

# **THE CANARA BANK OFFICERS' ASSOCIATION (Regd.)**

Registered under Trade Unions Act, 1926 at Mumbai.  
(Affiliated to AINBOF)



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**DRAFT**

## **CHARTER OF DEMANDS**

TO BE SUBMITTED BY

**CANARA BANK OFFICERS' ASSOCIATION**  
**(CBOA)**

TO

**INDIAN BANK ASSOCIATION (IBA)**  
**MUMBAI**

The Chairman  
Indian Banks' Association  
Mumbai.

19<sup>th</sup> October, 2022

Dear Sir,

### **Charter of Demands**

We the Canara Bank Officers' association called as CBOA (affiliated to AINBOF- All India Nationalized Bank Officers' Federation) with more than 45,000 members and the second largest trade union for the Officers' community, submit the following Charter of demands for your kind consideration, We would like the Indian Bank Association to take into account the following:

1. Wage negotiation has to be up to scale VIII, the newly introduced position of CGMs (Chief General Manager) in the bank.
2. The residual issues must be settled before commencing the negotiations on the CoD.
3. It should be the endeavour of both parties to provide a decent salary that would attract the best talents in the country for a career in the banking industry.
4. The wage revision shall be realistic matching to the status and stature of the work force for leading a decent life and it shall be delinked from the paying capacity and the profitability of the bank.
5. Work life balance has to improve with the improvement in technology thus five day banking is to be considered as top priority.
6. As all the parameters are well known, the wage revision shall be effective from 1<sup>st</sup> November 2022 and all the negotiations to be completed within a period of two

months. The revised salary as per new basic pay to be credited to the employees account from January 2023 onwards along with two months arrears.

7. Appointment of officer / employee Director in Public Sector Banks is to be considered as top priority.

We look forward to a Historic Settlement which will pave way for the development of the Banking Industry and the Nation.

Your's faithfully

President

Chairman

General Secretary

## **BROAD SUMMARY OF CHARTER OF DEMANDS**

- 1. RELATIONSHIP BETWEEN EMPLOYEE AND EMPLOYER**
  - 2. COMPLETION OF WAGE NEGOTIATIONS WITHIN A PERIOD OF 6 MONTHS.**
  - 3. IMPLEMENTATION OF WAGE REVISION**
  - 4. MERGER OF SPECIAL ALLOWANCE WITH BASIC PAY BEFORE EFFECTING FITMENT EXERCISE**
  - 5. MERGER OF DEARNESS ALLOWANCE WITH BASIC PAY**
  - 6. ADDITIONAL INCREMENTS TO PSB EMPLOYEES AT PAR WITH STATE BANK OF INDIA**
  - 7. AVOIDING STAGNATION: INTRODUCTION TO RUNNING SCALE OF PAY**
  - 8. INTRODUCTION OF 5 DAY BANKING: TO PROMOTE WORK-LIFE BALANCE**
  - 9. REDUCED CASH TRANSACTION HOURS AND DEFINED WORKING HOURS FOR OFFICERS**
  - 10. UPDATION OF IBA HEALTH INSURANCE POLICY**
  - 11. SCRAPPING OF NPS AND REINTRODUCTION OF DEFINED PENSION PAYMENT SCHEME WITH THE INCREASE IN CORPUS RESULTING OUT OF SCRAPPING OF NPS**
  - 12. PROVIDENT FUND**
  - 13. MEDICAL INSURANCE SCHEME TO RETIREES AT PAR WITH SERVING EMPLOYEES**
  - 14. UPDATION OF PENSION FOR RETIREES AS PER THE FORMULA ADOPTED AND IMPLEMENTED BY RBI FOR ITS RETIRED EMPLOYEES.**
  - 15. ALLOCATION OF STAFF WELFARE FUND COMMENSURATE WITH THE OPERATING PROFIT OF THE BANK.**
  - 16. ANNUAL PL ENCASHMENT.**
  - 17. PENSION**
  - 18. EDUCATION ALLOWANCE**
  - 19. TRANSPORT ALLOWANCE ON TRANSFER**
  - 20. IMPROVEMENT IN LEAVE BENEFITS.**
  - 21. IMPROVEMENT IN LFC ENTITLEMENT.**
  - 22. TERM INSURANCE**
  - 23. GRATUITY**
  - 24. PROVISION OF HOUSING ACCOMMODATION/ PAYMENT OF HRA**
  - 25. EXTENSION OF SPECIAL LEAVE/ WORK FROM HOME FACILITY FOR WOMEN EMPLOYEES DURING THEIR MENSTRUAL PERIOD**
  - 26. POSTING COUPLE WHO ARE BOTH WORKING IN A BANK, TOGETHER.**
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We the Canara Bank Officers Association called the CBOA (affiliated to AINBOF- All India Nationalized Bank Officers Federation) with more than 45,000 members and the second largest trade union for the Officers' community, submit the following Charter of Demands for your kind consideration, as the 11<sup>th</sup> Bipartite and the 8<sup>th</sup> Joint note signed by the various trade unions on 11.11.2020 will end on 31.10.2022 and the new wage settlement is due from 01.11.2022.

## **INRODUCTION:**

The growth phase of our Banks can be divided into two categories. Pre nationalization and post nationalization.

Nationalization of Banks took banking services to the common man across the lengths and breadths of the country and helped in the economic development of the Nation.

Public Sector Banks have their presence in nearly 28800 villages and at 24599 in Semi Urban areas to cater to the needs of the public. Recruitment in the Banking Industry had crystallised from 2001 to 2008 and again started only in 2009.

Earlier, the industry demanded Single Window operators more than highly qualified professionals.

Since 2009, however, with the demand for fast and efficient services increasing in the industry, banks changed tact with a majority of the recruits being highly qualified like B.E, B.Tech and MBA. Even the minimum qualification for the clerical cadre has been enhanced from metric or SSLC to graduate since 2012.

They have chosen the Banking Industry, with an eye on a prolific career and better life styles besides the service orientation.

The Banking Sector is the back bone of Indian Economy and it contributes to the development of the Nation despite of its many limitations. Nationalized banks have rendered selfless service for the growth of the country, which has been acknowledged by renowned economists. Today Infrastructure of the country has improved a lot, particularly in Roads, Airports, Telecom and Power. The Contribution to this sector by the Banking sector is immense.

The growth of sectors like Agriculture, Micro & Small Enterprises, Services sector are a result of the public sector banks lending to these areas. Dreams of crores of youngsters in realizing their ambition of acquiring professional degree was made possible through Education Loans. Lending to Weaker Sections by Public Sector Banks helped in the uplifting of poor and downtrodden and creation of millions of small entrepreneurs.

The nationalized banks, with their social objectives over profitability, and directed lending to priority sector, weaker sections, minorities, have achieved a lot of ground in the stated objectives of nationalization during the past 5 decades.

But unfortunately, when coming to the wage settlements, the contributions made by the Public sector Banks going to the back seat and paying capacity of the Banks is coming to the fore front. Even during Covid, the Public Sector Banks played a Pivotal Role in reviving the MSME, Agriculture, Retail Sector and in Self Reliant (Atma Nirbhar Bharat).

Even the extraordinary exercise for rooting out black money from the system, the demonetisation exercise has been a success due to the untiring and committed efforts of the employees and officers of Public sector banks as commended by none other than the honourable Prime Minister of India.

In spite of the many odds faced by the PSBs, they have shown an excellent performance and the total operating profit of the 12 PSBs during 21-22 is Rs 204285 Crores and the Net Profit is Rs 66539 Crores.

## **1. RELATIONSHIP BETWEEN THE EMPLOYEE AND EMPLOYER:**

*"MUTUAL RELIANCE"* of all elements is the most important in any favorable or promising professional relationship. There should be a balanced amount of reliance on both sides, while the employee strives towards the benefit of the Business and in return expects the employer to treat them fairly and pay equitably.

Employees that value their employers are the ones who are experiencing the attributes like recognition, appreciation, gratitude, bonus, promotions and increments. These efforts by the employer are of mutual benefit, both to the employees as well as the Organization.

Higher engagement rate, higher productivity, improved attendance, lesser job stress, reduced employee turnover and employee advocacy are some of the merits of a progressive Employee-Employer relationship which certainly are beneficial to the Organization.

“Employees that are appreciated reciprocate in a thousand ways”

Majority of the employees find these elements to be significant to promote intrinsic factors like job satisfaction, workplace happiness, etc.

The evolution in the recent society opines beyond Job Security. Factors like better salary, perks, emoluments, company reputation and company culture are certain motivators that vitally determine the employee retention.

In the anticipation of a finer relationship with our cherished employer, Canara Bank Officers' Association, being the negotiating body and a stark endorser of Welfare and Prosperity of our beloved Mother Bank is privileged to present some rational demands before the management for your kind contemplation.

## **2. COMPLETION OF NEGOTIATION FOR WAGE SETTLEMENT WITHIN A PERIOD OF 3 MONTHS:**

The cut-off date in case of the previous wage settlement was 01.11.2017, however, the settlement negotiations were finalized only in late 2018 and the benefits were realized to thirteen lakh employees of Public Sector banks only in the year 2019.

The wage settlements aim to fix wages for the employees in commensurate with the expansion of the economy, prevailing inflation in the economy and by taking into consideration the increase in the responsibilities of the employees concerned.

Yet, when the wage settlements are implemented / effected three years later than the cut-off date the motive of normalizing wages and the stature of the employee in the society is decimated and denies the employees chance at economic or social upliftment.

The double whammy effects of multiplying responsibilities and dwindling pay has turned out to be a sour concern of the employees of Public Sector Banks.

This Zero Sum Game, where the employees are put to distress has also had an effect on human resources in the Public Sector Banks, with increase in attrition and loss of interest for a career in the Public Sector banks with the eligible candidates.

Hence, it is most pertinent that the wage revision is fixed by giving due credence to the responsibilities and accountability of the employees, the risk faced by them and to enhance their stature in the society in a scheduled and timely manner.

A period of 3 months' time from the cutoff date may be sufficient to finalize the settlements with substantial increment in the basic pay.

### **3. IMPLEMENTATION OF WAGE REVISION:**

Bank men in India were once nicknamed as “High Wage Islands”. It was till the year 1979 J.M.G.-Scale I officers Pay is more than Central government Group A officers and to rationalize the disparity Pillai committee has been appointed in the year 1979 and the committee has brought the Bank officers pay at par with the Central govt Group A officers.

But however since 5<sup>th</sup> Pay commission, the gap increased and now the Banks officer's salary is nowhere that of Group A officers.

Banks and the Insurance Companies are working in one umbrella i.e. Department of financial services and the Bank employees has to do a multi task and has to work even in remote places when compared to the employees of the Insurance Companies. When we observe the salary pattern of both the employees of PSBs and Insurance companies, there was much injustice done to the employees of PSBs

Basic pay comparison of the employees of LIC/ Banks in equal cadre

Grade/ Scale	LIC of India	PSBs	Difference in Basic pay
AAO/ Scale 1	53600	36000	17600
BM/ Scale 2	72115	48170	23945
SBM/ Scale 3	87985	63840	24145
DM/ Scale 4	107820	76010	31810
SDM/Scale 5	130500	89890	40610



The Basic mentioned above is of exclusive of Special allowance. LIC employees have a fixed special allowance starting from Rs 4500 to Rs 10500 for the above mentioned grades/ scales, whereas the PSBs employee's special allowance is 16.40% of the Basic up to Scale 3 and for Scale 4 and 5 it is 19% of the Basic Pay. In both the cases Special allowance is eligible for dearness allowance.

As per the above table is very clear that an officer working in LIC at the starting stage gets minimum Rs 20,000 more than an officer working in Public Sector Bank. RBI Grade B officers starting basic pay is Rs 55200 and grade pay is Rs 6800.

Nowhere has the PSB officer is salary is matching to those working in the similar sector.

As per the directive principles of the state policy article 38(1), the state shall strive to minimise the inequalities in income and endeavour to eliminate economic inequality as well as inequalities in status and opportunities, not only among individuals, but also among groups of people residing in different areas or engaged in different vocations per Article 38(2).

The state shall aim for equal pay for equal work for both men and women. Though we are ensuring equal pay for equal work for men and women in letter and spirit, but we are not ensuring the equal pay for equal work to those, who are working with the same designation and executing the same work.

We demand new wage structures should be matching to the Stature, Risk, and Responsibility, transferability and accountability of the officer in tune with Public Sector Insurance companies, RBI and with the employees of similar work nature without linking the revision to the paying capacity or the profitability of the bank.

#### **4. MERGER OF SPECIAL ALLOWANCE WITH BASIC PAY BEFORE EFFECTING THE FITMENT EXERCISE:**

Special allowance has been introduced during 10<sup>th</sup> bipartite settlement in lines with the grade pay introduced for the central government Employees as per the 6<sup>th</sup> Pay Commission and the same has been continued in the

11<sup>th</sup> bipartite settlement and the component has been increased to 16.40% ,19% and 20% (Earlier the same was 7.75%, 10% and 11%).

However special allowance is eligible for DA but not eligible for the calculation of PF, Pension etc. So special allowance to be merged with the Basic pay.

#### **5. MERGER OF DEARNESS ALLOWANCE:**

Revision of Basic Pay by merger of D.A. Payable at the average index for the quarter July-September 2022.

Existing special allowance and DA thereon to be added to Basic Pay, before effecting the fitment exercise.

We demand new wage structures should be matching to the Stature, Risk, and Responsibility, transferability and accountability of the officer in tune with Public Sector Insurance companies, RBI and with the employees of similar work nature without linking the revision to the paying capacity or the profitability of the bank.

Recently government revises base year for consumer price Index –IW from 2001 to 2016 and for central government employees DA is being paid on CPI (2001=100) Index series, whereas for the Bank employees till now DA is being paid on CPI (1960=100) Index series. The CPI-IW is used primarily for measuring the Dearness Allowance payable to workers. The Union government revised the base year recently for computing consumer price Index from the present 2001 to 2016 after a gap of 15 years

As per the norm, base year of price index numbers should be revised at frequent intervals generally not exceeding 10 years to reflect the changes that take place in the consumption pattern of consumers.

The CPI-IW is used primarily for measuring the Dearness allowance payable to workers in the organised sector including PSUs, Banks and insurance companies, besides Government employees.

Unveiling the report on base revision of price index, Union Labour Minister Sri Santosh Kumar Gangwar said, the base revision will be done every five years in future.

“The New series is more representative in character and reflects the latest consumption pattern of industrial workers” Sri Gangwar Said. So D.A to be paid based on CPI (2016=100) Index series instead of CPI (1960=100) series. D.A to be revised on monthly variation in Index instead of quarterly.

## **6. ADDITIONAL INCREMENTS TO PSB EMPLOYEES AT PAR WITH STATE BANK OF INDIA:**

The role of a Bank Officer is common across all the Banks depending upon their Scale wherein they function irrespective of the Bank.

A Probationary Officer is confirmed in the services of any Bank, up on completion of his/ her probation for a period of two years during which training in all the spheres of the banking is extended to such officers for an exposure in a broader spectrum.

Further, the Probationers of any Bank including the SBI, though the designations are classified in different terminologies, the recruitment pattern, qualification, eligibility, the nature of work, risk appetite, multi-tasking responsibilities are very similar and moreover, at the time of promotion to higher scale in the service, i.e., Scale II (MMGS II) immediately from Scale I, the fitment is being made depending upon the stage at which the promotee officer had been drawing the salary.

For a long period of time, the Probationary Officers who join State Bank of India in Scale I (JMGS I) are being provided with four additional increments from the date of joining itself.

On the contrary, it is the not the case with regard to the Probationary Officers at the time of joining who join other Banks. An entry level officer basic pay in SBI is Rs 41960, whereas for those working in other Public Sector Banks the entry level basic pay is Rs 36000 only.

If we calculate DA , special allowance, HRA etc, the monthly difference will be Rs 10,000 per month.

Hence, on the basis of the principle of “**Equal Work, Equal Pay**”, it is just on our part to demand four additional increments, as being paid to those Probationary Officers who join State Bank of India taking into account the equal nature of work.

## **7. AVOIDING STAGNATION: INTRODUCTION TO RUNNING SCALE OF PAY:**

**Growth is the essence of life. To “thrive and shine”, to “reach and surpass our goals” defines growth, but if growth comes to a standstill, an unseen force holds back and a paralyzing fear of being stuck in a rut imposes up on any individual who experiences stagnation.**

**Stagnation not only has an underlying effect on mental health but also rubs off on his/ her fellow colleagues over a period of time causing depression and stress which is not only regressive for the employee but also to the Organization.**

**Employees who experience stagnation generally exhibit these symptoms: Low Self-esteem, constantly being self-critical, fear of failure, reduced productivity, lingering procrastination, lack of enthusiasm, retreating into sleep, entertainment and mindless activities seeking comfort, feeling of living under the potential, etc., and it is critical to note that many Bankers face the same predicament.**

**RUNNING SCALE OF PAY- the present system of increments is linked to promotion and the promotion process is not uniform and also not in the hands of an individual rather it is dependent on the availability of additional branches/ offices and retirement of officers in the higher echelons of management.**

**Currently a new recruit officer will be reaching stagnation within 15 - 18 years in the absence of promotion and for rest of his service the increments will be few and far between, despite him being recruited under merit as that of his colleague.**

**The recruitments in large scale for entry level officers through IBPS has been dwindling over the years and going forward, the promotion opportunities shall be declined as the number of retirements are coming down and chances of opening of new branches deemed unnecessary by banks due to the recent merger.**

**Further, the promotion process is not uniform in the banking system and getting promotion is also not in the hands of the individual officer. Such officers would be stagnating in one stage without any yearly increase due to the administrative constraints.**

**Running Scale of Pay is already available for Central Government employees primarily to negate the issue of stagnation.**

**On stagnation, the 7th Pay Commission notes, that *“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”*.**

**Keeping the same in mind, in the 7<sup>th</sup> pay commission, for the central government employees’ increment stages have been increased from existing 24 to 40. If an employee joins at the age of 20, still his retirement that is up to reaching the age of 60 years; he/she will get an increment for every year. In the same lines, number of stages to be increased from the existing 16 to 40 for the PSB employees, so that till the retirement of the employee, he/she gets an increment every year.**

## **8. INTRODUCTION OF 5 DAY BANKING: TO PROMOTE WORK-LIFE BALANCE:**

*Work-life balance is the state of equilibrium which equally prioritizes the demands of both career and personal life.”*

However, as much as gravity the concept of “work-life” balances essentially demands, this intersection of work and personal life is the least of everyone’s priorities.

Often work takes precedence over everything else in our lives. Our desire to succeed professionally can push us to set aside our own well-being. Creating harmonious work-life integration is critical to both mental well-being as well as career.

*“Employers who are committed to providing environments that support work-life balance for their employees can save on costs, experience fewer cases of absenteeism, and enjoy a more loyal and productive workforce,”* said Chris Chancey.

## **TECHNOLOGY MAKES IT FEASIBLE:**

The banking industry has undergone a radical shift, one driven by new competition from Private players, changing business models, mounting regulation and compliance pressures, and disruptive technologies.

The emergence of Fin-Tech/ non-Bank start-ups is changing the competitive landscape in financial services, forcing traditional institutions to rethink the way of business.

As data breaches become prevalent and privacy concerns intensify, regulatory and compliance requirements become more restrictive as a result. And, if all of that wasn't enough, customer demands are evolving as consumers seek round-the-clock personalized service.

These and other banking industry challenges can be resolved by the very technology that's caused this disruption. While all the other reasons against 5-day banking continue with the status quo, it is unlikely that the customers' interests will suffer, thanks to advanced computerization and rapidly growing non-banking channels such as ATMs, Internet and Mobile Banking platforms which are adequately taking care of nearly 60% of all the banking requirements.

Across the globe 5-day week is a norm. Even some of the countries moving towards 4 days a week. In the country like US, the average working hours for a week is 34.

Even in our country, most of the progressive, forward looking corporates, organizations, Government and quasi-Government Organizations, Public sector Insurance companies have been functioning 5 days a week, which enables the officers and employees to have balanced work life so that they are motivated and can contribute significantly.

- **5 DAY WORKING WEEK:** Many countries like Australia, Austria, Belgium, Argentina, Brazil, Canada, China, Egypt, Germany, Indonesia, Italy, Japan, New-Zealand, Russia, Switzerland, UAE, Yemen etc operate 5 Day working week.

Further it promotes,

- ✓ increased productivity
- ✓ less instances of sickness and absenteeism
- ✓ a happier, less stressed workforce
- ✓ staff feeling valued and that their personal and/or family life is important
- ✓ improvements in employee mental health and well-being
- ✓ more engaged staff
- ✓ greater employee loyalty, commitment and motivation

- ✓ staff less likely to leave
- ✓ **reduction in Revenue expenditure of the Bank like electricity**
- ✓ **Helps in reduction of carbon gases.**

The sound decision of declaring 2<sup>nd</sup> and 4<sup>th</sup> Saturdays as holiday has evidently caused no difference in customer satisfaction/ service or disposal of financial transactions. As such, declaring remaining Saturdays as holidays will have no impact.

As one wag put it, *“The Lord himself would probably remake the world now in five days and rest for two, then why not his pupil too?”*

## **9. REDUCED CASH TRANSACTION HOURS AND DEFINED WORKING HOURS FOR OFFICERS:**

Now, banks are conducting cash transactions till one hour prior to close of office hours. Thus, the branches are left with only one hour to aggregate, verify and complete the process of cash counting, re-counting and lodging into the vault.

This has a telling effect on closure of the branches for the day, elongating working hours of officers, constraining them to overstay in the branches.

It is observed that, a very substantial numbers of bank branches are single officer branches. Till the closure of cash, officers will be constrained to handle cash related transactions and are confined to the desk, depriving of much required attention to other areas like lending, business development and compliance related work.

Now that ATMs have been deployed in every part of the country with high density, digital banking like internet banking, mobile banking has occupied pivotal place in transactional banking.

Further, the Government has been propagating digital and electronic banking in a big way to reduce the importance and volume of physical cash transactions. In view of these, it would be in fitness of things to reduce the cash transaction hours to 4 hours.

This will have the following advantages:

- Dependency on cash in the society will be reduced

- Citizenry will adopt better and faster digital, electronic mode of banking c. Will bring down the cost of operations of banks, paving way for reduced service charges
- Will bring down the cost of printing currency and its management by Reserve Bank of India
- Provide much needed time to operating functionaries to complete the day's work well on time.
- Enable officers to engage themselves in compliances and business development activities.

While the office hours of banks are well defined, officers have been subjected to unregulated working hours. Each officer in the industry is made to work unreasonably beyond office hours.

While it is an accepted international norm that one cannot work efficiently, applying mental faculty, beyond 8 hours, officers are forced to work for 10-12 hours a day, exposing not only the officers to health risks, but also multiplying the consequential operational risks to the banks.

Longer working hours have negative impact on the level of performance, quality of decision, culture of the organization and the industry, in addition to enslaving him to work, discarding familial and social obligations.

Hence, we demand that Regulated Working Hours maybe implemented for the working class Officers in order to maintain balance to a healthy living and working life-style.

## **10. UPDATION OF IBA HEALTH INSURANCE POLICY:**

As a part of the 10th Bipartite Settlement/ Joint Note dated 25.05.2015, Medical Insurance Scheme has been introduced at the industry level to cover the Hospitalization Expenses of all the employees.

All the claims of hospitalization/ domiciliary expenses occurred/ incurred on or after 06.10.2015 would be covered under the said policy. Insurance Limit fixed for a family of an officer is Rs 4 Lakhs per year.

The medical expenses have appreciated phenomenally in the market, the insurance cover has been fixed at Rs 4 lakhs per year.

The policy updation should take into consideration the appreciation in expenses and the resultant increase in the premium to be paid to the insurance company shall be borne by the member banks.



IBA Health Insurance policy is not applicable to the employees of SBI and they have the separate bank wise policy. LIC of India has a similar health insurance policy, where the coverage for an officer is Rs 10 Lakhs p.a.

All claims admitted in respect of any/all insured person/s during the period of insurance shall not exceed the Sum assured stated above and Corporate Buffer allocated to the Bank.

**Corporate Buffer:** Rs. 100, 00, 00,000/- Corporate buffer may be appropriated as per the premium of the bank. If the Corporate buffer of one bank is exhausted, the remaining amount can be claimed from the unutilized corporate buffer of the other banks.

Corporate Buffer can be authorized by the Management, through an Authorized person / Committee as decided by IBA / Bank, and informed directly to the THIRD PARTY ADMINISTRATOR by keeping the insurance company in the loop.

We understand from the above that, the corporate buffer can be claimed by those who are admitted in the hospital on first come first serve basis. In view of which, those admitted in the hospitals in the initial months of the policy are likely to get the amount spent by them, wherein at the later stage when the buffer eroded, the chance of getting from corporate buffer is very less.

Due to the same, during covid period many of the employees have taken the outside debts. It is very much the prime responsibility of the employer to provide the health insurance for all the employees and their family members with full coverage. But in practicality the same is not happening and it is making the employee bankrupts.

**More over the premium was raised every year and there is more financial burden on the Banks too. Following table clearly illustrates the increase in premium over a period of 4 years.**

Category	Amount Insured	Premium for 2015-16	Premium for 2019-20	Increase in premium
Officers	Rs.4.00 lakhs	Rs.6573/- + Taxes	Rs.17627/- + Taxes	268%
Award Staff	Rs.3.00 lakhs	Rs.4930/- + Taxes	Rs.13221/- + Taxes	268%

As per the same, the premium paid by a Bank like Canara itself is amounting to Rs 100 Crores.

**While the above being the case for the nationalized banks, State Bank of India was exempted from the IBA Health Insurance Scheme itself and they continue to get the reimbursement of hospitalization expenses only from their bank, which has proven successful and employee friendly.**

**Hence, we demand that the reimbursement model which is available to the Officers of State Bank of India should be extended to all the Officers of all the Nationalized Banks.**

#### **11. SCRAPPING OF NPS AND REINTRODUCTION OF DEFINED PENSION PAYMENT SCHEME WITH THE INCREASE IN CORPUS RESULTING OUT OF SCRAPPING OF NPS**

In the existing Pension scheme in Banking Industry, Pension is pre-determined on the other hand, pension under National Payment System (NPS), for all those who were recruited subsequent to April 2010, while the contribution is determined, the return is not defined and is uncertain. It depends on the capacity of the fund to generate return in which the employee chooses to invest.

The employee has to indicate his risk appetite at the time of joining in the fund viz. Low risk, Medium Risk and High Risk. But as no switching is allowed, and the performance of the fund may vary depending upon risk pattern indicated at the time of joining, the market behaviour will determine the Pension to be received by an employee.

Further, the contribution is made @10 % of Basic Pay + DA of the concerned employee leading to a huge accumulation of fund. But the rate of return on any established fund sometime shows negative return over a time horizon leading to apprehension that at the time of retirement the corpus fund may not be sufficient to generate a pension benefit befitting the living standard at that particular time.

Pension benefit is vital for the leading a dignified life post-retirement and should not be left to the vagaries of capital market.

The whole exercise of defined contribution being managed by fund houses tackling the economic interferences without any promise of sustainable returns to the contributor is speculative at best and it is only due to the statutory relevance the contributions are being effected by the employees.

Further, Removal of uncertainty is pre-condition for ensuring whole hearted alignment with job and for this superannuation benefit should be defined. Initiative in this regard maybe taken and demanded that the Government should review NPS.

It is pertinent to recall here that even Supreme Court had opined in its judgment in a case that ***“Pension is succour for post-retirement period and it is not a bounty payable at will, but a social welfare measure and as a post-retirement entitlement pension facilitates a retired employee to live with dignity in his winter of life”.***

Presently Pension is paid out of the interest portion of the huge corpus of pension fund built up over a period by the contributions from all our yesteryear employees and employees who joined in banks till March 2010.

The number of pensioners is dwindling and with no system in place for pension updation, the corpus of pension fund has grown significantly over the years.

Surely, the current crop of pensioners and the pension optees will be out of the system at some point of time and what would happen to the huge pension corpus fund which would run into lakhs of crores of rupees and was being passed over by the seniors to juniors all along.

In order to ensure that the employees who joined the banking system on or after 01.04.2010 enjoy the fruits of the hard labour, it is imperative that the NPS should be scrapped and the Bank level pension is reintroduced.

Hence we demand scrapping of NPS and reintroduction of Bank level pension scheme similar to RBI, which has its own Pension fund and has been able to update the same as and when entailed by the pensioners of RBI.

## **12. PROVIDENT FUND:**

For those who joined before 1995, there is an option either to choose Pension or Provident fund. But those who recruited after that, has to mandatorily opt for the pension. During 10<sup>th</sup> Bipartite settlement as per the demand of trade unions, second option has been given, and whoever opted for pension, their provident fund contributed amount has been transferred to the pension fund, so there is no monetary burden to the Banks. Still there are less than 1000 persons who have still in the provident fund category.

Those who are recruited before March 2010 are eligible for old pension system and those recruited from 1<sup>st</sup> April 2020 are eligible for new pension system.

Those who are in the provident fund category, numbering around 1000 are not eligible for any pension. Moreover there is an anomaly that, as per the 11<sup>th</sup> BPS, for those under the NPS, the Banks contribution is 14%, where as for the PF Optees it is only 10%. For the PF Optees, from the retrospective date, the Banks contribution should be at par with NPS optees and they should be converted to old pension system.

We also demand that, all the employees working in the organization to be covered with same kind of pension mandatorily. So all the PF optees and NPS Optees to be covered with the old pension system.

## **13. MEDICAL INSURANCE TO RETIREES ON PAR WITH SERVING EMPLOYEES:**

Medical insurance scheme at par with serving employees needs to be introduced to take care of the ones who have contributed the major part of their life to the development of the Organization.

All employees both serving and retired shall be pooled in as a single group with the sum assured on parity to each other thus appropriating the premium payable by the banks.

The premium thus arrived for the serving and retired employees shall be borne by the bank itself.

Our objections on the existing scheme are as below:

- The policies for serving employees and Retirees have not commenced from a common date as was suggested.
- Retirees have not been given multiple options to choose from i.e. coverage of Rs 1 lakh, Rs 2 Lakh, Rs 3 lakh and Rs 4 lakh to broaden the coverage of the policy. This flexibility needs to be extended for the super top up policy also so that the individual can choose a policy based on his own requirements.
- The premium imposed for medical treatment in respect of officer retirees is absolutely unfair, illogical and unacceptable. It appears that this pricing has been fixed in such a manner so as to drive away the retirees from the purview of the scheme. It also denies the retiree a chance to opt for policies in the market due to the unsustainable nature of his/ her pension. This issue requires immediate intervention and suitable initiatives to be taken for logical reduction of premium.
- Our suggestion for lesser premium rate for single beneficiary like family pensioners, etc. has been ignored.
- IBA should send a communiqué to all Banks to subsidize/bear the Insurance premium of Retirees as is done for EDs/MDs of Banks as most retirees are likely to face extreme difficulty in arranging funds for the renewal.
- IBA may advise member banks to give interest free loans to retirees recoverable in easy installments for payment of premium.

Since the complications prevailing in the industry with regard to the retirees is result of the peculiar recruitment cycle practiced by the Public Sector Banks. By recruiting in huge numbers through the 1960's and 1970's, PSB have charted a history in providing employability.

However, in planning or making provisions to meet the statutory pension demands of this work force post retirement, the PSBs have dismally failed.

Thus the problems of the retirees are result of the Public sector bank's own doing. It is pertinent for the government to incentivize the medical insurance for the retirees of the Public Sector Banks.

The spirit of the Department of Financial Services' communication to IBA and Banks to design a suitable insurance scheme to both retired and service should be interpreted that it is a direction to extend such benefits to staff till their life time.

Hence, viewing retired officers / employees as a separate lot and collecting more premiums from the retirees, amounts to exploitation of the highest degree. Instead the medical facilities should be considered as an extended benefit to the retired employees / officers who have put in their heart, soul and the best years of their lives for the development of the Bank.

It was also suggested that the entire bank employees should be taken as one lot for arriving at the premium by carrying out an actuarial analysis instead of treating the serving and retired as different group which increases the premium for the retirees manifold.

Also, with more than two third of our bank's workforce in the age group of below 35 years, which was not so at the time of introduction of the subject scheme, the premium is bound to come down and there will be parity in the premium charged for serving employees and the retired employees.

Our other suggestions were that a comprehensive affordable health care policy covering the interest of bank employees (both Serving & retiree) should be negotiated upon. It is also suggested that instead of annual renewal, the policy should co-terminate with the validity of wage settlement period with further provision of renewal on payment of pro rata premium post termination of policy date and delay in finalization of future wage accord.

IBA should also approach the Ministry of Finance to exempt GST on Banks' health care policy being a part of staff welfare measure not strictly falling within the definition of business transaction. IBA has not addressed the issues raised by us and unilaterally implemented the revised scheme.

The retired employees cannot be subject to any further exploitations aided by the prevailing policies recommended by the IBA and their right to a decent healthy life corresponding to the stature enjoyed by them in the society should be upheld by installing effective measures.

**14. UPDATION OF PENSION FOR RETIREES AS PER THE FORMULA ADOPTED AND IMPLEMENTED BY RBI FOR ITS RETIRED EMPLOYEES:**

**The basic pay of the retirees from Public Sector banks is frozen on the date of superannuation, and is never revised in subsequent bipartite settlements/ Joint Notes. Worst kind of discrimination is prevailing amongst different groups of retirees in the matter of payment of Dearness Allowance.**

**Pension on Special Grade Pay is also denied for the employees of Public Sector banks.**

**Although Bank Pension Regulations are modeled on the lines of RBI/ Central Government Pension Scheme, however, no steps have been taken to remove the discrimination in respect of updation of pension/ family pension and place it at par with RBI/Central Government employees. A Scale VII official who retired 10 years ago is drawing equal or less pension than a Scale I officer, who is retiring now.**

**The non updation of pension/family pension was taken up with the Hon Finance Minister and she has assured to look into it on priority, but the same has not been happened till today.**

**The system has exploited these pensioners off their ideas, efforts and expertise. The system now enjoys the fruits of the labour put in by these pensioners.**

**Yet the system, absolves its responsibility to ensure a dignified life for these pensioners commensurate with the position they hold in the society by not updating their pension or the family pension that is due to them.**

**Hence, we demand that the promise of the Finance Minister to update the pension be honored by implementing the updation under the RBI formula.**

## **15. ALLOCATION OF STAFF WELFARE FUND COMMENSURATE WITH THE OPERATING PROFIT OF THE BANK:**

Staff welfare is an important facility provided by Public Sector Banks to their employees to keep their motivation levels high. The service conditions of Public Sector Banks provide for schemes governing employees' health, etc. the need to extend non-statutory welfare measures in different forms in Public Sector Banks has assumed significance in the last decade, to partly compensate the employees in the context of high cost of health and education as also to meet certain contingencies of life.

Presently, in light of the recommendations made by the Khandelwal Committee the maximum ceiling for Staff Welfare Funds have been fixed as under subject to cap of 3% of net profit:

Category	Maximum ceiling per year
State Bank of India	Rs. 100 crores
PSBs with business mix of over Rs. 300,000 crores and employee strength above 30,000	Rs. 25 crores
PSBs with business mix of over 150,000 crores to Rs, 300,000 crores and employee strength of 20,000 to 30,000	Rs. 20 crores
Other PSBs	Rs. 15 crores

After the amalgamation of Public Sector Banks happened during the last couple of years, the amalgamated banks have grown up in business size but the maximum ceiling of Rs.25 Crores has remained stagnant which need to be distributed among the employees of the merged entity resulting in reduction in per capita benefit.

Hence the 3% allocation for the Staff Welfare Schemes should be made from the operating profit of the banks and not the net profit without putting any ceiling on it.

## **16. ANNUAL PL ENCASHMENT:**

As per the 11<sup>th</sup> Bipartite settlement/ Joint Note Privilege Leave encashment of 5 days shall be permitted in a calendar year for those who are below the age of 55 years and 7 days for those who have completed 55 years of age. The same should be increased to 10 and 15 days respectively.



## **17. PENSION:**

- Periodical pension updation to be done to the retirees along with the wage revision of serving employees.
- DA revision for pensioners should be like those in service
- Minimum service eligibility for pension should be 10 years like in Central govt
- Qualifying service for full pension should be 20 years like in govt/ RBI against the existing 28 years
- Average of 10 months or last drawn “pay”, whichever is higher should be considered for calculation of basic pension

## **18. EDUCATION ALLOWANCE:**

Presently Education allowance is being given to the employees as a part of Staff welfare expenses every year, but the amount is very meager and it is not enough to pay half a month fee of a single child. As per the 7<sup>th</sup> pay commission, central govt employees being paid a monthly educational allowance of Rs 4,000 pm. Educational allowance to be kept out of the staff welfare expenses and monthly payment to be done to all the employees @ 3% of their basic pay.

## **19. TRANSPORT ALLOWANCE ON TRANSFER:**

Eligibility Criteria for Freight charges is being paid basing on the basic pay and the number of Kgs one can transport and it is also basing on with family and without family.

Market rates are totally different from what the bank is permitting and all the officers on transfer has to incur the expenditure from their pocket.

So such type of criteria has to be removed and on transfer, the Bank only has to arrange for transport and whatever the expenses bank has to pay from their end, without involving the staff.

Lump sum amount with regard to packaging, local transport, insurance amount to be increased substantially.

## **20. IMPROVEMENT IN LEAVE BENEFITS:**

- Casual leave to be increased to 18 days
- Accumulation of privilege leave to be increased to 300 days.
- Advance notice period to avail PL to be reduced to 3 days
- Maximum no of occasions to avail PL in a year to be increased to 6 times.
- One month sick leave for every completed year of service without any ceiling.
- Submission of medical certificate to be waived for sick leave up to 5 days for small ailments like fever, flu etc.
- Sick leave may be granted in case of sickness of family members
- Introduction of bereavement leave for 5 days.
- Monthly one special leave for women employees during their menstruation period.
- Child care leave on the lines of Central govt employees
- Special leave for top office bearers of the majority trade unions to attend for conferences/ central/ executive meetings.
- In case of death of the employee on account of terminal diseases or on account of prolonged sickness/ major accidents, etc the period of leave on loss of pay should be treated as special leave with pay.

## **21. IMPROVEMENT IN LFC ENTITLEMENT:**

- LFC should not be from the place of working to the furthest distance, the employee should be given the option to go wherever he wants, inter connected within the permitted kilo meters.
- LFC to visit abroad to be permitted
- Package tour should be allowed within the overall limit.
- LFC encashment amount to be increased substantially

## **22. TERM INSURANCE:**

Insurance is very much important for any person, if the earning member of the family leaves the world; it is very difficult for the family to survive. During covid period, many came to the know the importance of Term Insurance. The employer should take the Term insurance for all the employees, with the coverage of at least 20% of their last drawn monthly salary.

### **23. GRATUITY:**

- Removal of ceiling on gratuity under the Gratuity act
- Presently gratuity is paying 15 days for every completed year of service; the same should be increased to One month's "pay" for each year of service completed.

### **24. PROVISION OF HOUSING ACCOMMODATION/ PAYMENT OF HRA:**

- Leased accommodation facility to be provided to all the eligible officers in places where they have their own home also on the lines of SBI.
- HRA percentage to be improved substantially.
- The employee should be given the option to choose the place of accommodation in case of family stays in a different place for education and medical purpose of the children/ parents.

### **25. EXTENTION OF SPECIAL LEAVE/ WORK FROM HOME FACILITY FOR WOMEN EMPLOYEES DURING THEIR MENSTRUAL PERIOD:**

- Women often tend to feel uneasy and tired during their menstrual period and they yearn for some rest and peace.
- The uneasiness and tiredness prevents them from ensuring their best services at work however they could perform better if they could rest or if they are at their own comfort.
- To ensure the same women employees may be extended the option of a special leave or work from home facility during their menstrual period.

### **26. POSTING COUPLE WHO ARE BOTH WORKING IN A BANK, TOGETHER.**

- The majority of our officers are young and they are all at their early stage of family life.
- The transfer of the officer couple away from each other shall demotivate them and creates problems among them.
- Women officers especially are put to undue hardships if they are posted away from their husbands to fend for themselves.
- These hardships affect their ability to render their responsibility effectively.
- To ensure that such officers work at their full potential, it is necessary for them to be posted nearest to each other.

## CONCLUSION:

It is said that “***Trade unions are instruments for Social change***”. The first trade union of Bankmen in Pre-independent India, as envisaged in the foundation conference on 20<sup>th</sup> April, 1946, fulfilled its objectives of Nationalization of Banks, making the Class Banking to Mass Banking.

*“Each of us can look back upon someone who made a great difference in our lives, someone whose wisdom or simple acts of caring made an impact impression upon us. In all likelihood it was someone who sought no recognition for their deed other than the joy of knowing that, by their hand, another's life had been made better”.*