



ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 3427/Delhi)

State Bank Buildings, St. Mark's Road, Bangalore – 560 001

CIRCULAR NO:27

DATE: 02.03.2012

TO ALL AFFILIATES / MEMBERS:

STAFF WELFARE FUNDS IN PUBLIC SECTOR BANKS

The Government of India had fixed a ceiling on expenses towards Staff Welfare of Public Sector Banks at 3% of net profit with a cap of Rs. 15/- crores. As the amount was not sufficient to meet the welfare expenses at large and medium size Banks, we took up the matter with the Govt./IBA for removal of the cap on welfare fund and to link it to the size and number of employees in Banks.

2. We are glad that, Government of India has advised IBA on revised norms for the Staff Welfare Fund in Public Sector Banks as follows:

Category	3% of Net Profit with Maximum ceiling per year
State Bank of India	Rs. 100 Crores
PSBs with business mix of over Rs.3,00,000 crores and employee strength above 30,000	Rs. 25 Crores
PSBs with business mix of over 1,50,000 crores to 3,00,000 crores and employee strength of 20,000 to 30,000	Rs. 20 Crores
Other PSBs	Rs. 15 Crores

(For the purpose of calculation the average of business figures for the previous two years may be reckoned)

It is further stipulated that:

- (i) No cash payments shall be made to employees except for medical and educational purposes.*
- (i) Banks may consider the option of Group Insurance Policies for both serving and retired employees instead of direct payment of benefit from the Fund.*
- (ii) Each Year the Banks may devise a Scheme for Appointment of funds with the prior approval of their Board of Directors, as per specific needs of the Bank.*

3. All our affiliates/members to take note of the improvement in Welfare Fund Ceiling. The official communication from IBA follows.

With greetings,

A handwritten signature in black ink, appearing to be 'G.D. NADF', written in a cursive style.

(G.D.NADF)
GENERAL SECRETARY