ALL INDIA BANK OFFICERS' CONFEDERATION

(Registered under the Trade Unions Act 1926, Registration No.3427/Delhi)
C/o State Bank of India Officers' Association (North-Eastern Circle)
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Circular No. 2026/43 **Date:21.07.2026**

To All Affiliates (Please Circulate)

Dear Comrades,

AIBOC Writes to IBA Seeking Clarification on Fitment of Ex-CAPF Personnel in line with the Ex-Servicemen Re-employed in Banks

Today AIBOC sent a communication to the CEO, IBA seeking clarification and request to issue advisory to the various Bank Management regarding the captioned matter. The text of the letter is appended for your information and circulation.

With greetings,

Rupam Roy
General Secretary

Text of Letter No. AIBOC/2026/15 dated 21.07.2026

To,

The Chief Executive Officer,
Indian Banks' Association,
World Trade Centre Complex, Centre 1, 6th Floor,
Cuffe Parade, Mumbai – 400 005.

Dear Sir,

Sub.: Extension of the benefits of pay fixation / pay protection available to Ex-Servicemen / Ex-ECOs / SSCOs re-employed in Public Sector Banks to ex-personnel of Central Armed Police Forces (CAPFs) such as CISF, BSF, CRPF, ITBP, SSB, Assam Rifles, etc. — Request for issuance of a uniform advisory to all Public Sector Banks including State Bank of India.

Ref.: (1) Government of India, Ministry of Finance, Department of Financial Services (Welfare) letter F.No.4/3/2012-Welfare dated 17.02.2014; (2) IBA letter No.HR&IR/KSC.GOVT/589/8785 dated 01.02.2014 and the Guidelines annexed thereto; (3) DoPT O.M.

No.3/19/2009-Estt.(Pay-II) dated 05.04.2010 read with clarification dated 08.11.2010.

We invite your kind attention to the communication of the Department of Financial Services (DFS), Ministry of Finance, cited at reference (1) above, whereby the comprehensive guidelines prepared and circulated by the Indian Banks' Association to the Chief Executives of all Public Sector Banks (PSBs) for uniform fixation of pay of Ex-Servicemen / Ex-ECOs / SSCOs re-employed in PSBs on or after 01.01.2006 were also made applicable to the Reserve Bank of India, Public Financial Institutions, Public Sector Insurance Companies, GIPSA, IRDA and PFRDA. The avowed object of the said DFS communication, as recorded therein, was to remove the disparity and lack of uniformity in the re-fixation / protection of pay of ex-servicemen on their re-employment across institutions.

The IBA guidelines annexed to the said communication, inter alia, provide for the following benefits to re-employed ex-servicemen:

(i) Protection of pay plus Dearness Allowance drawn at the time of release from the Armed Forces, in respect of ex-servicemen joining the workmen cadre, in terms of Ministry of Defence letter No.1/69/2008/D(Pay/Service) dated 24.07.2009 and DoPT O.M. No.3/19/2009-Estt.(Pay-II) dated 08.11.2010;

(ii) Ignoring of the entire pension, i.e., the pension drawn from the Government is not reduced from the pay so re-fixed;

(iii) Grant of increments equal to the completed years of service rendered in the Armed Forces to Ex-ECOs/SSCOs joining the officers' cadre (JMGS-I), subject to the ceiling of total emoluments (excluding HRA and CCA) last drawn;

(iv) Similar weightage of years of service for those appointed in the clerical cadre, with reference to the minimum of the clerical scale;

(v) Grant of two increments for graduation, subject to the conditions stipulated therein.

It is pertinent to point out that the foundational instructions on which the aforesaid IBA guidelines rest, namely DoPT O.M. No.3/19/2009-Estt.(Pay-II) dated 05.04.2010, are issued in amendment of the CCS (Fixation of Pay of Re-employed Pensioners) Orders, 1986, which govern the fixation of pay of all re-employed Central Government pensioners and are not confined to Defence Forces pensioners alone. Personnel of the Central Armed Police Forces (CAPFs) — the CISF, BSF, CRPF, ITBP, SSB and Assam Rifles — are Central Government pensioners squarely covered by the said Orders. They serve the nation in uniform, in disciplined-force conditions involving comparable hardship, hazard and sacrifice, and a large number of them retire or are released at a relatively young age, compelling them to seek a second career, including in the banking industry.

However, it has come to our notice that on their re-employment in Public Sector Banks, ex-personnel of the CAPFs are, in many banks, being denied the benefits of pay protection, ignoring of pension, weightage of past service and other benefits which are being extended to ex-servicemen of the Armed Forces under the IBA guidelines, merely on the technical ground that the term 'ex-servicemen' does not, by definition, cover CAPF personnel. This has resulted in an invidious and unintended discrimination between two classes of similarly placed re-employed Central Government pensioners serving side by side in the same banks, and has given rise to representations, grievances and avoidable litigation.

We may add that the very rationale recorded in the DFS letter dated 17.02.2014 — that of ensuring uniformity and avoiding disparity in pay fixation across PSBs — applies with equal force to re-employed CAPF pensioners. Several judicial and administrative pronouncements have also recognised the entitlement of re-employed Central Government pensioners, including CAPF personnel, to fixation of pay in terms of the CCS (Fixation of Pay of Re-employed Pensioners) Orders, 1986, as amended.

In the circumstances, we request that the Indian Banks' Association may kindly examine the matter and issue a suitable advisory / communication to all Public Sector Banks, including the State Bank of India, clarifying that:

1. The benefits of pay fixation / pay protection enumerated in the IBA guidelines circulated vide letter No.HR&IR/KSC.GOVT/589/8785 dated 01.02.2014, read with DFS letter F.No.4/3/2012-Welfare dated 17.02.2014, shall apply, mutatis mutandis, to ex-personnel of the Central Armed Police Forces (CISF, BSF, CRPF, ITBP, SSB, Assam Rifles, etc.) re-employed in the banks on or after 01.01.2006;
2. Pay of such re-employed CAPF pensioners shall be protected with reference to pre-retirement pay plus Dearness Allowance last drawn, their pension shall be ignored and not reduced from the pay so fixed, and weightage of completed years of service shall be given in the manner provided in the said guidelines;
3. Cases of CAPF pensioners already re-employed in the banks on or after 01.01.2006 shall be reviewed and their pay re-fixed accordingly, with consequential benefits.

We shall be glad if the requested advisory be issued at an early date.

With best regards,

Yours sincerely,

Sd/-
Rupam Roy
General Secretary