEDICAL BENEFIT SCHEME:

A comprehensive Medical Scheme for pensioners/ retirees should be introduce in lieu of the medical insurance scheme.

WELFARE ACTIVITIES:

A separate allocation of funds for improvements to welfare of the pensioners should be made every year. The facilities like Holiday Home, clinics, Transit House etc., should be made eligible for pensioners also.

Present ceiling of 3 % of net profit to be given to welfare activities should be raised to 5 % of operating profit to be given to welfare activities.

Suitable life cover should be taken for normal as well as accidental death of employees.

LFC/ HTC FACILITY:

LFC / HTC Facility should be extended to the retirees also at par with serving employees .

NEWS PAPER:

News paper and fitness allowance can be provided to the pensioners.

PART - V

NON -MONETORY – ISSUES

A. Regulated Working Hours

It is the duty of the banks to provide an appropriate environment, ambience and above all the HR systems at all branches. The officers' fraternity should also be provided with all amenities such as supply of refreshment, beverages etc., inside the branch premises in view of the pressure of work, long stay in the office etc.,

The environment should afford an opportunity for full exposure of the creativity and also efficiency of the officers while discharging their duties to the customers as well as the branches. Work-Life balance is very important too.

The banking industry is now equipped with excellent technology advancement, continuous updation of computers, servers etc., there is therefore a need for the Management to adopt appropriate HR initiatives to encourage and motivate the Officers to acquire knowledge in these fields and give their best to the institution.

The Banking Industry is entrusted with the responsibility of enhancing the economic prosperity of the country and also the GDP growth with a view to enhance the standard of living of the common man. The management should ensure that reasonable working hours are fixed rather than pressurizing the officers which may lead to failure and resultant loss of health or upset the officers' routine. Hence, the working hours for officers should be defined and regulated.

B. 5 DAYS WEEK & COMPENSATION FOR EXTRA WORK:

Five Day week is already available in the international banking system. It is also available in our country in RBI, Central and State Governments, Public Sector Undertakings and Private Sector MNCs and IT Sector. Hence, it should be introduced immediately in the entire banking industry.

The working hours should not exceed 36.5 hours in a week. The daily working hours should not be more than 6.5 hours in the normal course. Any working hours, more than 7 hours a day, should be compensated with compensatory off coupled with monetary benefit to the extent of twice the actual hourly salary in the normal course. This should be uniform for the Banking Industry as the Govt directs banks to work late or on holidays often and we follow their directions but compensation varies between Banks.

They should also be made eligible to take weekly off to the extent of additional hours of duty rendered by them as rest is needed for recuperation.The Officers who are called upon to work on weekly-off days and holidays, should be compensated as above and in addition be permitted a compensatory off on a date convenient to them and such weekly offs be credited to the leave account.

Need to have uniform holidays to the officers in the Grid, as the holidays are declared by RBI, substantially less no of holiday is extended to the officers. There should be state level grids. In fact the concept of clearing itself needs to be changed as cheques are payble any ware and technology has improved.

COMPASSIONATE APPOINTMENT

The Govt of India guide lines on compassionate appointment is not being followed by some banks. Exgratia alone is paid which cannot compensate for the loss and future survival.

Hence IBA should advice all banks to uniformly implement Govt of India guidelines and restore compassionate appointment.

CATEGORIZATION OF BRANCHES

The categorization of Branches was done by the Reserve Bank of India earlier. Off late some banks have started their own categorization norms which affects the career of the officers and in many cases it is leading to reduction to staff. With the increasing business staff cannot be reduced. Hence we demand that there should be uniform categorization norms for all Public Sector Banks.

LEAVE RULES:

The existing leave rules will have to be comprehensively reviewed and made

officers friendly and flexible as available in several other sectors of the economy. The availing of leave should be made flexible. The officers should be free to avail the leave as and when required. They should also have the benefit of splitting the day into hours and half-day, full-day etc., and longer period as in the case of several other corporates.

TYPES OF LEAVE:

The existing system of maintaining separate leave accounts may be done away with. A common account of leave should be introduced where they should be able to combine all types of leave into total number of days of leave available to them and use the same as per their own requirement.

However for the purpose of better understanding we re-produce the types of leave available and the need to review the same.

a. Casual leave should be increased to 15 days;
b. Privilege Leave.
c. Sick Leave 15 days in a year (on full pay) without any ceiling;
d. Special leave for study, sports, social and cultural activities f. Leave on loss of pay
e. Sabbatical leave (should not be refused on flimsy ground)
f. Accumulation of PL should be without ceiling and once in two years encashment of 30 days leave should be allowed.
g. Government Scheme should be introduced.

INTRODUCTION OF LEAVE BANK:

The leave so calculated should be credited to the leave account of the officer on a consolidated basis. The officer should be eligible to avail the leave on the basis of his requirement. The intermittent holidays and weekly offs should be excluded while sanctioning leave.

The Officer should have the opportunity of encashing the balance available in the consolidated leave account once in a year to the extent of 50% of the leave available in his account at the beginning of the subsequent year. Further, an officer should be permitted to encash the entire leave at his credit at the time of retirement including sick leave and no ceiling should be imposed for accumulation of leave. The officer may be permitted to transfer leave to another officer in case of need for medical purpose.

OUTSOURCING :

Work done on a regular basis should not be outsourced.

ROLE OF INTERNATIONAL CONSULTANTS

Of late many of the HR policies and Banking policies are being dictated by Multinational Consultants who do not have any accountability. Many of their recommendations have gone wrong. Hence we demand a ban on Multi National Consultants in the Banking Industry. However we can use our own country's IIMs, IITs and Universities for taking up studies and giving recommendations.

DISCIPLINARY RULES PROCEDURE & ACCOUNTABILITY :

We have submitted a very comprehensive note to the Indian Banks' Association for the review of the existing conduct rules and procedure and to introduce certain changes in tune with the changing environment in the 7th Joint Note exercise. **The issue should be finalized for implementation, before the negotiation starts as it is a pending issue.**

WITHHOLDING OF GRATUITY ON RETIREMENT / RELEASE OF TERMINAL BENEFITS :

The present adhoc system of withholding gratuity and harsh decision to set off the gratuity amount towards loss caused etc., should be reviewed keeping in view, the recent judicial pronouncements. In any case, there should not be stoppage or denial of gratuity to the officers.

No disciplinary action should be initiated after superannuation.All Terminal benefits should be released pending disciplinary proceedings if bank fails to complete the proceedings before superannuation as is being done in the case of CBI cases being pending.

ADMINISTRATIVE TRIBUNALS:

The IBA should take up with the Government, the introduction of an exclusive Banking Administrative Tribunal for the banking Industry in order to deal with all the service as well as disciplinary matters in respect of officers similar to Central Administrative Tribunal.

INCOME FOR DEPENDENTS:

The present ceiling of Rs.10,000/-for dependent should be increased to Rs.30,000/- taking into account minimum basic pay of Rs.18,000/- for the Central Govt employees which along with DA amounts to Rs.30,000/-

PART VI

GENERAL BILATERAL RELATIONSHIP:

The 8th Joint Note exercise on Officers wage revision when resume, will have a historical significance in the sense that the Management and the Officers' organizations have come a long way in the structured negotiation systems and have matured enough to decide and arrive at a compensation which is generally acceptable to both the parties. In the process we need to have a clear demarcation as regards the issues concerning the Officers' fraternity and Officers' organizations should have exclusive right to negotiate on behalf of the officers in the banking industry. Hence, all the issues connected with both the directly recruited officers as well as the Officers promoted from clerical cadre have to be decided between the IBA and the Officers' organizations. Similarly the issues of promotion policy, transfer policy, etc., will have to be settled bilaterally with Officers' organizations both at the bank and the industry level.

APPOINTMENT OF OFFICER/EMPLOYEE DIRECTOR:

Except one Bank there are no officer / employee Director in any of the Public Sector Banks. This is total violation of the law of the land. This has been an issue in many of our agitations. The IBA should take serious efforts to clear appointment of officer/employee directors in all the banks. Crucial decisions including HR issues are finalised in the Banks Boards. The concept of participatory management should be honoured.

STRUCTURED FORUM AND ACCOUNTABILITY FOR SETTLEMENT:

The Officers' organizations have been holding discussions and negotiations with the representatives of the Indian Banks' Association over the last 40 years. The system has got itself streamlined during the last 3 decades and the issues that are related to the compensation and also certain issues of urgent nature are brought to the IBA forum and decided between both the parties. There is a need to structure this conventional arrangement and ensure that all issues affecting the industry and the impact of the directives of the outside agencies on the officers' fraternity are brought to this structured forum and decided to avoid unnecessary irritations in industrial relations in the banking industry. The proper detailed and codified account of all discussion should be exchanged.

The structured forums are already in vogue in all the banks. The issues referred to the banks by the IBA and the Government is discussed at the bank level negotiations by each organization which leads to discrepancies in the implementation of any understandings reached between the organizations and the management.

Certain Industry level issues have to be discussed at IBA / Government Level. Hence, there is a need to have structured forum at IBA / Government for periodical discussions. Hence, there is a need to bring all such issues/directives of the IBA and the Government before a structured meeting and settle to avoid frequent agitation and industrial unrest in the banking industry.

IBA Management Committee meets periodically. IBA also collaborates with Organisations like FICCI and ASSOCHAM. Being stake holders we should be invited for discussion periodically and also in conferences like Gyan Sangam.

We propose a quarterly meeting with IBA in a structured forum.

RECRUITMENT / RETIREMENT:

The Banking industry is in doldrums due to inadequacy of the workforce. The lopsided policies and the conventional approach of the Government and the Managements of the banks at the instance of the IBA and the Ministry of Finance have created a big gap in the average age of the various groups of employees in the banks. There were no recruitments virtually for more than 2 decades and as a result, the age difference between the old employee and the new employee is so wide that the average age of the workforce is adversely affected.

A close review of the situation should be considered and necessary steps to be taken for a pragmatic succession plan. The large scale retirement is adversely affecting the workforce since experienced hands are getting retired where as a large chunk of new recruits are forced to take up higher positions and the promotions are getting accelerated in comparison with the earlier situation thereby causing serious problems of seasoning and grooming of higher level officers in the banking industry.

A crash programme should be worked out to tackle this serious issue.

In view of shortage of manpower, the retirement age should be re-fixed. We have the following suggestions:

MASSIVE RECRUITMENT:

To cater to the emerging needs we have to go for massive recruitment of clerks and Officers and also agriculture graduates, commerce graduates, Computer Engineers etc immediately.

AGE OF SUPERANNUATION:

The age of superannuation to be raised to 65 years for all officers, as there is a huge shortage in the middle order and seniors due to non recruitment for 10 years. As such Banks are engaging retired officers for various duties. The Chairman and the Managing Directors can continue even after 60 years. Considering the increasing longevity and the vacuum created due to non recruitment for more than 10 years this will help the Banks to retain talents to nurture the younger generation.

WELFARE FACILITIES: STAFF WELFARE CEILING :

Present Ceiling of 3% of net profits to be increased to 3% of Gross profit without any ceiling.

LIFE COVER :

Suitable Life Cover should be taken for normal as well as accidental death. This is available in few Banks but there is no uniformity REVIEW OF LOANS AND ADVANCES: Housing Term Loan:

In view of the increase in cost of construction of house and flats, we need to have a comprehensive review of House Building Advance to officers by suitably enhancing the limit to Rs.1 core at Simple rate of interest without any slab,which can be repaidup to the age of 75.

In this regard, the rate of interest has been hovering around Nil to 8 percent in different banks. The first concessional rates of interest on housing term loans for staff was introduced way back in 1967 with Nil interest. In 1979, the amount was increased to Rs.1,10,000/- at the rate of 5% simple interest. The rate was around

8% less than the rate of interest charged to public housing term loans, which was prevailing at 13%. Hence, the spread was 8 percent

However, the spread has been given a go by and different banks are charging at different rate of interest. Housing Term Loan is a welfare measure providing shelter to the family members of the employee. Hence, the rate of interest should be maintained at the same spread as was obtaining in 1979, as otherwise, due to the steep increase in the cost of land and construction, the employee would be finding it difficult to service the loan.

CONVEYANCE LOAN:

The Conveyance Loan has not been revised for long, we need to enhance the Car Loan limit to Rs.15 Lacs and Two Wheeler Loan limit to Rs.1 lac at Simple rate of interest without any slab. The repayment of the above loans should be extended upto 75 years of age.

Review of all loans and advances and make same rules in all banks.

ROAD TAX ON VEHICLES:

In view of All India transferability of officers, the Road tax on vehicles of different States should be paid by the bank on inter-state transfers.

DATE OF RETIREMENT:

Those who were born on the 1 of a month to be retired on the last day of the same month, and not the previous month.

PROTECTION OF EMOLUMENTS:

The emoluments drawn by an Officer should be protected on his higher area to lower area.

TRANSPORTATION OF PERSONAL BELONGINGS:

The Banks should take the responsibility for shifting the personal effects of the officers on transfer from one place to another. In the absence of such facility, the Officers should be reimbursed the full expenditure on certificate basis.

INCIDENTAL EXPENDITURE ON TRANSFER:

To meet additional expenditure towards education of children, housing etc., officers should be paid two months' salary to compensate incidental expenses on transfer. In case of transfer outside the State, 3 months' salary should be paidtowards incidental expenses. In case of transfers to far off centers and the places of inclement weather and living conditions, there has to be higher compensation as incidental expenditure on transfer.

IMMUNITY FROM TRANSFER POLICY, SPECIAL PRIVILEGES TO OFFICE- BEARERS OF THE ORGANIZATION:

In view of the positive role played by the Officers Organizations there is a need to revise the existing arrangements as regards the special leave to the office-bearers of the organizations. The existing arrangement is grossly inadequate in comparison with the size and the growth of the banking industry and equally the membership of the officers' organization – the structure of the organization and hence appropriate enhancement in the leave facility needs to be considered.

The senior office-bearers of the Officers' organizations should have the duty off in view of the fact that they will be dealing with all the personnel matters relating to the officers' fraternity and they may not be able to attend to their deskwork. If the Office Bearers are denied this facility it would cause great harm to the officers' organizations in the banks.

The Office-bearers of Associations should be extended immunity from transfer/placement. The Central /State level office-bearers should be given duty- off on par with workmen organizations. The facility is due for review.

DATE OF EFFECT: 01.11.2017

We reserve our rights to submit supplementary charter of demand /alter the demand if the necessity arises.

Sd/-	Sd/-	Sd/-	Sd/-
(D.T. FRANCO)	**(S. NAGARAJAN)**	**(K.K. NAIR)**	**(Dr. S. U. DESHPANDE)**
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AIBOC	**AIBOA**	**INBOC**	**NOBO**