

The Chief General Manager  
State Bank of India  
Local Head Office  
All Circles

HR/IR/RP/2020-21/1323

Date: 02.12.2020

Madam / Dear Sir,

**11<sup>TH</sup> BIPARTITE SETTLEMENT W.E.F 01.11.2017**  
**READINESS FOR PAYMENT OF ARREARS TO OFFICERS & WORKMEN**

Indian Banks' Association, on 11<sup>th</sup> November 2020, has signed a Memorandum of Settlement and a Joint Note with the representatives of Unions / Associations of Workmen / Officers regarding Service Conditions and Wage Revision in respect of Workmen and Officers, w.e.f. 01.11.2017. We are arranging for implementation of the same in our Bank. In this connection we advise as under the modalities for payment of arrears **after issuance of circular by the Bank** : -

- (i) Arrears to active employees and pensioners will be paid centrally by the HRMS Department, GITC. ***In all cases where ad-hoc salary was paid in October 2019, such amount will be deducted from the arrears payable.***
- (ii) Arrears in respect of employees retired / resigned / died on or before **31.03.2020** and not drawing pension, will be calculated by HRMS, GITC and forwarded to the Circles / OADs / IAD Hyderabad for payment and recovery of tax (if any) at their end.
- (iii) Arrears in respect of employees retired / resigned / died **on or after 01.04.2020** and not drawing pension, will be calculated by HRMS, GITC and forwarded to the Circles / OADs / IAD Hyderabad for payment and recovery of tax (if any) at their end. However, in these cases the Circles / OADs / IAD Hyderabad will ensure to update the details of arrear and tax deducted on it (if any) in the HRMS System for calculation of tax on perquisites correctly.
- (iv) Arrears of the employees who are / were under suspension for any period during the arrear period (i.e. 01.11.2017 to 30.11.2020) are to be calculated / paid manually by the branch / office where such employees are / were working at present / last worked. The details of the same should be advised by the

Circles / OADs / IAD Hyderabad to the Industrial Relations Department, Corporate Centre seeking prior approval for payment. Only leftover cases should be referred to Corporate Centre.

- (v) The Income Tax will be deducted as per the present tax slab of the employee / pensioner.
- (vi) Calculation / Payment of arrears of 'Acting Allowance' will be taken up separately by HRMS Department, GITC. The modalities thereof will be finalized subsequent to completion of payment of arrears of regular salary.
- (vii) Arrears, if any in respect of components like Adjusting Allowance, Personal Allowance etc. which are not calculated by HRMS but are decided by HR authorities based on fitment formula, is to be calculated manually by the Circles / OADs / IAD Hyderabad and details of the same should be advised to the Industrial Relations Department at Corporate Centre seeking prior approval for payment. Only leftover cases should be referred to Corporate Centre.
- (viii) The arrears calculated and paid by the system will be as per the data & information available in the HRMS. The arrear payment and new salary as per the new scales will be treated as **Provisional**, till fitment in new scales is done by the competent authority.
- (ix) The matter of change in amount of Basic Pay on account of recalculation of eligibility of stagnation increment as per two years frequency will be handled by respective Circles /OADs / IAD Hyderabad. Further, arrears if any payable on account of it will also be calculated and paid by them.
- (x) In the month of September 2020, we have requested the Circles / OADs /IAD Hyderabad to provide details of payment of Leave Encashment on Retirement made on or after 01.11.2017, for all the cases. Further, we have also requested them for maintaining number of days for which Leave Encashment was availed on account of LFC/HTC on or after 01.11.2017 in **INFOTYPE – 416**, where it was not maintained at the time of payment of Leave Encashment. If details are not provided / maintained on time as the case may be, then it will be the responsibility of the respective Circles / OADs / IAD Hyderabad to pay arrears of left out cases of Leave Encashment.





- (xi) Arrears in case of the employees who are / were on deputation to other Banks / Organizations for any period from 01.11.2017 and whose salary and allowances are / were paid through HRMS, will be paid by HRMS Department, GITC after ensuring tax liability if presently they are active employees / pensioners. In other cases arrears will be calculated by HRMS, GITC and the details will be provided to respective Circles / OADs / IAD Hyderabad (i.e. from where they have drawn their last salary) for payment at their end. The matter of obtaining reimbursement of arrears, if any from the borrowing Banks / Organizations will be handled by the office who is / were handling it for reimbursement of regular salary & allowances. In other cases of deputation where salary and allowances are paid by the borrowing organization, the responsibility of payment of arrear will be of the borrowing organization.
- (xii) In case of employees of the other Banks / Organizations on deputation to SBI and drawing salary from SBI, the arrears for the period for which they have drawn the salary from SBI will be paid by SBI. However, arrears to the employees who are drawing salary from SBI at the time of payment of arrears, will be paid by HRMS, GITC. In other cases arrears will be calculated by HRMS, GITC and the details will be provided to respective Circles /OADs /IAD Hyderabad (i.e. from where they have drawn their last salary) for payment at their end.
- (xiii) Perquisite value and Tax on it will be calculated as per the applicable rates for the current financial year (i.e. 2020-21) considering the gross amount of arrears paid for the entire period (after deducting amount of ad-hoc paid in the FY 2019-20) as income of the current financial year.
- (xiv) Additional PF (VPF) recovery will not be done for the employees whose net arrear amount will be **Negative** after reducing the amount of ad-hoc paid in the FY 2019-20, from gross amount of arrears payable.
- (xv) In case of officials posted at Foreign Offices, the PF contribution on revised notional salary will be calculated by respective offices / establishments and remitted to PPG-AMC, Kolkata.
- (xvi) Calculation and payment of arrears by HRMS is a one time exercise and after completion of it if arrears are required to be paid to any left out cases, it will be done by the respective Circles /OADs / IAD Hyderabad.



(xvii) As advised above, in some cases arrears will be paid by the Circles / OADs / IAD Hyderabad at their end in case of active employees, pensioners & employees retired/resigned/died on or after 01.04.2020 and not drawing pension. The details of such payments & tax on it (if any) must be updated in HRMS in all such cases for taxation purpose and calculation of perquisite value and tax on it correctly.

(xviii) HRMS will carry out the exercise for calculation of arrears and configuration of revised salary immediately **after issuance of the Circular by the Bank.** Hence, following data updation in HRMS relating to Salary and other services will be stopped till completion of the exercise: -

- (a) Rights of Circle HRMS Teams will be locked to stop corrections in IT008, IT0014, IT0015, IT0581, IT0587 etc.
- (b) Services of Fitment, Increment, Leave Encashment and Salary Data correction through HRMS Portal.

2. We request that the contents of this letter may please be brought to the notice of all establishments concerned and they may be asked to be prepared accordingly. A copy of this letter may also be shared with the Corporate Centre establishments located in your area.

Yours faithfully,



[ Sanjay Prakash ]  
Deputy General Manager (IR)  
for Chief General Manager (HR)

