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 2ND MAY 2017

The Basic principle of our wage revision should be based on the Constitution of India which begins as,

"WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens: JUSTICE, SOCIAL, ECONOMIC AND POLITICAL; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; and to promote among them all FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation; IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION."

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 2ND MAY 2017

INDEX

2

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]

PREMISE:

The Charter of Demands represents the hopes and aspirations of entire officers' fraternity working in the Banking Industry all over the country. It is prepared on a scientific basis taking into account salary scales for the Govt officials, private sector and present trend in the country. The basic principles derived out of the trade unions' long cherished policies blended with the aspirations and expectations of current workforce in the industry which is dynamic in its metamorphosis are furnished as below:

1. There cannot be any link to paying capacity of the banks because the gross profit of the Banks and the business are increasing year by year due to the contribution of the officers and employees. Net profit is down due to mounting NPA for which the causative factors are the grim global scenario from 2008, ever changing accounting procedure and standards, Government and Controllers' policies and principles, Country's priorities and preferences and certainly the officers and employees are not responsible. Besides, the objective of wage revision must be to attract real talents to the Industry and thus it should be constructed on factors like RISK, RESPONSIBILITY, ACCOUNTABILITY AND TRANSFERABILITY.

2. The practice of industry level settlement is the popular preference of the Industry as the banking industry has many commonalities commencing from business handling to practices adopted and it would be matching to accepted basic principle among the WORKING CLASS that EQUAL WORK EQUAL PAY which otherwise would lead to the unacceptable, impracticable and divisive principle of INCENTIVE AND PROFIT LINK. It is needless to say that any attempt to deviate from this established principle will be an attempt to go against the interest of the workforce in the Banking Industry who are the backbone of the Indian economy which kept the India's Prime & pride at the peak even while the global economy was sliding down. Parity among banks is paramount for which the industry level settlements have helped a lot.

3. The Pillai committee recommendations were the basic premise and precursor to the Historical Bipartite settlements, our endeavour must be to recall and restore the parities we enjoyed within the banking system and also with the civil service officers.
4. Though the country has got similar economic environment which commands uniform banking practices, some banks are attempting to adopt different business standards through categorisation of branches which denies the uniform working conditions in the branches of various banks which again is an attempt to derail the BIPARTITE arrangement in the industry to bring uniformity among the officers in the industry irrespective of the status of the individual banks. Thus we may have to bring in uniformity in the categorisation of the bank branches, keeping the business uniformity in the Industry.
5. The number of women officers and employees is increasing and it is imperative that we must follow the accepted global norms in providing conducive & comfortable atmosphere in work place in resonance with the robust principles of gender equality.
6. It would be our endeavour to ensure uniformity in perks and facilities to the bank officers in the Industry irrespective of business and presence.
7. The basic essence of pension as listed in the pensions regulations 1995, section 35 (it is for employees retired between 1.1.86 & 31.10.87) and the various court's judgements must be effected in letter and spirit as the pension is not the gratis and it is the basic right of an officer who dedicated his life and career for the Institution and the pension updation and improvement in family pension must be settled.
8. Though the Indian youths entry and employment in to the Banking sector is through common process, their placement and promotion is primarily rested on the premise of respective Bank's presence and business which ultimately decides the pay and perks. As the promotion and placement is not in the hands of the large Indian youths joined in the banking industry with huge educational qualifications and expectations, we must ensure the automatic running scale up to the end which would at least keep the officers morale up.
9. The recently introduced hospitalization scheme is proved as a departure from the agreed clauses in the joint note and ultimately a pain to both the Banks and Beneficiaries and thus we will have to rollback to the bank level settlement of medical reimbursement with 100% coverage for family and improved facilities.

PREAMBLE:

The Indian Banking system is robust and has stood the test of strength. When the country became independent the entire Banking was with the private sector and Imperial bank of India was taking care of the government business. In 1955 Imperial Bank of India was made State Bank of India through an act of Parliament. To improve the reach of banking to the larger masses the Government nationalized 14 banks in 1969 and second batch of nationalisation that took place in 1980. Today 70% of the banking business is carried out by the public sector banks. Private Sector, RRBs and Cooperatives contributes the rest.

There is going to be further demands on the Bankers as the incremental deposits, mobilized during demonetization have to be matched with adequate loans, the targeted Mudra loans, Stand up India loans etc. Moreover the move towards cashless society requires further digitization of banking activities and introduction of new products. The manpower has to increase manifold and we require the best talents for the Banking Sector. Machines and technology should support employees and not replace them in a country which has huge unemployment.

The Indian Banking system not only grew from strength to strength but stood as rock in the middle of the financial tsunami and continued its onward march in rendering the economic justice to millions and millions of the people living below the poverty line. The greatest tribute to the Indian Banking system is its resilience and the courage to take on the Basel Norms voluntarily and to meet all its requirements to show the world that the Indian growth story is not a myth and it has come to stay. The success of Financial inclusion including the latest effort through the Jandhan A/cs of more than 27 crore people has opened avenue for large scale expansion of Banking activities. The Bankers have handled the demonetization with so much of stress and strain. The Prime Minister himself has acknowledged that. Hence the Bankers have to be given their due share.

The efficiency of the banks have reached International standards. There is neither complaint nor an attempt to denigrate the Indian Banks on the issue of the ambience in comparison with the foreign and new generation private sector banks due to the effective measures adopted by the Managements of the banks. The banks are tech-savvy and are in a position to acquire and adapt any latest version of the technology to match their counterparts all over the world.

Our Honourable Prime Minister stated on the performance of JANDHAN YOJANA by the BANKS on January 24, 2015

"Dear Friends,

It gives me great pleasure to have seen the exceptional work done by you all in ensuring the success of the Pradhan Mantri Jan Dhan Yojana. The target set for opening bank accounts for all households has been surpassed well ahead of the target date of 26 January, 2015. By opening 11.5 crore new accounts in a very short span, we have achieved a coverage of 99.74% of all households in the country. I congratulate you for your extraordinary efforts.

You will recall that when we started this Mission, many had doubts about our ability to achieve this task in a limited time span of five

months. However, you have proved skeptics wrong and achieved what appeared impossible. This feat alone should motivate you, as well as others to work to make our dreams a reality."

Again, our Honourabe PM stated on the performance of Bank officers on the Demonetisation at Panaji

"I publicly thank all the bank employees. The amount of work which bank employees normally have to put in over a year, they have worked more than that in the last one week alone,"

Modi also reached out to retired bank officials, who according to reports on social media, he said, had offered their services to the banks they were formerly employed in to help deal with the workload necessitated by the demonetisation process.

How did this transformation happen? This is mainly due to the fact that the entire officers' fraternity, committed to the success of the Indian Banking industry, has given blood and sweat of their youth in ensuring the success of the banks all over the country. They also unmindful of their personal inconvenience and discomfort to the members of their family, have carried the banking facilities to the nook and corner of the country ensuring Banks to be highly competitive with that of their counter parts both inside as well as outside the country. The officers' organisations have always supported technology introduction and upgradation. The move towards a less cash economy also can become a success only with the total involvement of the Banks.

Officer Oriented Industry

Thanks to enormous introduction of electronic gadgets in day to day banking extensively from 2000 after SVRS, the very functions and practices in the branches and banks have undergone a sea change, as many of the operations are expected to be done by the customers themselves through such gadgets.But this digitalisation has increased the role and responsibilities of the supervisors, the officers in the banking industry and in the result,the Banking Industry has become Officer oriented Industry where the officers have to take crucial decisions quickly.

The ratio of officers is increasing steadily. In 1991 it was 25% but today it is almost 60% in many banks. The officers have the risk of accountability. They are the ones who have to take care of social banking. They are the ones who make Jandhan Yojana, Mudra Loan Schemes, Stand Up India, Atal Pension Yojana and other schemes succeed, as stated earlier.

Digitalization

The Digital India Scheme has been largely successful in the Banking Industry due to the officers and officers organisations. With digitization, the role and responsibility of officers has increased tremendously and is subjected to further acceleration thanks to demonetisation leading to a less cash economy wherein the banking sector alone can play the major role which would become the sole province of Officers community. It may lead to branchless banking.

Expansion of Bank Branch Network:-

The penetration of Bank branches is low comparing to the developed and developing countries. There is larger space available for both the Public and Private Sector Banks to co-exist. The next few years the Banking sector is expected to expand a lot to cater to the customers covered under the financial inclusion and also to fulfill the ambition of the Govt to provide more credit to the common man.

The Country is the fastest growing economy and has a demographic advantage. If this advantage has to become a reality, the Banking Sector has to play a key role.

Hence there is a need to rope in intellectuals with good academic background as officers by offering decent compensation, taking into account their skill, risk, responsibility, transferability and accountability. Banking sector must be the final destination for any jobseekers and comfort in workplace must keep up the morale of the officers to remain in the industry for ever.

Performance of the Banking Sector in the recent past:-

The performance of the Banking Sector after the last wage revision has improved a lot. Number of accounts have grown, deposits have grown, advances have grown, income has grown and gross profit has grown. However the NPA has been increasing because of our lending to infrastructure on Govt instructions, slow down in the economy and default by big borrowers.

The Parliamentary Standing committee on finance has done a detailed analysis on NPA and has suggested various measures and alternatives which the Government must implement. Once that is done the NPAs will reduce and the profits will grow up.

RECOMMENDATIONS / OBSERVATIONS OF PARLIAMENTARY STANDING COMMITTEE

The major recommendations are:-

1. ***Accountability of nominee Directors of RBI / Ministry on the Bank Boards as well as the CMDs / MDs of banks should also be annexed in the matter.***
2. ***The Committee desires that the decisions taken to sanction loans in violation of norms/guidelines should also be enquired into, responsibility fixed, adequate penal action taken and the Committee apprised accordingly.***
3. ***Further, till such time a project is commissioned as per approved schedule, banks should not hasten to categorise such a project as NPA.***
4. ***The extent and the quality of the equity that the promoters are capable of infusing into a project, therefore, also needs to be factored in by a lender bank.***

5. ***Therefore, the Committee would recommend that the Government should make the necessary structural changes including revival of Development Financial Institutions (DFI) for long-term finance, especially for Infrastructure projects, which will go a long way in nipping the problem of NPAs in the bud***.

6. ***The Committee also urge the Government for allowing Infrastructure Finance Companies (IFCs) to purchase infrastructure projects turning into NPAs and keep them as Standard Assets, as this step would not only provide the much needed relief from stressed portfolio but also create an enabling environment for funding the infrastructure sector facing resource crunch. Besides, the IFCs should also be allowed to participate in equity.*** *The Banks should have equity component built in the loan agreement itself.* ***The Committee desire that the RBI should explore the possibility of developing a mechanism wherein there would be separate norms for NPA classification for infrastructure and non-infrastructure loans.***

7. ***The Committee recommends that each bank must focus on their respective top 30 stressed Accounts involving those categorized as "willful defaulters" and make their names public. Such a step will act as a deterrent for other promoters against wilful defaults***.

8. ***It will also enable banks to withstand pressure and interference from various quarters in dealing with the promoters for recoveries or sanctioning further loans. On the other hand, promoters will also be cautious before applying for loans. The Committee are of the view that when companies, which have undergone restructuring process for their stressed loans, should be made public, there cannot be any justification for maintaining secrecy on this count***. *Further, to make the system more transparent RBI can explore the possibility of conducting capital assessment, wherein each bank is analysed across parameters including its loan and securities portfolios as well as other off balance sheet commitments and their liabilities and exposures.* ***This will help in ascertaining their potential losses and the capacity of the bank to absorb it while determining the CAR and its financial health.***

9. ***The Committee are constrained to observe that the RBI does not seem to have quite succeeded, as a regulator, in so far as implementation and enforcement in letter and spirit of its own guidelines, on stressed loans is concerned. Mere issuing of guidelines by RBI does not seem to have yielded the desired results***. *The Committee would, therefore, expect* ***RBI to monitor and follow it up with the banks and financial institutions on a regular basis till concrete outcomes materialise. Such a pro-active action by RBI will also enable it to review the guidelines, whenever required and plug loopholes, if any. As the Committee would not like the RBI to be a passive regulator, when major***

lapses occur in banks, it would be in the fitness of things if RBI exercises its regulatory powers vis- a-vis banks to take punitive action in cases of default and to enforce their guidelines. The Committee also believe that RBI as a regulator should have its regulatory role well delineated and thus not have its Director in the Board(s) of the Banks as part of their management, as conflict of interest may lead to avoidable laxity.

10. ***The Committee would thus recommend that forensic audit of such loans (restructured loans becoming bad debts) as well as willful defaults be immediately undertaken***.

11. . ***Therefore, appropriate system should be evolved and guidelines be prepared to take charge of assets and management of such failed CDR companies, while initiating action against such management. Further, disposal of the assets should be given priority.***

12. *Considering the non-efficacy of the CDR mechanism, the Committee believes that the RBI's scheme for Strategic Debt Restructuring (SDR), which empowers banks to take control of defaulting entity and its assets by converting loan into equity, may armor the banks with an additional tool to cope with their NPAs.* ***A change in management must be made mandatory in such cases involving willful default or sheer inability on the part of the promoters, where they have diverted funds and no redemption is possible. The Committee would however like to put a caveat here that the SDR mechanism should be used sparingly so that it does not become a smoke screen for large scale write-offs. It is necessary that even after SDR, the penal consequences for a wilful defaulter should continue to operate.***

13. *The Committee note that bulk of bad loans may be linked to firms that are struck with over-capacity and weak demand and are, therefore, simply unable to service their debt. The prolonged slowdown in the economy has eroded the market for distressed assets so much so that even Asset Reconstruction Companies (ARCs) have found it hard to off load them. The Committee would, however, still suggest that the RBI should consider such a dispensation that allows banks to absorb their write-off losses in a staggered manner, can help them restore their balance sheets to their normal health, while ridding the banking sector of its toxicity.*

14. *The Committee notes that the value of cases relating to bad loans awaiting resolution and recovery through DRTs across the Country has touched an all time high of around Rs. 3.75 lakh crore. The recovery of NPAs through DRT and SARFAESI Acts have shown steady decline from 2010-11 through 2013-14. The recovery through the channel of DRT Act has shown constant decline from 21.55% in 2010-11 (Amount recovered Rs. 2,338 crores against cases filed for the amount of Rs. 10,849 crores) to 9.83% in 2013-14(Amount recovered Rs. 4,460 crores as against cases filed for the amount of Rs. 45,350 crores). Similarly, under the SARFAESI Act, the recovery of*

NPAs has dipped from 36.46% in 2010-11 (Amount recovered Rs. 7,928 crores against cases filed for the amount of Rs.21,745 crores) to 25.56% in 2013-14(Amount recovered Rs. 22,178 crores against cases filed for the amount of Rs. 86,783 crores). These facts thus present a rather dismal picture of the actual working of DRTs and the efficacy of the SARFAESI Act per se. ***Time-bound disposal of cases thus becomes the need of the hour. A distinction now needs to be drawn between "wilful defaulters" and other defaulters in the procedures prescribed under the relevant Acts and accordingly, "willfully defaulting" promoters must be dealt with sternly and promptly. Banks must be fully empowered to recover their dues promptly after necessary orders are passed by the Tribunal. The Committee would strongly recommend a thorough overhaul of the legal regime governing debt recovery, which may include stringent provisions to safeguard public money. Furthermore, there is a need for authentic and large Credit data base including posting the Credit Status of "wilful defaulters" in public domain.***

In this connection, the Committee would also recommend certain specific changes / amendments in the Debt Recovery dispensation as mentionedbelow:

I. In DRT summary procedure should be followed. In case of appeal against the order of recovery officer a provision for deposit of substantial amount i.e. minimum 50% of the amount claimed and costs should be there

II. A provision for disclosure of assets on affidavit by the defendants needs to be incorporated.

III. The important issue of priority of charge should be clearly decided. In this regard, priority of secured creditor should be treated to be of universal priority.

IV. Rule 9 of Security Interest Rules provides for 30 days' notice required before sale. In case of second or subsequent sale, 30 days'notice, again, is a wasteful exercise. Therefore, a specific provision is required on subsequent attempt of sale by giving notice of 7 days. In case of sale by Private equity provision is required stating that private sale shall be on terms settled between the secured creditor and the purchaser.

V. Stays/Exparte stays, if granted, should be for a short and specific period and on condition of payment of dues or as warranted as per the facts of the case.

VI. Provisions for faster foreclosure of mortgages need to be considered.

VII. More DRTs for better distribution and expeditious disposal of cases should be set up and adequate infrastructure provided to them.

VIII. One DRT/Presiding Officer should have a prescribed maximum of only 1000 OAs for disposal.

15. ***The Committee would also like the RBI to conduct an objective evaluation of the efficacy of different instruments / schemes implemented by banks to deal with their NPAs / Stressed assets like OTS, CDR, SDR, 5 by 25 scheme, ARC sale etc., so that pitfalls can be identified and plugged with a view to making these efforts more purposeful.***

    It is imperative that the Govt and IBA should take concrete steps on the recommendations and also request the RBI to implement the recommendations. This will lead to a turnaround in the Banking Industry. There will not be any need for infusion of further capital and the profitability will improve tremendously.

It may be inferred from the above that the law makers of this country are having diagonally opposite but very objective views on the NPA contrary to the views held by the Government and controller attempting to blame the BANKS squarely and be held responsible for the NPA.)

OPPORTUNITY COST OF GOVERNMENT DIRECTED SCHEMES

It is needless to reiterate the role of banks in ensuring the financial stability in the country and its role in executing the various promotional or poverty alleviation programs which has consistently improved standard of living of the downtrodden in India.

Many of the developmental programmes like, yesteryears' IRDP, 20 POINT PROGRAM. SEEUY, SEPUP or contemporary JANDHAN yojana, PMEGP, STANDUP, MUDRA LOANS AND DEMONETISATION etcwere successfully executed by the BANKS. But the costs borne by the BANKS in making the programs successful were enormous which never has been compensated by any of the implementing agencies.

When the Government speeded up financial inclusion, it is this banks which have opened more than 25 crore Jandhan accounts and are in the process of giving credit. Again bulk of the Mudra loans and Stand up India loans are sanctioned by the public sector banks only. Even in the Swatch Bharat campaign lot of school toilets have been constructed by these banks. Considering the demographic advantage these banks are providing loans to students for their education.

These opportunity cost in the implementation of the Govt sponsored schemes should be kept in mind while arriving at wage revision. The man hours spent on the implementation should be counted and monetized.

The work undertaken during the demonetization and the huge expenditure incurred should be monetized and the Govt should allot adequate funds for the Banks. It can be in the form of capital or reimbursement of expenses.

We detail below the achievement of Jandhan Yojana.

Accounts opened as on 19.04.2017

(all figures in crores)

Bank Name	RURAL	URBAN	TOTAL	NO. OF RUPAY CARDS	AADHAAR SEEDED	BAL IN ACCOUNTS
Public Sector Bank	12.45	10.36	22.80	17.76	15.45	49999.02
Regional Rural Bank	3.97	0.69	4.65	3.53	2.89	11853.55
Private Banks	0.56	0.37	0.93	0.86	0.45	2107.60
Total	16.97	11.41	28.38	22.15	13.95	63960.17

Source: www.pmjdy.gov.in

COMPENSATION SYSTEM TODAY

The process of wage revision must be a honest attempt to offer the replies to the primary questions flashed which are listed as follows:

Whether the compensation system is scientifically designed match these developments witnessed in the industry?

Whether the compensation ensures the officers to lead a decent quality of life?

Whether the compensation syncs with the academic qualification at the outset and the risk, responsibility, accountability and transferability an officer encounters in the working atmosphere?

Whether the compensation generates the sense of pride and belongingness towards the job entrusted and the Institution employed?

Whether the compensation generates the confidence on the future?

The fundamental conditions to consider for a fair wage hike for officers are on account of responsibility, accountability, risk and transferability. Further the principles upheld by the judiciary are: Equal pay for equal work, gender equality and the uniform perks and facilities to all officers in the Banking Industry. The Branch Categorisation norms which was more or less uniform in all Banks slowly started drifting and today Individual bank boards decide norms causing lot of frustration in the minds of officers as a whole.

But unfortunately we observe and are concerned that there is a wide gap between the hopes and aspirations of officers and the Options and offerings of the IBA.

A sincere attempt to all stake holders to bridge this gap in the ensuing wage revision/service condition would only be remaining as a spring board to take the Indian banking system today dominated by the aspiring youth to new zenith.

BASIS FOR THE CHARTER

Before we proceed to present our Charter of Demands for the 8th Joint Note exercise let us take a close look at the job market, the compensation environment prevailing with the peers of the Public Sector, the owner himself i.e. the Government and above all the new sectors of the economy, the Private Sector, as proper assessment and justification for the Charter of Demands.

The Basic principle of our wage revision should be based on the Constitution of India which begins as,

"WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens: JUSTICE, SOCIAL, ECONOMIC AND POLITICAL; LIBERTY of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; and to promote among them all FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation; IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION."

Seventh Pay commission- Certain important observations.

Pay commissions are appointed by the GOI headed by eminent personalities in the field of Administration and Justice to decide the salary structure for their own employees from the entry level of lowest cadre in the hierarchy to the level of Cabinet Secretary – the topmost civil servant in the Govt. Setup.

The very idea of forming such commissions in a periodical interval is primarily to carry out a holistic review on the global socio economic transformations and relate such findings to the similar scenario of our country and suggest the administrative reforms to attain such global standards and also to offer suitable and acceptable compensation to the workforce who are employed to attain such standards to ultimately compete and achieve excellence in achieving the objectives.

The recommendations of the seventh pay commission were fully accepted by the GOI gives credentials to the methodology adopted for arriving compensatory package for the various levels and there cannot be a second opinion to adopt the same formula for the IBA too.

Let us quote from the Seventh Pay Commission report, which says, "What should be the norms for governance? This has been a moot point through ages and the norms of the governance have changed from time to time. If we go to the past history of ancient India, we have many scriptures which have dealt with issues of governance and those norms are also relevant in the present time. Bhagwat Gita tackles many management issues at the grassroot level and offers feasible solutions on the principles of value-based ethics, enlightened leadership and human quality development. Bhagawat Geetha says Whatever action is performed by a great man, common men follow in his footsteps. And whatever standards he sets by exemplary acts, all the world pursues. *It is further stated in the Gita "where there is Dharma there is victory" or, in other words, success goes hand in hand with righteousness. Chanakya also, in his celebrated discourse "Arthashashtra," emphasized that the Dharma Sukti is applicable to both, a ruler and the common man. It is necessary to follow Dharma in all walks of human life. Therefore, if we have a dedicated bureaucracy, then they will provide a good leadership and good governance".*

Bank officers are much more dedicated and perform duties with greater risk and accountability. So the salary should be commensurate with the risk and responsibility.

The Seventh Pay Commission also says that, "*In this 21st century, the global economy has undergone a vast change and it has seriously impacted the living conditions of the salaried class. The economic value of the salaries paid to them earlier has diminished. The economy has become more and more consumer economy. Therefore, to keep the salary structure of the employees viable, it has become necessary to improve the pay structure of their employees so that better, more competent and talented people could be attracted for governance."*

The Seventh Pay Commission has done exhaustive studies as seen below; *"To gain insight into the principles of emoluments, workshops were organized in association with IIM, Bangalore, Administrative Staff College of India, Hyderabad and SVP National Police Academy, Hyderabad. The local country office of the World Bank was requested to provide inputs on best global practices in remuneration. The World Bank team made several presentations on relevant subjects, viz., international trends in public sector pay, allowances, pension etc."*

"The expectation of employees in Government will be similar to ours that, *"The key expectation of employees at all levels is that there should be a significant increase in their pay and improvement in other facilities.*

"Representatives of some of the recognized organizations have staked their claims for grant of a pay structure comparable to that of the private sector. At the core of this demand is the economic development, the country has witnessed in recent times, resulting in the avenues for talented young persons having opened up; several of them are being hired by the private sector for emoluments much higher than in the government sector.

The Commission bestowed its best of consideration and has dealt with all the issues in appropriate chapters. It may be observed at the outset that government service is not merely a contract service, it provides a status in society which cannot be monetized in terms of money value.

The focus for the Commission was that emoluments should be such which attract the right kind of talent by a transparent method, keeping in mind the financial limitations of the government. The attempt has been to provide wages commensurate with comfortable living. The pay structure should also need to address any significant deterioration in real value of emoluments as a consequence of inflation."

"One should get proper and adequate compensation for his merit. The increase in pay structure cannot keep pace with the market forces, at the same time it should not be so unattractive that talent is not attracted to government service."

"Therefore, we have attempted a pay structure which has as its basis the Aykroyd formula, which reflects the basic average cost of living in the country. The attempt has been to arrive at a proper pay package so that the essentials of life can be availed comfortably."

The Pay Commission says *"While finalizing the levels of salaries, allowances and other perquisites of compensation structure, we have tried to take a holistic approach. We also commissioned three studies by expert bodies towards this end:*

1. *Study by IIM, Ahmedabad to understand the nature and quantum of total compensation of select job profiles in the government sector vis-à-vis similarly placed profiles in the CPSUs and the private sector*
2. *Study by Institute of Defence Studies and Analyses on nature, quantum and components of defence expenditure and defence pension;*
3. *Study by IIM, Kolkata on fiscal implications of implementation of the V and VI CPC on the finances of the Union and State Governments."*

As the Pay Commission has adopted the principles to draw the wage structure taking into account the salary structure of different sectors including the private sector and the same has been accepted by GOI for implementation, the same principles have to be followed by and for the Banking sector also.

On stagnation, the 7th Pay Commission notes,

"The new pay structure has been laid out by and large broadly as an open ended, layered matrix, for civilians as well as for the armed forces personnel.

It has been kept in view that a person should not stagnate but should have fair opportunity to progress by dint of merit and secure better emoluments so that frustration does not set in.

The prevailing rate of increment is considered quite satisfactory and has been retained. The concept of separate grade pay has been done away with and the grade pay at all levels has been subsumed into the pay matrix. The Modified Assured Career Progression (MACP) scheme has been further modified. It is expected that the present formulation will address the widespread dissatisfaction prevailing in the earlier system, in which the gain or progression through the MACP was considered inadequate.

The remuneration package is such that employees would feel that they are valued and they are fairly paid and their remuneration is not less than a person who is similarly situated in another organisation."

The Pay Commission has also recommended that there is no need for commission once in 10 years and it recommends as:

"It is also recommended that the matrix may be reviewed periodically without waiting for the long period of ten years. It can be reviewed and revised on the basis of the Aykroyd formula which takes into consideration the changes in prices, of the commodities that constitute a common man's basket, which the Labour Bureau at Shimla reviews periodically. It is suggested that this should be made the basis for revision of that matrix periodically without waiting for another Pay Commission."

On theNational Pension System the Commission says:

"We have also kept in view the needs of the pensioners under the old pension system, (employees who joined before 01.01.2004) and suggested some measures to alleviate their plight. They should also not be left in straitened circumstances.

We have suggested their proper fixation in the new pay matrix which will provide them a respectable living. Almost the whole lot of government employees appointed on after 01.01.2004 were unhappy with the new pension scheme.

While the National Pension System does not form a part of our Terms of Reference, we have recorded the sentiments of the affected employees. The government should take a call and step in to look into their complaints."

The Commission also talks about salary based on the status in the society. It says,

"As we have mentioned above, government service is not a contract. It is a status. The employees expect a fair treatment from the government. The States should play role model for the services. In this connection, it will be useful to quote the observations in the case of Bhupendra Nath Hazarika and another vs. State of Assam and others (reported in 2013(2)Sec 516) wherein the Apex Court has observed as follows:" ***It should always be borne in mind that legitimate aspirations of the employees are not guillotined and a situation is not created where hopes end in despair. Hope for everyone is gloriously precious and that a model employer should not convert it to be deceitful and treacherous by playing a game of chess with their seniority. A sense of calm sensibility and concerned sincerity should be reflected in every step. An atmosphere of trust has to prevail and when the employees are absolutely sure that their trust shall not be betrayed and they shall be treated with dignified fairness then only the concept of good governance can be concretized. We say no more."***

On issues related to vigilance and discipline the Commission says:

Lastly, we must emphasize that the government should inspire confidence in the minds of civil servants that they will not be hounded by unnecessary harassment by investigation agencies. The recent trend of

hounding civil servants as criminals for the failure of bona fide decisions is not a happy one. This will discourage the bureaucracy to take bold decisions in fear of being hounded if such a decision misfires. Any misadventure should not be looked upon with suspicion unless it has definite criminal intent to benefit either himself or someone else. If this trend is not checked it will lead to disastrous consequences. The sole consideration with the Commission was to ensure that employees do not suffer economic hardship so that they can deliver and render the best possible service to the country and make the governance vibrant and effective.

On Child care leave the Commission has reiterated the earlier commission's report.

Child Care Leave: *Towards this end the Commission recommends that CCL should be granted at 100 percent of the salary for the first 365 days, but at 80 percent of the salary for the next 365 days. In making this recommendation the Commission has also kept in mind the fact the concept of a paid (whether 100% or 80%) leave solely for child care for a period of two years, is a liberal measure unmatched anywhere else. The Commission notes that in the event a male employee is single, the onus of rearing and nurturing the children falls squarely on his shoulders. Hence extension of CCL to single male parents is recommended. Moreover, the Commission recognizes the additional responsibility on the shoulders of employees who are single mothers. Accordingly, it is recommended that for such employees, the conditionality of three spells in a calendar year should be relaxed to six spells in a calendar year."*

"Presently 30 days EL per annum is granted to Civilian employees and 60 days to Defence personnel. EL can be accumulated up to 300 days in addition to the number of days for which encashment has been allowed along with LTC"

However a recent Judgement of the High Court of Punjab and Haryana, it is ruled that no accumulated leave can lapse. Hence the present ceiling should be removed completely.

Minimum Pay requirement calculated by 7th CPC

To estimate the minimum pay in the government, the VII Central Pay Commission (CPC) used the norms set by the 15^{th} Indian Labor Conference (ILC) in 1957 to determine the need-based minimum wage for a single industrial worker. The norms set by the ILC are as below:

- *A need-based minimum wage for a single worker should cover all the needs of a worker's family. The normative family is taken to consist of a spouse and two children below the age of 14. With the husband assigned 1 unit, wife, 0.8 unit and two children, 0.6 units each, the minimum wage needs to address 3 consumption units.*
- *The food requirement per consumption unit is shown in the Annexure to this chapter. The specifications were derived from the recommendations of Dr. Wallace Aykroyd, the noted nutritionist, which stated that an average Indian adult engaged in moderate activity should, on a daily basis, consume 2,700 calories comprising 65 grams of protein and around 45-60 grams of fat. Dr Aykroyd had further pointed out that animal proteins, such as milk, eggs, fish, liver and meat, are biologically more efficient than vegetable proteins and suggested that they should form at least one-fifth of the total protein intake.*
- *The clothing requirements should be based on per capita consumption of 18 yards per annum, which gives 72 yards per annum (5.5 meters per month) for the average worker's family. The 15^{th} ILC also specified the associated consumption of detergents, which can be seen in the Annexure.*
- *For housing, the rent corresponding to the minimum area provided under the government's industrial housing schemes is to be taken. The 15^{th} ILC kept it at 7.5 percent of the total minimum wage.*
- *Fuel, lighting and other items of expenditure should constitute an additional 20 percent of the total minimum wage.*

The Central Pay Commission considered additional components of expenditure to cover for children's education, medical treatment, recreation, festivals and ceremonies. This followed from the Supreme Court's ruling in the Raptakos Brett Vs Workmen case of 1991 for determination of minimum wage of an industrial worker. The Supreme Court had prescribed this amount at 25 percent of the total minimum wage calculated from the first five components. However, in considering this additional component the VI CPC took note of the educational allowance and medical facilities being provided by the government.

After considering all relevant factors the Commission is of the view that ***the minimum pay in government recommended at Rs.18000/- per month, w.e.f. 01.01.2016, is fair and reasonable*** *and one which, along with other allowances and facilities, would ensure a decent standard of living for the lowest ranked employee in the Central Government.*

Minimum Pay calculated by 7th CPC on the following parameters							
		Per day PCU	**Unit**	**Per month 3 PCU**	**Unit**	**Price/ Unit (Rs.)**	**Expenses (Rs.)**
1.	Rice/Wheat	475	gm	42.75	kg	25.93	1108.30
2.	Dal (Toor/Urad/Moong)	80	gm	7.20	kg	97.84	704.44
3.	Raw Vegetables	100	gm	9.00	kg	58.48	526.28
4.	Green Vegetables	125	gm	11.25	kg	38.12	428.85
5.	Other Vegetables	75	gm	6.75	kg	32.80	221.42
6.	Fruits	120	gm	10.80	kg	64.16	692.93
7.	Milk	200	ml	18.00	litre	37.74	679.26
8.	Sugar/Jaggery	56	gm	5.04	kg	37.40	188.48
9.	Edible Oil	40	gm	3.60	kg	114.02	410.46
10.	Fish			2.50	kg	268.38	670.95
11.	Meat			5.00	kg	400.90	2004.51
12.	Egg			90.00	no.	4.27	383.98
13.	Detergents etc			Rs./month		291.31	291.31
14.	Clothing			5.50	meter	164.88	906.83
15.	**Total (1-14)**						9217.99
16.	Fuel, Electricity, Water Charges						2304.50
17.	**Total-(15) divided by 0.8**						11522.49
18.	Marriage, Recreation, Festivals, etc.						2033.38
19.	**Total-(17) divided by 0.85**						13555.87
20.	Provide for Skill by adding 25% to (19)						3388.97
21.	**Sum** (19+20)						16944.84
22.	Housing @						524.07
23.	**Total-Divide no.21 by 0.97**						17468.91
24.	Step up of 3% on No.23 as DA is projected at 125% on 01.01.2016						524.07
25.	Final Minimum Pay as on 01.01.2016 (23+24)						**17992.98**
26.	**Rounding off**						**18000.00**

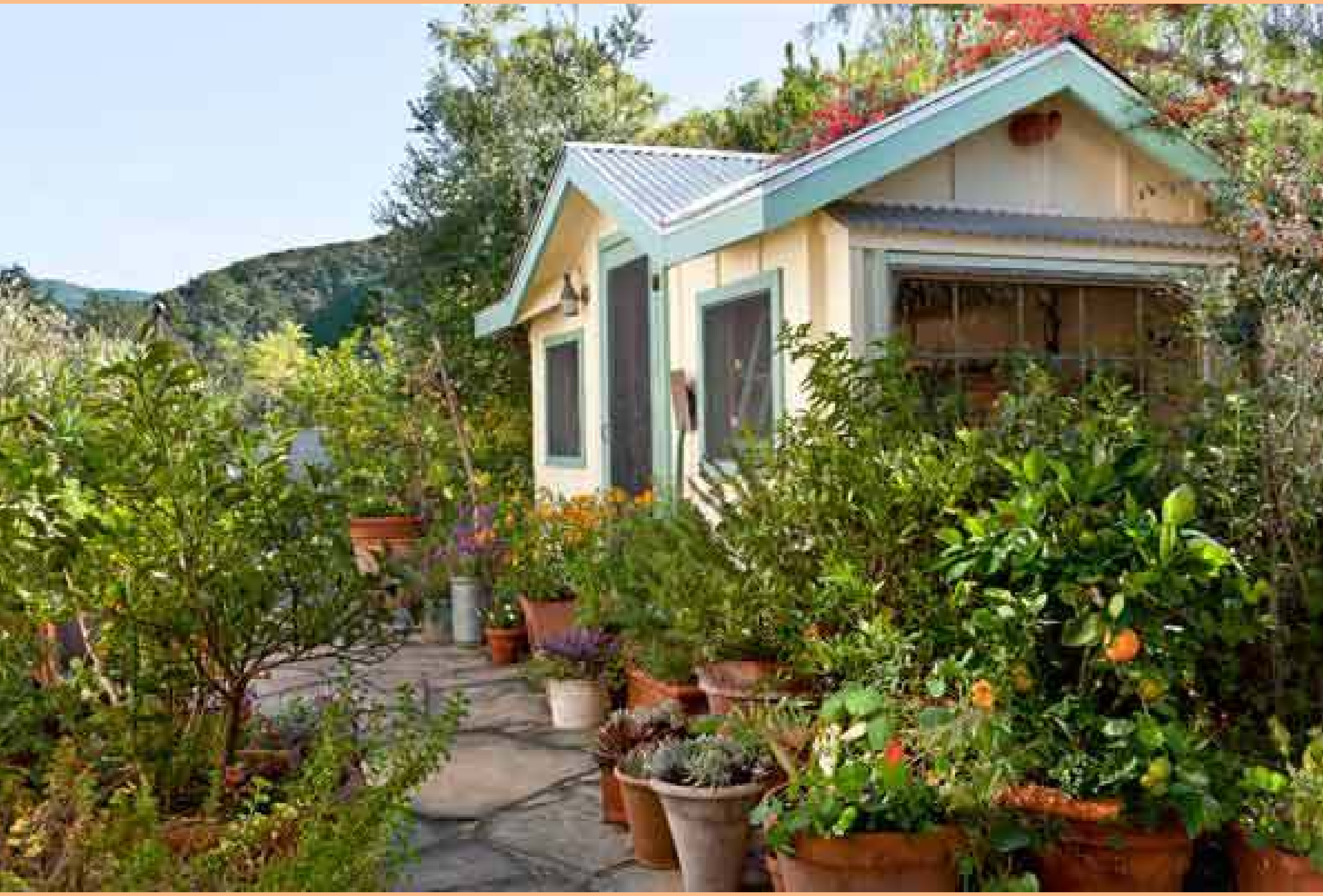
Thus we shall also follow the principles of VII pay commission in fixing minimum salary, of course to be calculated as on 1st November. 2017 after adding the cushion discounted by the pay commission to the Government employees for the " STATUS" they enjoyed and also after adding the additional cushion for the RISK, RESPONSIBILITY, TRANSFERABILITY AND ACCOUNTABILITY the bank officers are subjected to, in the same ratio fixed between the employees and officers, deleting the very concept of special pay caused grave injustice to the retired/retiring officers who laid strong edifice to the ever strong Indian banking sector. We have to take into account the inflation projected for Nov,17.

We shall also uphold views expressed in offering the running scale without stagnation and also in scrapping the NPS.

(Paragraphs in italics are verbatim reproduced from 7th pay commission report)

With this background let us now go into our Charter of demands.

PART - I



SALARY & ALLOWANCES

PART 1

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	700	Both are same
		4th BPS	01.02.1984	1175	Bank officers 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 31.10.201	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	8.73% (Proposed)		

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 Pay	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 (4.14%)	4593	9.69	10000	413 **	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% higher
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				
1	B.P. 2	D.A. 3	Spl. Allow 4	Total 5	B.P. 6	D.A. 7	Total 8	Difference 9 (8-5)	LIC officers salary is higher by
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 7^{th} Pay Commission has recommended that without waiting for next pay commission the salary should be revised based on the material 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(Rs1625 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 Old generation 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 Asstt. Managers. Many in Govt. and Banks Board bureau is making statement without understanding the reality.

Pay Scales

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

Fitment

Fitment shall be stage-to-stage i.e. on corresponding stages from 1st stage onwards and increments shall fall on the anniversary date as usual. There shall be automatic movement of scale..

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), SashastraSeemaBal (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:

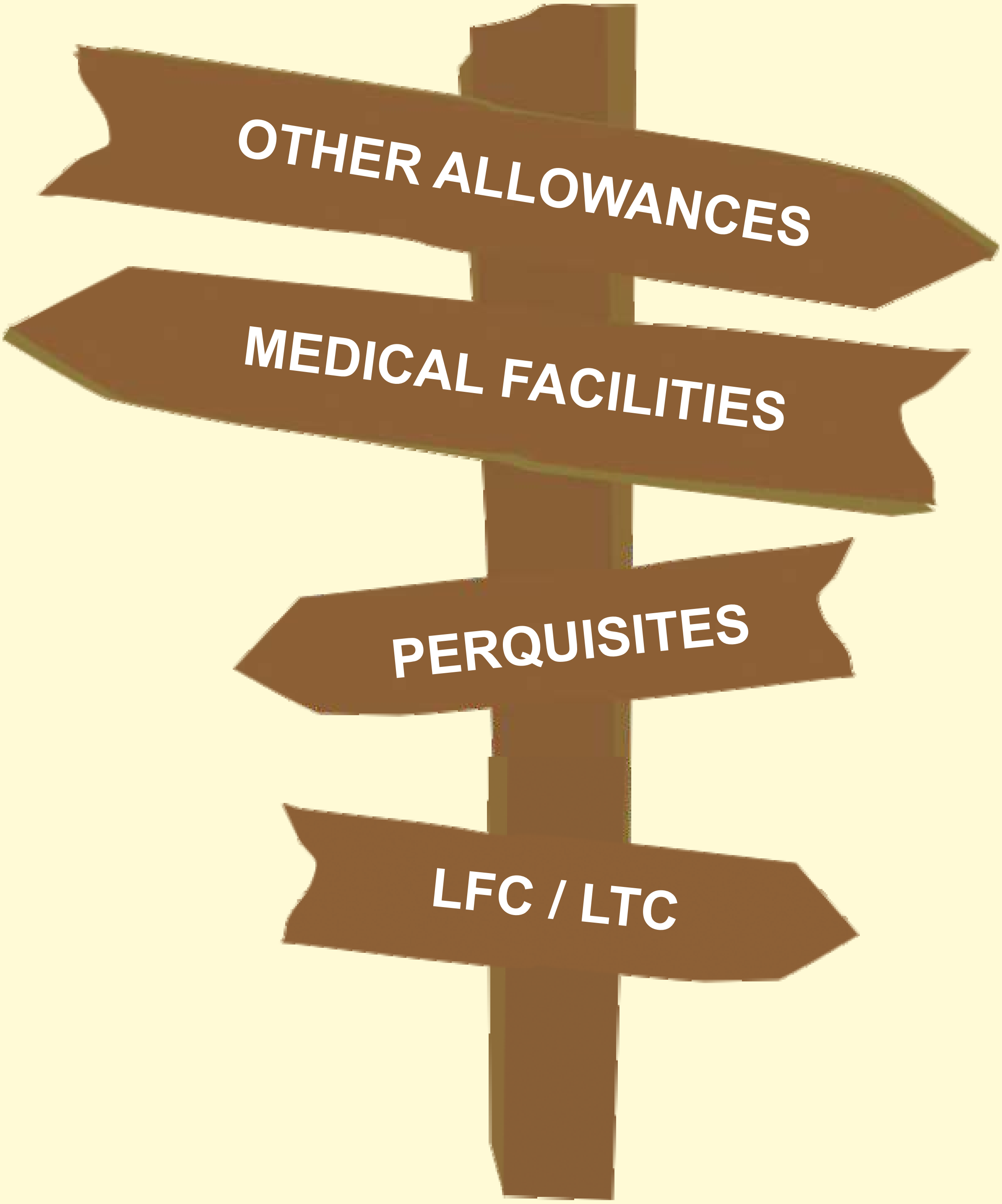
Banking Division,Department of Economic Affairs, **Government of India,** has issued direction vide F.No-201/3/85-SCT(B) dated 14th October 1985 and the same was compiled and published in the year 1992 by **Indian Banks' Association, Mumbai** under"Compendium of Government Guidelines in the matter of 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.

PART - II



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 opening of Ultra Small branches to succeed in financial inclusion, arresting skewed growth and migration in urban centers and for moving towards a less cash economy.

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;

Weightage for the purpose of Promotion

Choice place of posting on completion of the assignment

An additional LTC to enable him to meet the family etc; (As provided for those serving in North East for the Public Sector Employees)

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. The existing system of allowing banks to fix the rates of reimbursement periodically should continue with a provision to review them annually.

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

e. For places not connected by Air, Officers should be permitted to travel by AC-Ist Class by rail.

f. 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

g. Lodging & Boarding expenses and diem allowance for 15 days proposed.

DATE OF SANCTION OF ANNUAL INCREMENTS:

Increments falling due between 1st January to 30th June should be sanctioned on 1st 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)

Running Scale:

As promotion depends on vacancy done, everyone eligible do not get promotion. Hence there should be a running scale without stagnation.

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.,***
- ***ii. 20% of the basic to other officers.***

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

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 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. Taxing medical reimbursement is a huge burden to the convalescing officer. IBA should take necessary steps to achieve this.

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 and reduce the expenditure for the Bank.

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 Senior Management 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 Rs107000 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:: There is no uniformity in payment of deputation allowance paid to bank officers. 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 Employees in Private Sector Banks, 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.

COMMERCIAL BANKING ALLOWANCE:

In view of the onerous responsibilities of conducting commercial banking operations involving risk, officers should be paid Commercial Banking Allowance as prevailing in the Reserve Bank of India. (Central Banking Allowance)

PART - III

THE ISSUES CONCERNING LADY OFFICERS

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 feelers and suggestions, it has been decided to exclusively devote a chapter to consider their special situation and demand appropriate relief from the Indian Banks' Association.

(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 lady Officers whose spouses are working elsewhere should be accommodated at the same place. Similarly, where the wife and husband are employed in the same bank, they should also be accommodated at the same centre. The spouse policy given by the Government should be implemented in toto.

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. ICICI and many private companies already have this facility.

(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).

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. Now, the Bank informed that it will be using mobile computing technologies and shall have continuous control over all the enabled devices centrally to manage and secure the data and applications on the mobile devices.

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 their action-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.

SBI is now in the process of identifying jobs that can be done from home. We had requested that the Concept of work from home be introduced to help our officers who are on sabbatical leave, sick leave and are unable to attend office for various reasons, but also capable of working from home or elsewhere. We are very happy that the Board of the Bank has approved it now. We would like to reiterate below a few areas where the concept of work from home can be introduced and hope that the Bank will implement the concept soon.

Complaint management Knowledge helpline.

HR helpline/ complaint resolution.

App related queries and feedback resolution

Customer Relationship Management.

Customer Feedback.

Credit appraisal Cross selling Marketing.

Lead management Wealth management ATM cash out monitoring CSP monitoring.

Inspection and Audit compliance monitoring.

Salary processing and other HRMS linked activities under SAP ERP Market research for effective marketing and cross selling, telemarketing.

KYC/ FATCA /PAN Seeding/ Aadhaar Seeding other statutory updates (with a trickle feed module) for bulk upload subsequently at front end.

Legal support RTI Queries Ifams.

NPA monitoring and recovery drive and follow-up.

Help Desk.

HR: Fitment, Scrutinizing Bills such as TA, LFC, Medical etc.

Reservation rooster, promotion exercise data scrutiny, recruitment data scrutiny. Monitoring Job Family and Transfer Tools.

Scrutinizing bills of vendors, Pathological lab (Tie up).

Follow up of various Pan India initiatives (Present and future) such as: Migration to cloud server, 2 mbps leased line and backup connectivity, Branch Ambience etc.

Vendor Management Services for faster resolution of issues of branch and monitoring of services of vendors.

Customized MIS Data preparation/presentation for seminars, meetings, Training etc.

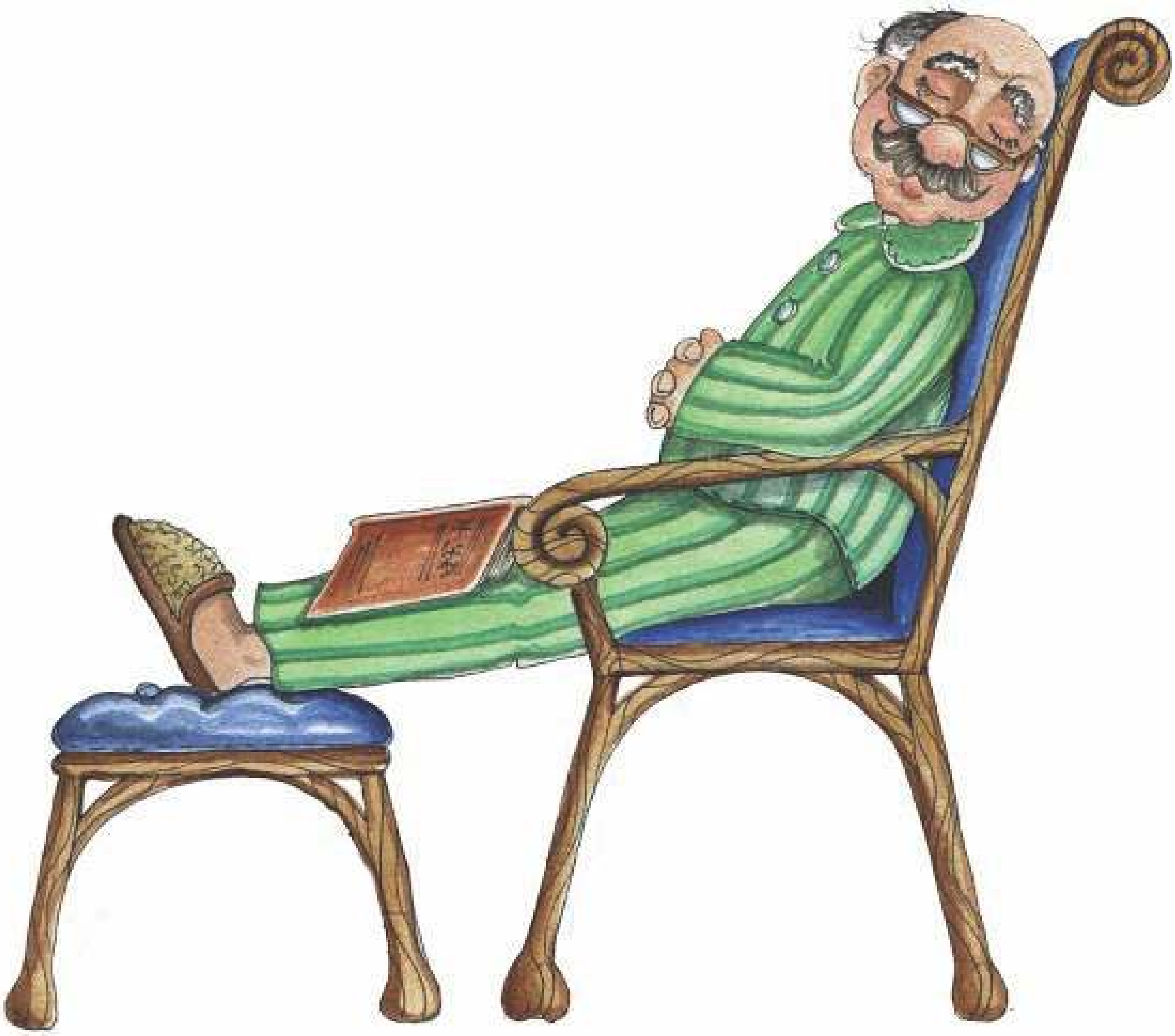
We believe that the above mentioned jobs may be considered during implementation of the concept of work from home. We also demand for the implementation of the concept of "Work from Home" immediately.

(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.

The concept is already in practice in many private sector undertaking as well as private sector banks and foreign banks. The flexi timing is only for a limited period of 2 years during the entire service.

PART - IV



SUPERANNUATION BENEFITS

PART IV

SUPERANNUATION BENEFITS:

The improvements made in the Pension scheme in the areas like updation and upgradation of the Pension, the rationalization of Dearness Allowance, Family Pension etc., needs to be implemented in the banking industry as our pension scheme amply speaks of being in the lines of central govt. pension scheme.

The seventh Pay commission has analysed the issue as given below.

Constitutional Provisions and Judicial Position *Article 366(17) of the Constitution defines pension as: "Pension means a pension, whether contributory or not, of any kind whatsoever payable to or in respect of any person, and includes retired pay so payable, a gratuity so payable and any sum or sums so payable by way of the return, with or without interest thereon or any other addition thereto, of subscriptions to a Provident Fund."*

Pension has been the subject matter of a number of landmark judgements by the Supreme Court of India in which its nature, obligations of the government thereon and the recognition of distinctiveness in categories of pensions and pensioners has been settled. In its judgment in D.S. Nakara and others Vs Union of India [AIR 1983 SC 130] the Supreme Court held that a pension scheme consistent with available resources must provide that a pensioner would be able to live free from want, with decency, independence and self respect and standard equivalent at pre-retirement level. It held that pension is not an ex-gratia payment but payment for past services rendered. At the same time in Indian Ex-Services League & Others Vs Union of India & Others [(1991) 2 SSC 104] the Supreme Court held that the decision in the Nakara case has to be read as one of a limited application and its ambit cannot be enlarged to cover all claims made by the pension retirees or a demand for an identical amount of pension to every retiree from the same rank irrespective of the date of retirement, even though the reckonable emoluments for computation of their pension be different. In the judgement in Vasant Gangaramsachandan Vs State of Maharashtra & Others [(1996) 10 SSC 148] Supreme Court reiterated that pension is not a bounty of the State. It is earned by the employee for service rendered to fall back upon after retirement. It is attached to the office and it cannot be arbitrarily denied. In the case of petitioners who were retired Railway employees, covered by or who opted for the Railway Contribution Fund Pension Scheme, the Supreme Court in Krishna Kumar Vs Union of India and Others [(1990) 4 SSC 207] averred that it was never held that both the pension retirees and PF retirees formed a homogenous class and that any further classification Report of the Seventh CPC 382 Index among them (viz., pension retirees and PF retirees) would be violative of Article 14. Under the Pension Scheme, the government's obligation does not begin until the employee retires but it begins on his/her retirement and then continues till the death of the employee. Thus, on the retirement of an employee, government's legal obligation under the PF account ends while under the Pension Scheme it begins. The rules governing the PF and its contribution are entirely different from the rules governing pension. An imaginary definition of obligation to include all the government retirees in a class was not decided and could not form the basis for any classification for this case.

Analysis and Recommendations: The 7th Pay Commission sought the views of the government in this regard. The Department of Pension and Pensioners Welfare stated that the VI CPC had recommended calculation of Pension Report of the Seventh CPC recommended pension @ 50 percent of last pay or the average emoluments (for last 10 months) whichever is more beneficial. The Commission also recommended delinking of pension from qualifying service of 33 years. Effectively the dispensation on pension has already been liberalised by the VI CPC. Further the recommendations of this Commission in relation to pay of both the civilian and defence forces personnel will lead to a significant increase in the pay drawn and therefore in the 'last pay drawn'/'reckonable emoluments.' Therefore the Commission does not recommend any further increase in the rate of pension and family pension from the existing levels. Quantum of Minimum Pension should Equal the Minimum Wage. In representations/depositions before the Commission it has been stated that the existing minimum pension fixed at Rs.3,500 is low and it has been argued that minimum pension be fixed equal to minimum pay for sustenance.

The Commission sought the views of the government in this regard. The Department of Pension and Pensioners Welfare stated that as per the orders issued after V CPC, the minimum pension in the government was Rs. 1,275. The normal revised consolidated pension of a pre-2006 pensioner is 2.26 of the pre-revised basic pension. The revised minimum pension of Rs. 3,500 is much more than 2.26 time of the pre-revised pension of Rs. 1,275. Further the recommendations of this Commission in relation to pay of personnel will lead to a significant increase in the minimum pay from the existing Rs.7,000 per month to Rs.18,000 per month. This, based on the computation of pension, will raise minimum pension from the existing Rs.3,500 to Rs.9,000. The minimum pension based on the recommendations of this Commission will increase by 2.57 times over the existing level.

In Civil APPEAL 1123 OF 2015 THE HONOURABLE Supreme Court has clearly stated that pension is not a bounty, it should be 50% of the pay and there can be no question of capacity to pay.

Hence we demand revision in pension, family pension and the principle of one rank one pension. Please note that today many officers salary is less than the pension of their parents who are Central Govt Pensioners.

GENERAL:

The voluntary retirement provided in the Officers Service Rules should be incorporated in the Pension rules and they should also be made eligible for Pension without any discrimination.

Pension scheme should be extended to all those who have been denied earlier on the basis of the misinterpretation of the understandings reached with IBA in particular those who retired under voluntary retirement scheme as per the service regulations / resigned after completing 20 years. (**Full Pension Eligibility Period to be made 20 years.::** The full pension eligibility period in Central Government and RBI / NABARD are now revised to 20 years. However in Banks , full pension eligibility period continues to be 33 years. Hence the relevant clauses in Pension Regulations to be amended to make full pension eligibility period to be 20 years.)

Pension should be revised for retirees in all Banks including SBI alongwith wage revision as done for retirees from central government.

The officers who joined the bank between 01.11.1993 and 26.01.1996 have to be covered under the pension regulations.

Provision of additional service as per the Pension Regulations to the extent of 5 years should be extended to each and every retirees in the banking industry.

Those having relaxation of age at the time of recruitment on account of disability etc., also to be extended additional period of 5 years to his / her service qualifying for pension.

Also, for Ex-servicemen their past services rendered in the Armed Force should be added to his / her service for qualifying for pension.

(**Counting of Military Service Period of Short Service Commissioned Officer joining the Bank :**

Short Service Commissioned Officer are not drawing any pension for their services rendered in Military. They are paid gratuity at the time of release from Military. Such Officers when they join Central Government and Organisations like RBI/ NABARD are given the option to remit the gratuity received by them to the Employer Bank / Organisation at the time of joining so that the period of service rendered in Military is counted towards eligibility of pension in Bank. However this provision is not available to Short Service Commissioned Officers joining Public Sector Banks.

Hence we demand that Short Service Commissioned Officers joining PSB may be allowed to remit the gratuity received by them at the time of release from Military so that their period of service in Military is counted towards eligibility period for pension in PSBS. For existing Short Service Commissioned Officers who are already in the service of the PSBs, may be given a one time option to return the gratuity received at the time of release with simple interest @ 6 % from the date of receipt of gratuity till date payment to the Bank for availing inclusion of Military Service Period toward pension eligibility.)

FAMILY PENSION:

The Family Pension should be on par with the Government and be at 30% of last drawn pay by the officer across the board to every one. The regular family pension will be payable till death. Up to the age of 67 years or 10 years after death full pension.

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 staff associations 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. **The**

Commission, 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. 2004-2011 Entrants 10.3.20 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 Association 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 Rs1000 per month for 20 years the accumulated interest and Principal at 12% will be Rs1000000 and the Bank will be able to pay Rs10000 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.

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.

There is an anomaly between SBI and other Banks. Even within SBI Group, the associate Banks are covered under the service gratuity whereas SBI is covered under Act gratuity. We demand that all officers and employees be covered under the service Gratuity.

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 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 framed and introduced in all the banks as available now in the case of executive directors and CMDs of the Banks, and the medical insurance scheme is to be reversed.

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 or at least once in 5 years.

NEWS PAPER:

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

PART - V

NON MONETARY ISSUES

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. (Separate note attached)

With our focus on less cash economy and follow up of advances it is necessary to reduce the transaction hours by one hour so that the officers and staff can concentrate on back office work and follow up.

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 monetarily 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

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 – 33 days in a year.

c. Sick Leave 15 days in a year (on full pay) without any ceiling;

d. Restricted holidays: A minimum of 10 days in a year for festivals and other personal, religious functions etc., may be permitted to be availed as holidays by the officers.

e. Special leave for study, sports, social and cultural activities

f. Leave on loss of pay

g. Sabbatical leave

h. Accumulation of PL should be increased to 360 days instead of 270 days.

i. Encashment of PL should be allowed for maximum 360 days.

j. Encashment of 30 days PL per two years be allowed without linkage to LTC.

k. 50% of balance of Sick leave not availed may be converted to PL at the time of superannuation or VRS.

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. [Copy of Supreme Court Judgement to be attached]

OUTSOURCING :

Work done on a regular basis should not be outsourced.(Separate Note Annexed)

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. (After all the US President has appealed for "Buy American, Hire American")

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. 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. Decision has already been taken. Only notification is to be issued.

INCOME FOR DEPENDENTS

The present ceiling of Rs.10,000/- for dependent should be increased to Rs.30000/- taking into account minimum basic pay of Rs.18000/- for the Central Govt employees which along with DA amounts to Rs. 30000/-

PART - VI

BILATERAL RELATIONSHIOP

PART VI

GENERAL BILATERAL RELATIONSHIP:

The 7th 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. For example, the fitment formula, which is now in a state of confusion, will have to be discussed and settled between the Officers' organizations and the IBA. 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.

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. IIMs can be used for this purpose.

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.

VOLUNTARY RETIREMENT:

Redefine the voluntary retirement and re-fix the minimum eligibility for the purpose.

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.

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 unanimity.

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.

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 1st 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 transfer from one place to another.

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 paid towards incidental expenses. In case of transfers to far off centers and the places of inclement weather and living conditions, there has to be high compensation as incidental expenditure on transfer.

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.

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.

(D.T. FRANCO)	**(S. NAGARAJAN)**	**(K.K. NAIR)**	**(Dr. S. U. DESHPANDE)**
GENERAL SECRETARY	GENERAL SECRETARY	GENERAL SECRETARY	GENERAL SECRETARY
AIBOC	AIBOA	INBOC	NOBO

ANNEXURES

Disciplinary and Vigilance Proceedings

Note on Five Day Week

Regulated working hours

Note on LFC

Note on outsourcing

ANNEXURE

DISCIPLINARY & VIGILANCE PROCEEDINGS

Issues to be considered

(i) Classification of Misconduct

(ii) Abuse of the omnibus conduct Rule

(iii) Authority for imposing Major Penalties

(iv) Definition of Moral Turpitude & amendment of B.R.A.

(v) Disposal of disciplinary cases & appeals

(vi) Copy of CVC/CVO advice

(vii) Provision of Personal Hearings

(viii) Interpretation & Effect of Penalties

(ix) Debarment period

(x) Sanction of Prosecution/Arrest

(xi) Suspension & Subsistence Allowance

(xii) Defence Representatives- No.of pending cases

(xiii) Agreed List- LODI

(xiv) Jurisdiction of CAT

(xv) Proceedings after Retirement

(xvi) Issuance of Charge Sheet

(xvii) Other issues

(i) CLASSIFICATION OF MISCONDUCT

In the Officers Service Regulations, Minor and Major penalties have been classified, but there is no classification of Minor and Major misconduct. Breach of any provision of the conduct rules is to be deemed as Misconduct. It is left to be decided by the Disciplinary Authority **(in short DA**) whether to initiate proceedings under Minor/Major penalty clause thereby leaving scope for subjectivity. In case of Award Staff and also Government employees, major and minor misconduct has been defined as a result one doesn't get major penalty for a minor misconduct. In case of Officers, though a large number of cases of proceedings under major penalty end up in exoneration or award of a minor penalty depending upon gravity of misconduct proved after enquiry but in very many cases of minor misconduct, the officers end up getting a major penalty.

Also, there are mental blocks in the minds of some DAs who think that if Major Penalty proceedings are initiated, minor penalty or exoneration or withdrawal of charge sheet etc.cannot be done.

Recommendation

Minor and Major misconducts should be defined with clear provision that minor penalty or exoneration may be awarded after conclusion of major penalty proceedings but major penalty cannot be imposed in cases of defined minor misconduct.

(ii) ABUSE OF THE OMNIBUS CLAUSE

Though conduct rules have been elaborated in the Regulations, the regulations at the same time contain an Omnibus Clause to fit the misconduct not specifically defined into the omnibus clause. The tragic reality is that in more than 90-95% cases, the officers are booked under this Omnibus Clause. It proves beyond doubt that where misconduct is specifically defined, violation is minimal. But more importantly, it indicates that there is an unbridled tendency among the DAs to abuse this provision and any conduct is dubbed as misconduct by invoking this clause which ought to be attracted in rare cases but which is applied in an overwhelming number of cases. If this clause is annulled and instead if the vast variety of misconducts covered under this clause over the last over three decades are analyzed and specifically provided in the conduct rules, it will lead to better compliance and minimal breach on the part of the officers. **In particular, what is unbecoming of a Bank Officer must be explicitly stated in the conduct rules.**

Recommendation

The omnibus clause in the conduct rules should be deleted.

(iii) AUTHORITY FOR IMPOSING MAJOR PENALTIES

As per Article 311 of the Constitution of India, Disciplinary Authority for imposing capital punishment should not be lower than the Appointing Authority. Since all capital punishments leading to cessation of service are classified under major penalties, it automatically follows that for imposing any major penalty, the Disciplinary Authority should not be lower in rank than the Appointing Authority. Though this principle is followed in the Government and various other Organisations, including the State Bank of India, in nationalized Banks it is not being followed.

Recommendation

No Authority lower in rank to the Appointing Authority should be competent to award major penalty.

(iv) MORAL TURPITUDE & AMENDMENT OF B.R.A.

Though the term Moral Turpitude appear prominently in the Disciplinary &Conduct Rules and on a great number of occasions, important decisions to proceed against the Officers or to place them under suspension have to be taken for the acts involving Moral Turpitude, it is a queer paradox that what constitutes Moral Turpitude has not been clearly or exhaustively defined either under law or in the conduct rules, though there are various court judgments which to some extent explain this term. Existence of a general provision in the Banking Regulation Act Section 10(1)(b)(i) which states that no employee who is convicted by a court of law for an act involving moral turpitude can be continued in service enormously increases the need and importance of defining what is Moral Turpitude, particularly in the context of normal day to day bank work in order that large number of bank officers do not become unwary victims of these provision and suddenly lose their job with no recourse available or a reasonable hope of reclaiming the lost job due to a painfully slow and exasperating legal system and no provision for getting full back wages if the conviction is set aside later on. When the officer is convicted, he is summarily discharged or even dismissed without holding enquiry etc but when the conviction is set-aside after proper trial, the intervening period is at best treated as deemed suspension for payment of subsistence allowance only instead of payment of back wages. In the Indian Overseas Bank, even the subsistence allowance is not paid and this period is treated as break in service.

To elaborate, the gravity of prejudice suffered by Officers on account of this while performing the normal day today duties in the bank can be seen by the fact that Moral Turpitude has been defined thus in the American settled law:

Moral turpitude refers generally to conduct that shocks the public conscience. Offenses such as murder, voluntary man slaughter, kidnaping, robbery and aggravated assaults involve moral turpitude. However, assaults not involving dangerous weapons or evil intent have been held not to involve moral turpitude. Conviction of crimes of moral turpitude may also disqualify someone from an employment opportunity. The precise definition of a crime that involves moral turpitude isn't always clear, but the above serious crimes only are always considered crimes of moral turpitude.

In terms of the above and umpteen judgments given by the courts in India, out of the above list bribery and frauds committed by an officer himself shall qualify to be acts involving moral turpitude. But, it has been seen that various normal and seemingly innocuous normal banking acts have been routinely covered by the trial courts under Section 120 B or section 420 IPC resulting in the discharge or dismissal of the officer. By the time the appeals are disposed off the officer might cross the normal retirement age and he neither gets back wages or any other compensation for loss of employment.

Recommendation

Moral Turpitude should be clearly defined in the conduct rules. In the banking context, acts of accepting bribe or fraud on the part of the officer himself should be considered the one involving moral turpitude. Full back wages should be paid if the officer is held to be innocent and his conviction is set aside after disposal of appeal. During pendency of the appeal, the officer may be placed under suspension. Admission of appeal and/or stay against sentence should be deemed as stay against prosecution for the purpose of compliance of provisions of Banking Regulation Act since the case is accepted for retrial. We should also demand from the government

Suitable amendment to Sec. 10(1)(b)(i) of the Banking Regulation Act.

(v) DISPOSAL OF DISCIPLINARY CASES & APPEALS

It is laid down in the special chapter of CVC Manual that no cognizance of the misconduct will be taken if the action of the officer is more than two Inspections or four year old provided there is no fraud in which case there will be no limitation of time. But charge sheet continues to be served even after lapse of 10 or more years. Further, though the maximum time permitted for service of charge sheet and for completion of disciplinary proceedings are laid down, in practice, it is rarely adhered to. The time for filing of an appeal against decision of the disciplinary authority as also the time for disposal thereof are laid down in the said chapter. Though, limitation of time is insisted upon for filing of the appeal and delay in filing is rarely condoned, the time limit for disposal of the appeal is rarely adhered to and disposal of appeals in many cases is delayed for years together. Consequently, the officers continued to suffer particularly when they are under suspension or when cessation of service has been effected.

Recommendation

It is recommended that the laid down instructions should be meticulously followed and no fault should be found with the act of the officer after 2 Inspections have taken place or a period of four year has expired. Further, if the charge sheet is not served within the stipulated period of three months or if the entire proceedings are not completed within the stipulated time of six months as provided in the Vigilance Manual, the suspension of the officer should be automatically revoked with back wages and in case the proceedings are not completed even within a period of one year, the case should be deemed to have been concluded in officer's favour and he be deemed to have been exonerated. In case, the charge sheet is not filed by CBI within the time limit of 90 days, bail is automatically granted but same principle is not applied for revocation of suspension. It is recommended that in such cases, suspension should be revoked without prejudice to the decision of the Court case. Similarly, if the appeal preferred by the officer is not disposed off within the stipulated period of three months, it should be deemed to have been allowed.

(vi) COPY OF CVC/CVO ADVICE

As per laid down instructions a copy of CVC advice is required to be furnished to the delinquent officer. In practice, however, it is observed that the authorities simply provide the operative part of the CVC advice but the entire correspondence between the Disciplinary Authority and CVC is not made available which defeats the very purpose of the provision. Further, there is no system of providing the advice of the Chief Vigilance Officer of the Bank where CVC jurisdiction is not attracted. This distinction is wholly unwarranted. The advice of CVO is at a lower footing must be furnished when there is explicit provision to provide the advice of the CVC.

Recommendation

The CVC/CVO advice alongwith the entire correspondence should be made available. It is further, recommended that the CVC/CVO should only recommend category of penalty to be imposed i.e. Major or Minor and not the specific punishment because in that case he assumes the role of the Disciplinary Authority himself. Further, in case of appeal further reference should not be made to CVC particularly if the Appellate Authority proposes to give a lower punishment within the same category already recommended by the CVC.

(vii) PERSONNEL HEARING.

The disciplinary procedures have been gradually evolving in favour of the charged officer and in the past some favourable changes have taken place like provision of enquiry, making available report of the Inquiring Authority to the charged officer so that he can argue against his findings, making available of copy of CVC advice etc. But, an important provision like grant of a personal hearing to the charged officer before award of the penalty has all along been denied. As a result, he does not get a chance to argue against the proposed penalty before hand so that some aspects of the case which might have escaped the notice of the Disciplinary Authority can be pointed out in good time and he will be able to take a more balanced and reasoned view. After the final decision is taken by the DA, it becomes difficult to undo the injustice as there is general reluctance to correct the mistakes and the appeal system is also loaded against the employee. There is already a provision for grant of a personal hearing to the workman employees. Recently, the Hon'ble Supreme Court has decided in a case related to State Bank of India Officer that while deciding the appeal the Appointing Authority must give a personal hearing. By that logic, the DA should also give personal hearing to the officer. The same logic should hold good for review petition as well. This provision is also there in the rules applicable to officers working in the Govt of India.

Recommendation

The DA should take a tentative decision and grant a personal hearing to the charged officer along with his Defence Representative before taking a final decision. The same procedure should be adopted by the Appellate Authority / Reviewing Authority while disposing off the appeal of the officer.

(viii) INTERPRETATION & EFFECT OF PENALITIES.

While the minor penalties are simple and easily understandable, some of the major penalties are very technical and can not be easily understood by the charged officer and even most of the Competent Authorities. At times promotion of the officer is withheld when no promotion is actually due to him. This results in undue prolongation of the rigour of the penalty which might not have been the intention of the DA and the penalty though minor in effects become harsher then a major penalty. Likewise, penalty of recovery of loss is a minor penalty and logically a symbolic recovery of small sum should be effected but at times it is clubbed with a major penalty and amount of recovery runs into lacs. For example removal of service with recovery of two lacs. Further, when an officer is reverted to a lower grade, the reversion is taken as a permanent reversion unless the officer re-qualifies and earns back the promotion, whereas in government reversion is for a period of two years whereafter the officer is placed back in the higher scale from where he was reverted. It is also a practice to give more than one penalty like reversion to lower or the lowest grade coupled with reduction in pay etc.

Recommendation

CCA Rules should be followed in this respect in the banks also.

(ix) DEBARMENT PERIOD.

Debarment Rules are different in different banks. In some banks, there is no debarment when minor penalty is awarded while in some others debarment period extends to 15-20 years also. No debarment period is stipulated in case of the penalty awarded is Reversion to a lower grade whereas in case of Govt employees debarment period of reversion is defined. In some organizations, when criminal proceedings are pending whether for misconduct pertaining to Bank or some other criminal misconduct, result of the officer is held in sealed cover throughout the pendancy of criminal proceedings which sometime run for 8-10 years also and sometime beyond the normal retirement date as well.

Recommendation

In case of minor penalty, there should be no rigor and no debarment for promotion and results if any placed in the Sealed Cover should be given effect to. The maximum debarment / rigor for a major penalty should not be more than one year.

(x) SANCTION OF PROSECUTION/ARREST

There are different rules in different banks. The authority empowered to sanction Prosecution of an officer always acts under the influence / pressure of the CBI / CVO and is not permitted to act independent. Further, while provision has been made for obtention of sanction of the Competent Authority before launching prosecution against the officer but no such provision has been made to obtain similar sanction before arresting the officer.

Recommendation

The power to sanction Prosecution of an officer should be vested in his Appointing Authority. The ground rules should be laid down for giving sanction for prosecution and the Appointing Authority or the Disciplinary Authority should be given a free hand to act independently. Once he declines to give sanction, he becomes a functus officio and sanction cannot be sought unless fresh evidence is presented before him. A provision should also be incorporated to obtain sanction of the Appointing Authority before arresting the officer.

(xi) SUSPENSION & SUBSISTENCE ALLOWANCE.

Though the instructions provide that an officer will not be placed under suspension before investigation, in practice frequent deviations are made.

Ground rules for ordering suspension of an officer are seldom followed. Suspensions are mostly effected as a knee jerk reaction and is invariably behind the back of the officer without giving him any hearing. In most cases the option of transferring the officer instead is not even considered. Once the officer is placed under suspension, there is virtually no review thereof. Review mechanism is totally absent. Review is generally on the papers and in almost all the cases reinstatement of the officer takes place only after the proceedings are concluded and final order is passed. At the time of passing final order, the DA is niggardly in his treatment of the suspension period. In case of arrest of an officer, there is provision of deemed suspension after 48 hours of the arrest but there is no simultaneous provision of a deemed reinstatement after he is acquitted. There are different rules about payment of subsistence allowance in the government, in the award staff within the banking industry and within the different banks.

The Disciplinary Authorities are too niggardly in the matter of treatment of suspension period while passing final order. It has been seen that except in cases where the officer has been exonerated, suspension period is treated as such irrespective of the gravity of the penalty awarded and nothing more than the subsistence allowance already paid is paid at the time of reinstatement which is grossly unfair. Benefit of Annual increment also is not given even for calculation of the subsistence allowance.

Recommendation

Ground rules of suspension must be meticulously followed. Suspension of an officer prior to completion of investigation should not be effected. The option to transfer the officer to a distant place instead of placing him under suspension should be mandatorily considered as it is good for the officer as well as Bank. In the rare case where suspension of an officer is the only choice, the officer should be given an opportunity to show cause before placing him under suspension. Review of suspension should be regular and meaningful. Suspension should not be continued after investigation completed since the accused officer would not then be in a position to tamper with the evidence or influence the witnesses. In case, the bank or the Investigating agencies fail to serve the charge sheet within the time stipulated in the Vigilance Manual or the proceedings are not concluded within the given time frame the officer should be reinstated. In case of detention beyond a given period or conviction by a Court, there is a provision for Deemed suspension of the officer. Similar provision of deemed reinstatement needs to be provided in cases where regular bail is granted or when the conviction is set aside.

The rate of Subsistence Allowance should be uniform. For the first three months half the salary and allowances should be paid and after six months, which is the period provided for completion of proceedings, subsistence allowance equivalent to full salary and allowances should be paid.

If the disciplinary proceedings conclude in the imposition of the minor penalty, the suspension ought to be held as totally unjustified as already held by the Hon'ble Supreme Court , and full back wages should be paid. The Committee was of the view that barring the cases where the penalty awarded is cessation of service, full salary for the suspension period should be paid as there is no justification to continue suspension after the initial few months when investigation is conducted.

Notional annual increment should be taken into account for the purpose of calculating subsistence allowance and if salary revision is taking place during the period of suspension, arrears should be paid for the period prior to date of suspension and enhanced subsistence allowance from the date of suspension should be paid.

(xii) DEFENCE REPRESENTATIVES

The position is not uniform. In all the Nationalized Banks, Defence Representatives are allowed to have 2 pending cases at any point of time as against 3 cases laid down in the CVC Manual. Only in State Bank of India 3 pending cases are allowed. Further, though there is restriction of 2/3 cases for the defence representatives, there is no such restriction for the Presenting Officer or the Inquiring Authority. There are also different provisions in this regard for officers and award staff. Whereas, in case of officers only serving officer is allowed to defend in case of workmen any office bearer of a registered Trade Union whether retired or serving and whether belonging to same or different bank is allowed to defend the charge sheeted employee. This distinction / discrimination is wholly unwarranted.

Recommendation

There should be no restriction on the number of cases to be taken up by any defence representative as in the case of Presenting Officer / Inquiring Authority so that the Officers are not deprived off the assistance of trained persons who are not easily available and particularly because officers are not allowed to take the assistance of lawyers, there is a strong case for allowing the retired officers of the bank to give this service to the officers of his parent bank.

(xiii) AGREED LIST / LODI.

This list of officers whose honesty / integrity is taken to be doubtful is prepared at the back of the officers and in many cases it is not as per the letter and spirit of the laid down norms. Even where after enquiry the fraudulent motive is not proved and the penalty awarded is not so serious and where acquittal is more or less on merit, names of officers are kept in the LODI and cases are not scarce when officers are unnecessarily put under watch by placing their names in the agreed list and the officers concerned do not even come to know about it because the sensitive and non sensitive positions are interchangeable. The list of sensitive positions has been exhaustibly drawn up by including a large number of assignments which are not sensitive at all. This result into under utilization of talent and experience and in many cases officer not actually placed in the agreed list when posted to these assignments get an impression that their integrity are under watch.

Recommendation

There is a need to revisit the issue and carefully draw the list of sensitive assignments. The officers whose names are placed in LODI / Agreed list should be informed so that they can at least make an representation to the Competent Authority to review their decision. The laid down period of three years / one year for keeping the name in LODI and Agreed List respectively should be adhered and not prolonged. On expiry thereof, name should be automatically deleted from the list.

(xiv JURISDICTION OF CAT.

The Central Administration Tribunals were first established in the year 1985 with the laudable objective of reducing the burden on the various Courts and reduce pendency as also to provide the persons covered by these tribunals a speedy and relatively less expensive and effective remedy. The Tribunals have served the declared objective to a great extent but only the employees of the Central Govt and other notified organizations are covered. Bank employees have not been brought within the jurisdiction of these tribunals sofar even though banks are now owned by the Government. As a result the bank employees are suffering enormously as they are at the mercy of the bank management and do not get justice in most of the cases. The handling of the cases in the banks is highly subjective, perfunctory and whimsical. However, the bank employees in general and officers in particular keep suffering and do not in most cases approach the Court of Law because of the huge cost and delays involved.

Recommendation

Since the tribunals are working satisfactorily and have now come to stay and through these the working class is able to get speedy and less expensive adjudication of disputes in respect of recruitment and condition of services as also the employees are able to challenge instances of gross miscarriage of justice in disciplinary matters where Principles of natural justice are violated at will by the Disciplinary / Appellate authorities. We strongly recommend that special administrative tribunals for bank officers and employees should be set up by the government.

(xv) PROCEEDINGS AFTER RETIREMENT.

The provisions in the Service Rules that Disciplinary proceedings may be continued after retirement of the officer was kept to take care of the situations where some fraud or gross misconduct is committed shortly before the superannuation of the officer. However, in practice this provision is grossly misused and even abused to stall / stop the normal retirement of the officer by digging out some act of misconduct committed years before the date of retirement and charge sheets are issued on the very eve of the actual retirement. Cases are not lacking where the alleged misconduct was discovered years before the retirement date but the proceedings like investigation, preliminary explanation etc proceed at snails pace and actual charge sheet is issued when the officer is on the eve of his retirement by invoking the provision to keep him in bank's service for the limited purpose of completing the departmental proceedings. Resultantly, his retiral benefits are withheld and the officer is made to undergo all sorts of stigma and social ignominy. Out of sight is out of mind. Once the officer is not on the rolls, the proceedings progress at even slower pace and the officer keeps suffering for years on end. Government instructions to put up such cases

at least one year before retirement and these should be subjected to quarterly review by an authority no less than the CEO himself are not being adhered to.

Recommendation

It should be clearly provided that this particular rule can not be applied for misconduct which is more than say one year old at the maximum. Further, this rule 19 (3), 20(3) in some banks should not be invoked in the last quarter unless some fraud / act of misappropriation has been unearthed. It should be further provided that if the proceedings are not completed within three, or at the maximum six months of the date of superannuation, the retrial benefits will be released. Even when this rule is invoked and officer is retained in service for the purpose of completion of proceedings, the amount of leave encashment, which is not a retrial benefit, should not be withheld. Further, such officers are being paid provisional pension so that the organization is not legally called upon to pay salary for the period, proceedings remain pending. Provisional commutation value should also be paid. Similar relief should be provided to officers who are not pension optees.

(xvi) OTHER ISSUES

(a) Effect of criminal proceedings

Since criminal proceedings takes a long time to conclude and even if decided, against the officer result in award of a sentence under the law, it should not affect the promotion and / or retirement of the officer, if it is not related to misconduct pertaining to official banking transactions.

(b) Provision of additional documents

As in the case of government employees and as per the provisions of the CCA Rules on which the bank officers disciplinary rules are also based, all the management documents must be accompanied with the charge sheet and additional documents should not be allowed to be presented by the prosecution side unless so agreed by the charged officer since presentation of additional documents in case of government employees is taken as amendment to the charge sheet itself. The existing rules about amendment of charge sheets may be reviewed.

NOTE ON FIVE DAY WEEK

Note on Five Day Week

The Demand for the introduction of Five Days Banking has already been place by all the Nine Unions vide their charter of demands. This demand was placed in the last wage revision as well.

This demand is based only on scientific practices prevailing across the countries. The first company to introduce five day week was A New England Mill in America in 1908 and later the Ford Motor Company followed the same in 1926 and enhanced employee productivity with introduction of five day week.

Today RBI works only for five days. Central Government employees work only for five days. And the same practice is followed by most of the State Governments as well. Almost all the IT Sector Companies like Infosys, Wipro, CTS, TCS, etc. work only for five days and so does the International financial system. Reduction of stress level amongst the employees is the need of the hour in today's scenario and many study reports bear the testimony that there is improvement in performance after adequate rest and family get together. To a query raised in the Parliament regarding rumours that the Prime Minister wants to introduce six days week, the Minister of State for Personal Public Grievances and Pensions Mr. Jitendra Singh informed the Lok Sabha in a written reply that there is no proposal to change the present five day week for the employees of Central Government Ministries and Departments. Similarly the Cabinet Secretary, Shri Ajith Seth replied to Shri Shiva Gopal Mishra, Staff Secretary that there is no such proposal.

As we are aware that a bank holiday in India is a public holiday which is declared specially for the Banks and other Financial Institutions. All public holidays are not classified as Bank Holidays. Bank Holidays are declared by Central/State Governments/ Union Territory under the Negotiable Instruments (NI) Act, 1881. India is a multicultural and multireligious society and celebrates holidays and festivals of various religions. So, in addition to the national holidays, many states and regions have local festivals depending on religious and linguistic demographics. The Bank employees do not enjoy all the festival holidays as their counterparts in other govt. organizations do. Moreover, as we have seen that the bank employees and officers are very hard pressed; like for every govt. sponsored schemes launched by the govt., for every emergency like situation (as the present demonetization case), it is the bank employees and officers who are entrusted with the responsibility to handle the situation. Banking sector is reckoned as a hub and barometer of the financial system. As a pillar of the economy, this sector plays a predominant role in the economic development of the country

As a pillar of the economy, banking sector plays a predominant role in the economic development of the country. Over the last ten years the banking industry has gone through some sweeping changes. Transformation, Consolidation, Outsourcing are just some of the most prominent buzzwords that are used to describe major trends afflicting the banking industry. Moreover, expanding business activities of the private banks, re-entry of foreign banks, strict regulatory and disclosure requirements and increased minimum paid up capital requirements, modernization of Core Banking Systems, increased automation and up gradation of IT and development of new products have a significant impact on the banks employees and the officers. Workload beyond ones capacity, ambiguity in defining duties & responsibilities, lack of support from superiors, lack of authority to control resources, absence of autonomy in taking decisions, work life imbalance due to absence of restricted working hours and virtually no weekly offs, etc. are some of the sources of stress in the Banks which in turn affect the mental and physical wellbeing of employees and officers leading to increased dis-satisfaction level among them. We should also not forget the fact that one of the most important roles of a bank officer is to take correct credit decision. Unless they remain in stable physical and mental condition, it is more likely on their part to take incorrect credit decisions which will affect the bank's financial health in the long run

Today in the Banking Industry almost 40% of the Employees and Officers are youth who look for good salary, perquisites and quality of life for whom five day week has become a passion. Without introduction of five day week, it will be impossible to retain good talent in the Banking Industry. The attrition rate is increasing day by day. Almost 20% of the award staff and 10% of the officers have left every year. The recent attrition rates across the banking sector bears the testimony to the same.

As per RBI report, 70% of the Banking transactions are handled by alternate channels of banking and the percentage is increasing every month. With approximately 2, 00,000 ATMs and 3.0 lakhs Business Correspondents rendering service outside the Bank Branches, there are adequate alternate platforms to carry out the banking needs on holidays. Moreover, with large no. of Point of Sales (POS) terminals and debit cards / credit cards in operations the present day customers are at ease to carry out banking transactions on weekend. Almost all the 11 crore accounts opened under the Jan Dhan Yojana are also issued with debit card. With the advent of Digital Banking platform in recent days, the customers are obile banking users with 10.00 crores transactions as on March 2017. All segment customers use internet banking now. We have Self Service Kiosks (SSK) for pass book printing, coin vending machine, new generation ATMs where cash can also be deposited and Cash Deposit Machine (CDM) which are available 24*7. The Cheque Truncation System is also working almost on all days and cheques are realised within one day whereas earlier it took upto 14 days for collection of a cheque. So by introducing five day week the customers are not going to be affected. Our experience on 7 day banking has shown that the customers are not interested to come to the branches on holidays. Wherever necessary branches are working on Sundays also and there are branches in Malls working 24 hours on rotational duty.

There are already companies which are trying four day work with three days off in other countries and billionaires like Carl Simon and Richard Bronson have suggested three days working day. Many studies have proved that the productivity increases if the employees/officers are provided with 2 day weekly off.

Let us further analyse:

The demand for five (5) day a week in the Banking Sector is a priority. It is based on scientific practices all over the globe considering health of the employees, productivity and environmental concerns. We put forward the following which explains and justifies the need. The ILO has passed many conventions on this issue, some of which are reproduced below:

Article 19

C047 - Forty-Hour Week Convention, 1935 (No. 47)

Convention concerning the Reduction of Hours of Work to Forty a Week (Entry into force: 23 Jun 1957) Adoption: Geneva, 19th ILC session (22 Jun 1935) - Status: Instrument with interim status (Technical Convention).

Preamble

The General Conference of the International Labour Organisation, Having met at Geneva in its Nineteenth Session on 4 June 1935, Considering that the question of the reduction of hours of work is the sixth item on the agenda of the Session; Considering that unemployment has become so widespread and long continued that there are at the present time many millions of workers throughout the world suffering hardship and privation for which they are not themselves responsible and from which they are justly entitled to be relieved; Considering that it is desirable that workers should as far as practicable be enabled to share in the benefits of the rapid technical progress which is a characteristic of modern industry; and Considering that in pursuance of the Resolutions adopted by the Eighteenth and Nineteenth Sessions of the International Labour Conference it is necessary that a continuous effort should be made to reduce hours of work in all forms of employment to such extent as is possible; adopts this twenty-second day of June of the year one thousand nine hundred and thirty-five the following Convention, which may be cited as the Forty-Hour Week Convention, 1935:

Article 1

Each Member of the International Labour Organisation which ratifies this Convention declares its approval of:

a) the principle of a forty-hour week applied in such a manner that the standard of living is not reduced in consequence; and

b) the taking or facilitating of such measures as may be judged appropriate to secure this end; and

c) undertakes to apply this principle to classes of employment in accordance with the detailed provision to be prescribed by such separate Conventions as are ratified by that Member.

Article 8

How is work during the weekend regulated?

ILO Weekly Rest Conventions No. 14 (1921) and No. 106 (1957) require that *each worker have at least 24 hours of uninterrupted rest every seven days. Whenever possible, the rest day(s) should be simultaneous for all employees of an undertaking and correspond with the traditions and customs of the country. As noted above, Arab countries often choose the Friday, instead of the Sunday, as the rest day for the week.*

In China and Hungary, two days off are laid down in national laws.

In European Union (EU) member States, the EU Working Time Directive (93/104) entitles workers to a minimum of 24 hours of rest per week, principally on Sunday, in addition to 11 hours of rest each working day (between shifts).

In most countries, although only one day off per week is prescribed in national legislation, collective agreements or commonly accepted norms set the standard of a five-day week.

Following are the benefits of a 5 day work week:

1. Reduced fuel costs. Employees would have to endure the dreaded commute one less day each week, thereby saving money at the pump with reduced fuel consumption.

2. Decreased absenteeism. On a six-day schedule, employees are forced to cram their one day off with personal errands, chores, games, and social outings. By the time Monday comes around, there hasn't been a minute of rest and employees are tired. So they call out of work. This wouldn't happen so frequently if employees had a second day to accomplish the work they have to do outside of office.

3. Increased productivity. It's a well-established principle of productivity that workers become less efficient where no deadline looms. That's why we're more efficient in the week before vacation—we know we have to get it done by the time we leave. The same idea is transferable to a shortened workweek. Employees are least productive on Saturdays so why not just eliminate them altogether?

4. Improved job satisfaction and morale. Satisfaction with what goes on in the workplace may be tied to what goes on outside of the workplace. Employees who spend more time with family and friends, who have the flexibility of two days off, will return to work refreshed.

5. Reduced personnel turnover. Not surprisingly, #4 leads to #5. Happier employees tend to leave less often. If they like the job, they're more likely to stick around.

6. Reduced energy costs. By closing for two, instead of one day each week, Banks stand to reduce substantial energy costs. These costs can be significant.

7. Improved work-life balance. As a result of the added day, employees who work a five-day week will have more time to spend with their families and friends.

8. Reduced traffic congestion. This potential effect may be seen largely on Saturday, which is the day most employers are converting to a non-working day.

The First Company to give 5 day week:

So, who gave us the 5 day, 8 hours per day, work week? Was it really the unions; was it really higher regulations? No, the historical answer is that it was Heny Ford who gave us the 5 day, 8 hours per day, work week. Ford was tired of continuously losing good employees, he was trying to increase employee retention and at the same time increase profits, so he basically doubled wages and implemented a 5-day work week, and in the process effectively invented the modern weekend. It is Henry Ford who is widely credited with contributing to the creation of a middle class in the United States.

In addition, if you look at why Henry Ford did this, you will see that his reasons had nothing to do with charity, and everything to do with increasing profits and dealing with the forces of competition.

In 1926 Henry Ford began shutting down his automotive factories for all of Saturday and Sunday. In 1929 the Amalgamated Clothing Workers of America was the first union to demand a five-day work week and receive it. After that, the rest of the United States slowly followed, but it was not until 1940 that the two-day weekend began nationwide.

Actual work week lengths have been falling in the developed world. Every reduction of the length of the work week has been accompanied by an increase in real per-capita income.

In the United States, the work week length reduced slowly from before the Civil War to the turn of the 20th century. A rapid reduction took place from 1900 to 1920, especially between 1913 and 1919, when weekly hours fell by about eight percent. In 1926, Henry Ford standardized on a five-day workweek, instead of the prevalent six days, without reducing employees' pay. Hours worked stabilized at about 49 per week during the 1920s, and during the Great Depression fell below 40. During the Depression, President Herbert Hoover called for a reduction in work hours in lieu of layoffs. Later, President Franklin Roosevelt signed the Fair Labour Standards Act of 1938, which established a five-day, 40-hour workweek for many workers. The proportion of people working very long weeks has since risen, and the full-time employment of women has increased dramatically.

The New Economics Foundation has recommended moving to a 21 hour standard work week to address problems with unemployment, high carbon emissions, low well-being, entrenched inequalities, overworking, family care, and the general lack of free time. The Centre for Economic and Policy Research states that reducing the length of the work week would slow climate change and have other environmental benefits.

AROUND THE WORLD

Let us have a look at the working condition prevailing in some of the developed countries around the world for the better understanding of the issue. The maximum full-time working hours in Japan are eight hours per day and 40 hours per week. If an employee works six to eight hours in a day, they are entitled to a 45-minute break; if an employee works eight hours in a day; they are entitled to a one-hour break. An employee is entitled to one holiday per week unless they otherwise receive four or more holidays within every period of four weeks. Overtime pay must be provided for any work over eight hours per day, over 40 hours per week or on holidays. It is to be noted that there is no real difference between the employees and officers in Japanese working environment and all enjoy the same rights with regard to the restriction on working hours and weekly offs. The only difference lies in the classification of employees; one is *seatrain*, which can literally be translated as real employees and the second is a *shokutaku*, which is a contract employee. The major Japanese banks are reviewing their working patterns and introducing such systems as telecommuting and shorter working hours to help care givers and parents with young children get the time they need at home. In Japan, one would be encouraged if he or she is caught napping at work. They have actually coined a word for it “inemuri,” which means to be asleep while present at work. While sleeping at work, one earns the tag of being inefficient in other parts of the world, but Japanese believe it to be sign of hard work. The only governing rule for inemuri is that it requires the person to remain upright while dozing off.

Chile: A 45 hour work week in Chile begins on Monday and ends on Friday, and Saturday and Sunday constitute the weekend. Malls, supermarkets, and stores operate on Saturday, and in towns and cities most of them open also on Sunday.

Colombia: In general, Colombia has a 48 hour work week. Depending on the business, people work five days for about 9.6 hours per day, typically Monday through Friday.

EU: In Europe, the standard full-time working week begins on Monday and ends on Friday. Most retail shops are open for business on Saturday. In Ireland, Finland, Sweden, the Netherlands and the former socialist states of Europe, large shopping centres open on Sunday.

Bulgaria: The work week is Monday through Friday, eight hours per day, forty hours per week. Most pharmacies, shops, bars, cafés and restaurants are open on Saturday and Sunday.

Czech Republic: In the Czech Republic, full-time employment is usually Monday to Friday, eight hours per day and forty hours per week. Many shops and restaurants are open on Saturday and Sunday, but employees still usually work forty hours per week.

Denmark: Denmark has an official 37 hour work week with primary work hours between 6:00 and 18:00, Monday to Friday. In public institutions, a 30 minute lunch break every day is included as per collective agreements, so that the actual required working time is 34.5 hours.

Estonia: In Estonia, the work week begins on Monday and ends on Friday. Usually a work week is forty hours.

Finland: In Finland, the working week begins on Monday and ends on Friday. A full-time job is defined by law as being at least 32 and at most forty hours per week. In retail and restaurant occupations, among others, the weekly hours may be calculated as an average over three to ten weeks, depending on the employment contract.

France: The standard work week is Monday through Friday. Shops are also open on Saturday. Small shops may close on a weekday (generally Monday) to compensate workers for having worked Saturday. By law, Préfets may authorise a small number of specific shops to open on Sunday such as bars, cafés, restaurants and bakeries, which are traditionally open every day but only during the morning on Sunday. Workers are not obliged to work on Sunday. France has 35 hour work in a week.

Hungary: In Hungary the working week begins on Monday and ends on Friday. Full-time employment is usually considered forty hours per week. The forty-hour work week of public servants already includes lunch time.

Ireland: Ireland has a work week from Monday to Friday, with core working hours from 09:00 to 17:30.

Italy: In Italy the 40 hour rule applies: Monday to Friday, 09:00 to 18:00, with a one hour break for lunch. Sunday is always a holiday; Saturday is seldom a work day at most companies and universities, but it is generally a regular day for elementary, middle and high schools.

Latvia: Latvia has a Monday to Friday work week capped at forty hours.Shops are mostly open on weekends, many large retail chains having full working hours even on Sunday.

Poland: The workweek is Monday through Friday; 8 hours per day, 40 hours in total per week. Large malls are open on Saturday and Sunday, many small shops are closed on Sunday.

Romania: The work week is Monday through Friday; 8 hours per day, 40 hours in total per week. Shops are open on Saturday and Sunday.

Spain: The working week is Monday through Friday; 8 hours per day, 40 hours in total per week. Most shops are open on Saturday mornings and many of the larger shopping malls are open all day Saturday and in some cities like Madrid, they are open most Sundays.

Sweden: In Sweden, the standard workweek is Monday through Friday, both for offices and industry workers. The standard workday is eight hours, although it may vary greatly between different fields and businesses. Most office-workers have flexible working hours, and can largely decide themselves on how to divide these over the week. The workweek is regulated by Arbetstidslagen (Work time law) to a maximum of 40 hours per week.

United Kingdom: The normal business working week is from Monday to Friday (35 to 40 hours depending on contract).

Islamic countries

Thursday–Friday weekend

Friday is the Muslim holyday when Jumu'ah prayers take place, and a number of countries have a Thursday–Friday weekend. Those countries are presently:

For Oman, Saudi Arabia and Yemen, the working week is Saturday to Wednesday.

Friday–Saturday weekend

Following reforms in a number of Arab States of the Persian Gulf in the 2000s, the Thursday–Friday weekend was replaced by the Friday–Saturday weekend. This change provided for the Muslim offering of Friday Jumu'ah prayers and afforded more work days to coincide with the working calendars of international financial markets.

- Algeria (2009)
- Bahrain (2006)
- Bangladesh
- Egypt
- Iraq (2005–2006)
- Jordan (2000)
- Kuwait (2007)
- Libya (2005–2006)
- Northern Malaysia (only in the states of Kelantan, Terengganu and Kedah)
- Mauritania (2005–2006)
- Qatar
- Sudan (2008)
- Syria (2005–2006)
- United Arab Emirates (2006)
- Lebanon. The workweek is Monday through Friday; 8 hours per day, 40 hours in total per week.
- Pakistan follows the standard international 40-hour working week, from Monday to Friday, with Saturday and Sunday being weekends.
- Tunisia - The workweek is Monday through Friday; 8 hours per day, 40 hours in total per week.
- Turkey - working above 45 hours is overtime and the employer has to pay 1.5x of the hourly wage per hour.

Israel: For most Israelis, the workweek begins on Sunday and ends on Thursday or Friday midday to accommodate Jewish Sabbath, which begins Friday night. The standard workweek is 43 hours per week. A workday is 8 hours except when special cases by law.

Mexico: Mexico has a 40 hour work week running from Monday to Friday. However, it is a custom in most industries and trades to work half day on Saturday, which is the day workers get paid. Shops and retailers open on Saturday and Sunday in most large cities.

Mongolia: Mongolia has a Monday to Friday working week, with normal maximum time of 40 hours.

Nepal: Nepal follows the ancient Vedic calendar, which has the resting day on Saturday and the first day of the working week on Sunday.

New Zealand: In New Zealand the working week is typically Monday to Friday 8:30 a.m. to 5 p.m.,

Russia: In Russia the common workweek begins on Monday and ends on Friday with 8 hours per day.

In our country:

As per one study, the average life expectancy of a bank officer is only 63 years whereas for others the figure stands at 68.3 years. In the last 5 years, there has been a spate of cases reporting the death of bank officers while in harness. It is a very tragic development. Bank officers do not live longer, only because of the work pressure coupled with no virtual weekly offs available to them, while in service.

Now, let us look at some legal rights. The Factories Act provides provision on weekly rest. Workers are generally entitled to at least 24 hours of weekly rest on the first day of the week, i.e., Sunday. The weekly rest period is reckoned as a paid time. Workers may be required to work on weekly holiday; in this case, he/she is entitled to the substitute holiday three days before or after the usual weekly holiday. Even in the case of holiday substitution, workers must be given a weekly holiday in every 10 days. If an organization is exempted from the provision related to weekly holiday and workers are not granted their weekly holidays, an equal number of compensatory holidays have to be granted within 2 months. The Weekly Holidays Act, Shops and Establishments Act, etc. also state in the same tune for the workers and the employees. Although the Bank Officers do not come under the purview of the Regulations & Acts which make the weekly off compulsory like Factories Act, Weekly Holidays Act, Shops and Establishments Act, etc, the Articles enshrined in the Human Rights is applicable to one and all the people. The Article 24 of Human Rights deals with Right to Rest for each and every human being. They are commonly understood as inalienable fundamental right "to which a person is inherently entitled simply because she or he is a human being," and which are "inherent in all human beings" regardless of their nation, location, language, religion, ethnic origin, their employment agreement and service rule or any other status. They are applicable everywhere and at every time in the sense of being universal and egalitarian in the sense of being the same for everyone. Hence, the bank officers cannot be an exception to this article simply because of the fact that their service rule obliges them to attend the office 24/7 without any weekly off. They are human beings and cannot be expected to work like a machine and hence cannot be exploited by virtue of their service rules. Moreover, the declared holiday on the second and fourth Saturday of every month has been made as part of the agreement arrived at during the 10 bipartite wage settlement between the IBA and bank employees' unions last year. This has been earned after a long struggle and bargaining with the IBA and the govt. and we should not let it go at the whims of the management and thereby toying with the lives of our officers. In this context, we would also like to draw your learned observation to the IBA Letter No. CIR/HR&IR/665/2015-16/2270 dated March 11, 2016 addressed to all the Organization heads who are the parties to the Bipartite Settlement. In the said letter, the IBA clearly stated to avoid calling the officers for duty on Sundays/holidays as far as possible. But, it is our misfortune that even the letter issued by the IBA is also not given the due consideration and the officers are summoned for duty even at the drop of a hat by the bank management.

In the light of the revolutionary changes that have taken place as regards the technology initiative, such as Core Banking Solution, Telebanking, Internet banking, Kiosk Banking, Mobile banking, Cash Deposit Banking, any time anywhere banking and also the banking expansion through a large ATM network, there is a strong case for immediate consideration of demand for introduction of a 5 day week. This will give a big boost to Digital India Campaign and we can spent some time for a massive digital financial literacy campaign.

This will also reduce global warming to an extent. Further, 5-day week will provide good health to bank employees and reduce expenditure on electricity and fuel.

In our country all central government establishments, RBI, forex department, Parliament, State assemblies, Treasury, IT/BT industries observe a 5-day week. All IT companies spearheaded by Infosys and WIPRO adhere to 5 day week. Foreign Banks in India also follow 5 day week. Majority of State Government offices remain closed on the second Saturday of the month. Many State Governments follows 5 day week. Therefore banking industry switching over to 5-day week will not make much difference to routine business, rather it will increase productivity, reduce expenditure and give employee satisfaction.

So there is total justification for 5 day week to be introduced in the Banking Industry following the footsteps of RBI which has defined 8 hours work, five day week and flexible working hours.

NOTE ON REGULATED WORKING HOURS

Regulated working hours has been a long standing demand of the officers from the year 1966. The All India State Bank Supervisory Officers Federation as well as All India Co-Ordination Committee of Bank Officers Organisations have placed this demand from the time of their formation, because of which some developments have taken place. But, with the reduction in employees strength due to embargo on recruitment for 10 years and introduction of voluntary retirements schemes the work load of officers have increased at an alarming proportion. Thousands of Branches of different Banks are managed by single officers where it is impossible to complete the work within the working hours. Today, it has become common for officers to work from 9 am to 9 pm, which stands way above the standard norm of 48 hours in a week practised in many developed countries. In addition to that introduction of e-corners, point of sales machines, increase in ATMs and with number of business correspondents all of which have to be monitored, officers practically are working late and also on holidays without proper remuneration. With the introduction of Cheque Truncation System the RBI has reduced the number of holidays and practically those who are working in the clearing system have to compulsorily work late and also on holidays. Moreover, the Government frequently gives us targets like the one under the Jan Dhan Yojana, Linkage of Aadhaar cards and Income Tax Collection. Off late the National Lok Adalats were also conducted on 2nd and 4th Saturdays. On many occasions, Banks have to keep the branches open on holidays under the instructions of the Govt of India. All these led to acute fatigue among the officer fraternity and which led to reduction in the productivity of the officers too. Whereas the award staff get overtime for sitting late or for working on holidays, officers either get nothing or a paltry sum. So it has become imperative to have regulated working hours.

Due to untoward incidents like robbery and insurgent attack the Police department has issued instructions repeatedly in many states to the Banks to close the branches before it gets dark. With the advent of digital banking platform and the aggressive promotion of the same after the demonetisation exercise paves way for the regulated working hours for the bank officials but on the contrary bank officials are forced to work on extended hours as well as on the holidays to promote the same. All these led to a contrary move in providing regulated working hours to the officer community.

The International Labour Conventions have provided for regulation of working hours. In USA, average working hours is 33 hours in five days. In Australia it is 35 hours. In France it is 30 hours and in Netherlands 27 hours in a week. In France working after 6 o clock is banned and in some countries workers who work beyond 8 hours do not get insurance coverage. In our Country also, the demand for 8 hours work came 26 years before the Chicago struggle led by the

Railway workers of Howrah and today in the Government as well as the Private Sector 8 hours work is regulated. Most of the Government Offices and Enterprises work from 10 am to 5 pm with half an hour lunch break making it practically 6 ½ hours work.

In the Banking Industry, the Reserve Bank of India has introduced regulated working hours officially on 12th July 2012 along with flexible timing. (CO HRMD Circular No.G.28/240/04.01.14/2012-13). Even IDBI Bank has regulated working hours from 2009.

It is interesting to recall that way back in 1928 John Maynard Keynes predicted that with technological advancement a work week will come down to 15 hours within 100 years.

A study of the American Journal of Epidemiology found that those who worked 55 hours per week performed poorly on some mental tasks than those who worked 40 hours per week.

Hence, it is imperative for us to bring regulated working hours with a stipulation of 6 ½ hours work. In case of emergency where the officer has to work beyond this they have to be compensated with 150% of the pay which is almost the Universal norm. .

NOTE ON LEAVE FARE CONCESSION

As per the 10th Bipartite settlement "Leave fare concession is as follows:

1. During each block of 4 years an officer shall be eligible for leave travel concession for travel to his place of domicile once in each block of 2 years. Alternatively he may travel in one block of 2 years to his place of domicile and in another block of 2 years to any place in India by the shortest route.
2. Alternatively an Officer by exercising an option any time during the four year block or 2 year block as the case may be surrender and encash his LTC other than travel to place of domicile" upon which he shall be entitled to receive an amount equivalent to 100% of the eligible fare for the class of travel by train to which he is entitled upto a distance of 4500 Kms(one way) for officers in JMG Scale I and MMG Scale II & III and 5500 Kms (one way) for Officers in SMG Scale IV and above. An Officer opting to encash his LTC shall prefer the claim for himself / herself and his / her family members only once during the block / term in which such encashment is availed off. The facility of encashment of privilege leave while availing of leave fare concession is also available while encashing the facility of LTC.
3. The mode and class by which an officer may avail of Leave Travel Concession shall be the same as the officer is normally entitled to travel on transfer and other terms and conditions subject to which the Leave Travel Concession may be availed of by an officer, shall be as decided by the Board from time to time. Provided that w.e.f. 1st May 2010 an officer in Junior Management Grade Scale I while availing LTC will be entitled to travel by air in the lowest fare economy class in which case the reimbursement will be the actual fare or the fare applicable to AC 1st Class fare by train for the distance travelled whichever is less. The same rules shall apply when an officer in Middle Management Grade Scale II and Middle Management Grade Scale III while availing LTC where the distance is less that 1000 kms.

During the 10th bipartite negotiation with AIBOC Negotiating Committee it was reported that the following 3 alternatives have been submitted to the IBA.

1. To Continue to present scheme with provision to travel abroad
2. To adopt the RBI scheme
3. Monitory compensation instead of LFC reimbursement.

The RBI scheme was revised on 1st July 2014 and further reviewed on 18th July 2014 based on CVC guidelines. The scheme provides an entitlement of Rs.1,07000/- for Grade A to E and Rs. 1,30,000/- for Grade F and above. Even for Cl III employees Rs.107000/- is eligible. This amount has been arrived at on the basis of Air fare as on that date, taking into account that 50% of the entitlement should go towards the Air fare. The RBI scheme provides 50% or more out of the above entitlement towards Air fare and 25% towards local site seeing expenses without production of any evidence. In addition it provides for 15% incidental expenditure towards travel by taxi / train / bus from home to the Airport, visa charges, medical insurance premium etc. (originally it was 20%) The scheme also provides for package tours organised by travel agents approved by IATA. Even for package tours 15% incidental expenditures is provided. The scheme also provides for 2 journeys in 4 years which can be either 2 sets of LFC or one LFC and one Home travel. In case of encashment it provides for AC First Class fare for 4500 kms (one way)

Hence the above scheme which has also segregated foreign LFC and domestic LFC should be made available to Bank Officers.

In case of monitory compensation the entitlement should 140000/-so that a 15% incidental expenditure is added. We produce herewith the actual flight fare which our officers have recently claimed for their LFC.

Chennai – Delhi- Amritsar = Rs. 46901/- (one way) –Rs.93802/-(both ways)

Chennai – Delhi – Srinagar = Rs.48187/-(one way)-96374/-(both ways)

Trivandram – Srinagar = Rs.52917/-(one way) – 105834/- (both ways)

Trivandram - Varanasi = Rs.51496/- (one way) – 102992/- (both ways)

Trivandram – Lilabari = Rs.60689/-(one way) -121378/- (both ways)

It will be advantageous to the Banks to accept the RBI scheme with ceiling of entitlement as Rs. 140,000/- upto Scale V (Rs.121378/- + Rs.18207 (15%)) which is still inferior to the RBI scheme which provides another 25% towards other expenses. If Banks go for monitory compensation 100% of the Officers will claim whereas if the actual LFC similar to the RBI scheme is given only 50 – 60% of the Officers will utilise that. The same RBI entitlement is also available in NABARD. What we are claiming is still inferior to RBI scheme.

The LFC scheme for Award staff is enhanced by providing for AC 2 tier to clerical staff and AC 3 tier to subordinate staff. So our demand is reasonable.

Air travel should be permitted to all officers including Junior Management Scale. Instead of LFC and HTC the Officer should be permitted to avail 2 LFCs in a 4 year block as many officers do not avail HTC or have no opportunity to avail HTC.

NOTE ON OUTSOURCING IN BANKS

It is very pertinent to note that there have been multiple instances in recent years where banks had to face serious reputational and financial debacles due to a third party's (outsourcing agency) error. Several years ago a retail bank left millions of customers unable to withdraw funds or view their balances due to a computer failure, which occurred as one of the bank's IT vendors was performing a software update. The failure resulted in paralysis of critical banking systems –a costly error. Another one had to compensate thousands of customers whose personal information had been stolen and sold illegally. The data had been stored by a vendor on a USB stick which was subsequently lost. Scandals have also been frequent in the Banking Industry due to the practice of outsourcing of work to the third parties.

By increasing the business through outsourcing, the banks and financial organizations in India have imported significant operational risks into the respective organisations, which resulted in serious financial losses and reputational damage.

Banks now outsource many of their jobs like ATM Management, Telebanking, Customers' Complaints Redressal, Debit Cards and Credit Cards issuance, Billing, Records Maintenance, etc. to third parties. But, how many possess sound knowledge of what they are doing? Or do they have all-round experience in that field! Banks have been engaging the services of private security guards for branches and ATMs. Are not the banks aware that only 60% of what they pay reaches the guards? The outsourced staff themselves poses risks and threats to the banks they are associated with. There were so many incidents in the past in every bank to prove this. There is no guarantee that the same set of people will be deployed every day or even for a period of 6 months continuously. Therefore, it will be difficult to have an effective surveillance on their movements and activities always. There will be a great deal of uncertainty as to who performs what job. Regular staff cannot be suddenly asked to perform the jobs outsourced on a regular basis. Since the agency pays them only a pittance, as compared to a regular staff member doing the same or similar job, there will be no motivation and loyalty for the outsourced persons; just to leave aside the sense of belongingness and loyalty towards the organization.

Moreover, as the outsourced staffs do not have basic idea of how a bank branch works, they cannot handle the customers with ease and confidence which will negatively impact the trust of the customers. The persons outsourced themselves do not have proper knowledge of the risks involved in the functions handled by them. Many a time, it is observed that they commit some grave mistakes or blunders, landing themselves and the bank in a precarious situation. It is very difficult to clear the mess created by them and recover the loss attributable to them as they are not the permanent employees.

It is also worth mentioning that by virtue of their long association with the regular staff, some of the outsourced staff gain access to the User IDs and Passwords of regular staff in course of time. This gives them the opportunity to commit frauds and indulge in other types of mischief and irregularities which in turn tarnishes the image of the Bank and brings misfortune for the concerned permanent staff whose Id has been used.

It has also been seen that some outsourced personnel are encouraged to handle regular work due to acute shortage of permanent staff. There are instances where the outsourced staff had introduced themselves as regular staff to the strangers and newcomers and collected cash from them and swindled the same. In case of customers who have not registered for SMS Alerts, they cannot find out this mischief/fraud immediately. In case of security guards accompanying cash meant for replenishment in ATMs and those entrusted with the duty of guarding the ATMs, it has come to the notice that some of them indulge in serious crime of decamping with huge cash even by assaulting other staff/general public. Recently SBI stopped outsourcing of ATM's on branch and regular staff are managing them better.

We should not forget the fact that ours is the second most populated country in the world with great degree of unemployment or under-employment. Hence, it is a crime against the society to deny employment opportunity to the millions of aspiring youth on a permanent basis. It also kills the reservation policy. Further, the banks are earning huge profits with which a few hundreds of additional vacancies can be filled in every year on a permanent basis, without any financial strain. On a different note, creating new, regular employment on a large scale will contribute to higher national income, additional demand for goods and services, growth in GDP and collection of taxes which will have a positive impact on the national economy as a whole. Myopic ideas of a few bureaucrats and politicians may encourage outsourcing of persons for doing regular work but that is not going to help either the banks or the economy as a whole in the long-run. The gains accruing from employing people on a regular basis far outweighs the gains/ savings arising out of outsourcing.

Further, it is also significant to note that Indian banks cannot outsource core banking functions to the third parties. According to the guidelines on outsourcing of banking activities issued by the Reserve Bank of India, banks also cannot outsource the core activities. RBI also made it very clear that outsourcing does not diminish the bank's obligations to customers. Banks should not engage in outsourcing activities that would weaken their internal control or compromise their business conduct or reputation.

Hence, it is very essential for the Banks to stop hiring the services of the outsourcing agencies and staff to carry out the day to day functions of the Banks for the overall development of the Banks and the Indian Economy as a whole.

Appointing business correspondence is also outsourcing of regular banking activities. There are around 3 lac BCs. They should be converted into regular employpees based on their qualification and performance. These customer service points can be converted into small branches and take care of lending activities also.

It is stated in the Gita
"where there is Dharma there is victory"
or, in other words, success goes hand in hand
with righteousness.