

# ALL INDIA BANK OFFICERS' CONFEDERATION



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Circular No. 2013/39

Dated:07/08/2013

For all affiliates/Members

Dear Comrades,

## FINANCE MINISTER ASSURES EARLY SETTLEMENT TO UFBU

A nine member UFBU delegation met the Hon'ble Finance Minister Sh. P. Chidambaram on 6<sup>th</sup> August, 2013 at his North Block Office in New Delhi. Delegation consisting of representatives from all the nine constituent of UFBU was led by Sh. Basudev Acharya, Member Parliament. The Delegation submitted a memorandum (as per Annexure-1) to the Finance Minister for his kind attention, consideration and favourable disposal of the issues and demands as mentioned below:

- 1) **Compassionate ground appointment scheme in Banks;**
- 2) **Wage revision for employees and officers in the Banks;**
- 3) **Introduction of 5 Day Banking;**
- 4) **Grievances of the Bank retirees;**
- 5) **Industrial Relations in State Bank of India;**
- 6) **Proposals of SBI management to merge Associate Banks;**
- 7) **Proposals of RBI to permit corporates and business houses to start their own Banks.**

Finance Minister, after going through the Memorandum and listening to oral representation, assured the representatives of faster wage negotiation exercise and asked the delegation to negotiate first four issues with IBA. He also assured that he will seek information on the Industrial Relation position in SBI and will take a view on that. However, on the issue of merger of Associate Banks and proposals of new Banks, he emphasized that these are policy matters and decision on them will be taken after due consideration. The delegation once again urged upon him to have a positive consideration on the issues.

With warm greetings,

Comradely yours

(HARVINDER SINGH)  
**GENERAL SECRETARY**

**UNITED FORUM OF BANK UNIONS**

(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)

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Camp: New Delhi  
6<sup>th</sup> August, 2013

**To**  
**Shri. P. Chidambaram,**  
**Hon. Minister for Finance**  
**Government of India**  
**New Delhi**

Dear Sir,

First of all, we thank you for sparing your valuable time to meet our delegation today amidst your busy schedule of work and engagements.

At the outset, we convey our heartfelt condolences on your recent bereavement over the demise of your beloved mother.

On behalf of the **United Forum of Bank Unions**, the umbrella platform consisting of 9 trade unions in the banking sector and representing about one million employees and officers, we submit the following memorandum to you for your kind attention, positive consideration and favourable dispensation.

We wish to draw your attention to some of our own important issues and demands which we feel need your intervention as well certain broader policy matters which are of concern to us.

**1. Compassionate ground appointment scheme in Banks :**

For the past more than ten years, the scheme on compassionate ground appointments to the widow or an eligible family member on the death of an employee or officer that was in vogue in the Banks as per Government guidelines since 1978 has been negated and an unilateral financial compensation scheme has been implemented. With your intervention, the family of employees who die while in performance of duty due to dacoity, robbery, etc. and those who die within 5 years of joining the Bank are alone considered for compassionate employment. Your suggestion that compassionate appointments may be considered upto a prescribed ratio against vacancies and recruitments in an year remains unconsidered so far by the managements.

In the meantime, in the wake of large scale retirements, recruitments are taking place in the Banks. The instances of death while in service have also dwindled and are very sparse. Hence it would not be difficult for the Banks to restore and extend compassionate ground appointments on the unfortunate death of an employee or officer while in service. Moreover, these jobs are given only if the compassionate appointee has the required and prescribed educational qualification. Hence any apprehension on dilution of efficiency or quality will also be misplaced.

In view of the above, we have submitted and represented to the Indian Banks' Association to extend the compassionate ground appointment scheme as is available for the Government employees to the banking sector.

The issue needs sympathetic and expeditious consideration as the same is hanging for the past one decade. We seek your personal attention and intervention in the matter to advise the IBA accordingly.

## **2. Wage revision for employees and officers in the Banks:**

The last wage pact in the Banks expired in October, 2012 and hence we have submitted fresh charter of demands for revision of wages and service conditions. More than nine months have elapsed but except some preliminary discussions, no serious negotiations have been held by the IBA on our demands. This is causing lot of concern and anxiety amongst the banking staff and hence there is need to expedite the negotiations with more meaningful and serious discussions on our demands to enable early conclusion of the revised wage settlement.

Here also, we seek your intervention and request you to advise the IBA to speed up the negotiations for early wage revision in the Banking industry.

## **3. Introduction of 5 Day Banking:**

It is not only the Central and State Government ministries and departments but even the Reserve Bank of India, LIC, etc. are following the 5 Day working. Already in the banking sector, with the advent of technology based services, proliferation ATMs, internet banking system, etc., the delivery channels for customer services in the Banks have multiplied and manifolded and hence it is possible to introduce 5 Day Banking with suitable adjustments in the total working hours per week.

Our representations to the IBA have not yielded or evoked any positive response and hence we request you to bestow your kind attention to this genuine requirement and expectations of the bank employees and officers.

## **4. Grievances of the Bank retirees:**

We gladly recall our meeting with you on 19-2-2008 when we submitted to you about the need to extend another option to the bank employees to join the pension scheme. At your intervention, not only the two days strike on 25/26 February, 2008 was averted but through mutual discussions with the IBA, a Settlement could also be arrived at by which the remaining employees have been extended another opportunity to join the pension scheme. We are thankful to you for the same.

However, there have been quite a few grievances of the bank retirees that are still pending consideration by the IBA and the Government.

Pre- 1986 Retirees: Those who retired from the Banks prior to 1986 are being paid an Ex-Gratia of Rs. 300 per month and the spouse of such retirees when they die are paid a lumpsum of Rs. 1000 per month. These amounts were fixed 15 years ago and hence there has been a very genuine expectation to revise this ex-gratia amount paid to them. The total number of pre-1986 retirees is very less in the entire banking sector and hence the revision in their Ex-gratia would hardly cost anything substantial to the Banks. We request you to consider this most genuine representation sympathetically.

Revision in Family Pension: The rates of Family Pension fixed in the Banks' Pension Regulations in 1995 at 15% to 30% with applicable ceilings has been found to be inadequate in view of the high cost of living and a suitable revision in the rate of Family Pension is a dire necessity.

Periodical updation/revision of pension: In the case of Government employees pension scheme, the pension gets updated and revised on occasions of every wage revision but even though the Bank pension Scheme is on the lines of the Government pension scheme, our pension does not undergo any revision than what is fixed at the time of retirement. There is a case of periodical updation of pension for the retirees in the banking sector also.

Uniform DA on Pension: In the banking sector, earlier Dearness Allowance was paid on a tapering basis and hence the Pension also attracted DA on the same basis. However, from November, 2002, the DA is being paid to all the employees/officers with 100% neutralization against inflation as in the case of the Government employees. While the post-Nov. 2002 retirees are paid DA on pension at 100% neutralization, the pre-Nov.2002 retirees are being denied the same. There is a need to make the DA rate on pension uniform for all retirees.

Staff Welfare Schemes : As per the government guidelines, 3% of the published net profits of the Banks are earmarked for extending some welfare schemes for the employees including the retirees. While the guidelines mentions that a portion of the allocated amount be utilised for extending some

benefits like medical scheme, etc, for the retirees, a need is being felt to give a uniform guidelines for apportionment from the fund towards retirees' schemes. A suitable guidelines may be issued to the Banks in this regard to adopt a uniform percentage of the funds to be allocated for the welfare schemes pertaining to the retirees.

#### **5. Industrial Relations in State Bank of India:**

For the past almost one year, the industrial relations situation in State Bank of India, especially relating to the officers, has not been cordial, rather it is highly vitiated due to some of the standpoints and attitude of the top management of the Bank. Basic trade union rights are being denied and vindictive actions are being pursued. This has resulted in demoralization of the workforce in SBI and there is need to restore cordial industrial relations in the Bank and sorting out the issues through mutual discussions.

We seek your kind intervention in the matter in the larger interest of industrial harmony in the banking sector since SBI happens to be the flagship banking institution in our country.

#### **6. Proposals of SBI management to merge Associate Banks :**

It is observed that the SBI management is proposing to merge the 5 Associate Banks with it in the name of consolidation. It is needless to inform you that these Associate Banks have their own historical and geographical evolution and have been playing a very leading role in the economic development of the concerned States. Their performances have been impressive and consistent. In fact, we feel that de-linking them from SBI and making them independent Banks will enable them to grow faster and better. There are also reports that the merger of these Associate Banks will add to the financial burden of SBI at a time when SBI itself needs to become more stronger in the wake of challenges like higher levels of bad loans, etc. Hence we strongly feel that merger of the Associate Banks with the SBI would be unwarranted and avoidable.

#### **7. Proposals of RBI to permit corporates and business houses to start their own Banks:**

The decision and proposal of the Reserve Bank of India to permit the various big corporate houses and business houses to start their own Banks, according to us, would, in the name of competition, result in multiple challenges to the banking system and also wrought with undue risks since the track record of various private business houses running banking institutions in the past has not been appreciable. At a time when the Government's priority is to ensure total financial inclusion, these proposals would only divert the entire attention of the public sector banks who are already working under various constrains and challenges.

On the other hand, we strongly feel that the RBI must be advised to ensure that the public sector banks are further strengthened and expanded in order to achieve the objectives of bank nationalisation, a water-shed decision taken by then Government in 1969 under the bold initiative of Smt. Indira Gandhi. We request the Government to take a serious note of our concerns and viewpoints in this regard.

Thanking you,

Sd..  
C.H.VENKATACHALAM  
(AIBEA)

Sd..  
HARVINDER SINGH  
(AIBOC)

Sd..  
M.V.MURLI  
(NCBE)

Sd..  
ALOK KHARE  
(AIBOA)

Sd..  
PRIDIP BISWAS  
(BEFI)

Sd..  
REP.  
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Sd..  
K.K.NAIR  
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Sd..  
ASHWANI RANA  
(NOBW)

Sd..  
SUNIL DESHPANDE  
(NOBO)