



Canara Bank Officers' Union[Regd.]

[AFFILIATED TO ALL INDIA BANK OFFICERS' ASSOCIATION]

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WARMEST CONGRATULATIONS ON YOUR ACHIEVMENT

Coms. We have through joint struggles fought it out. The Union greets all its members the very best for your support and belief bestowed on us during the fight for a decent Wage revision. As you are aware, Joint Note signing by Officers organisation with IBA has been achieved by AIBOA in the year 1985 within 4 years of forming AIBOA in 1981. Prior to that it was only a notification from the Government for Officers wage revision as Officers are not (even now) covered under Industrial Disputes Act and hence there is no settlement that can be signed under ID act. Workmen achieved the bi partite settlement from the year 1964 and AIBEA is the first organisation to sign a wage settlement with IBA followed by the other workmen organisations.

Com Prabhatkar who was the founder President of AIBOA and the architect of AIBEA formed AIBOA a separate officers organisation on the ideology of AIBEA. This was necessitated as the then majority organisation for officers, AICOBOO (Present AIBOC) did not join the common strike called by AIBEA in 1980s to protect the DA Pattern which was about to be altered by the then ruling Government. However Com Prabhatkar went ahead with the strike and thanks to AIBEA and Com Prabhatkar that DA Pattern is retained even today for the entire banking fraternity which is no where available for any Industrial worker or any other sector in India.

Thus the Officers organisation started to sign Joint Note with IBA and we have today successfully signed the MOU for 8th Joint Note for officers wage revision.

The main features of the Understandings are as under:

- The 11th Bipartite Wage revision/Joint Note for Officers will be effective from 01-11-2017.
- Increase under this Wage Revision will be Rs.7898 crores per year i.e. 15% on the wage bill of PSBs (Payslip component cost*) as on 31.03.2017.
- New pay scales would be worked by merging DA upto 6352 points of price index with an additional loading of 2.5%.
- After prolonged discussions and deliberations, it has been agreed to introduce Performance Linked Incentive(PLI) in Public Sector Banks, which will be based on Operating/Net Profit of the individual bank(optional for private & foreign banks). The PLI is payable to all employees annually over and above the normal salary payable. The PLI matrix decides the amount payable to the employees (in number of days of pay=Basic+DA) depending on the annual performance of the Bank. All the employees will get the number of days of pay as incentive depending on where in the matrix the Bank's performance fits in, broadly as per Matrix under:

Sr.No.	YoY Growth in Operating Profit	No.of days for which Salary (Basic + DA) shall be paid
1	<5%	Nil

2	5% to 10%	5 days
3	>10% to 15%	10 days*
4	>15%	15 days*
*3 rd and 4 th slabs are payable only if the Bank has Net Profit. If a Bank has growth in Operating Profit of 5% & more, but there is no Net Profit, then minimum 2 nd slab of 5 days will be payable.		

(The PLI will be applicable from FY-2020-21)

- From this calendar year each employee below 55 years of age can encash PL upto 5 days per year for any one festival (7 days for those above 55 years of age).
- For employees who have joined the Banks under NPS, management's contribution would be at 14% of Pay and DA against 10% now.
- Improvement in service conditions discussed and agreed upon so far would be duly incorporated in the final settlement
- All other pending issues including 5 days banking, updation of pension, etc. are open and would be further discussed.
- The full-fledged and final settlement with revised payscales and allowances and incorporating all the agreed issues would be concluded within the next 90 days.
- Thereafter the Settlement will be implemented and revised salaries would be paid accordingly.

Good news - Improvement in Family Pension: IBA agrees in principle to improve Family Pension to uniform rate of 30% for all family pensioners without any ceiling and the existing ceilings of family pension will be removed. Necessary approval of the Government would be obtained.

Coms. Apart from the above many nonfinancial demands, like improvement in leave, Lfc etc also has been agreed upon and the discussions on 5 days a week banking & Updation of regular pension and improvement in medical benefits is still underway.

Comrades, the signing of the MoU marks the culmination of the long process of our negotiations during which we had to engage ourselves in agitations including strike actions. The unity and co-operation amongst our unions and members has resulted in achieving this satisfactory MoU amidst the present uncertainties and challenges posed by Covid19 pandemic. We congratulate all of our unions and members for this achievement in the most difficult circumstances.

FAQ's

01. What is Pay Slip Component (PSC) ?

PAYSLIP COMPONENT Include the following

- 1: BASIC PAY(INCLUDING STAGNATION INCREMENTS) 2. DEARNESS ALLOWANCE
- 3: CITY COMPENSATORY ALLOWANCE
- 4: HOUSE RENT ALLOWANCE
5. PERSONAL QUALIFICATION ALLOWANCE(PQA)
6. FIXED PERSONAL ALLOWANCE (FPA)

7: SPECIAL ALLOWANCE (INTRODUCED FROM LAST WAGE REVISION)

NON PAY SLIP COMPONENT INCLUDE (which has to be given by bankers)

- | | |
|--------------------------------------------|----------------|
| 1:TERMINAL BENEFIT (PF, GRATUITY, PENSION) | 2.TA/HA |
| 3.MEDICAL BENEFITS | 4. MEDICAL AID |

5. OTHER ALLOWANCES NOT INCLUDED IN PSC

For all the Joint note for Officers, the wage revision exercise (ie percentage increase) is done on the wage bill as at the 31st March of the year in which the Wage revision exercise commence. For the current wage revision exercise, the basis for wage bill is 31st March 2017 as the wage revision exercise commenced from 1 11 2017.

Current wage revision was discussed on the wage bill as at 31 3 2017 which according to IBA Statistics was Rs. 90,208 Crores. Out of this 90208 Crores Payslip Component is (PSC) is Rs.52654 crores and the remaining Rs.37554 Crore is Non payslip component(NPSC). This is the wage bill on the banking industry as a whole (who have given mandate to IBA).

02. How much increase is 15% ?

Last wage revision we achieved 15% on PSC which worked to be 4725 Crores increase on the wage bill. (1% of psc was 315 Crores).

This time the MOU has be signed for an addition of 15% on the PSC (Rs. 52654 Cores) which means the additional burden on the revised wage revision will be Rs.7898 Crores per year to the banking fraternity as a whole ie workmen and officers. Presently the workmen officers wage bill ratio is 42.85 and 57.15 respectively.

Once the quantum is arrived at, then how to distribute amongst the various PSC is the duty of the negotiating organisations to finalise with IBA.

DA as at 31 10 2017 ie at 6352 points will be added to the present basic pay to arrive at the new basic pay (ie DA @ 47.8% will be merged into basic pay as on 01.11.2017 to arrive at the new basic pay)

03. WHY CAP ON 2.50 % for basic pay revision ?

As per AS 15 audit norms (now it will be Ind AS Norms) all banking companies in India are to keep provision for terminal benefits in their yearly balance sheet an amount equivalent as if the bank is closed today, the closed entity must be in a position to pay all the terminal benefits like PF, Pension, Gratuity till the last surviving pensioner is alive. This has cost the bankers to substantially increase their NPSC provisions.

From the wage bill you can see that bankers incurred 42% of the wage bill as Non payslip component where as the pay slip component is Rs 58% (ie out of 90208 crores Rs. 52654 is the PSC which is 58% and the remaining is 42%. The actuarial calculation given says that for every 1 rupee increase in basic pay needs nearly 4 Rupees additional provision for terminal benefits . Hence the cap of 2% was only offered to us last time). **This time it is 2.50 %.**

04. WHY SPECIAL PAY ?

Bank officers salary consists of 4 components normally,

Basic Pay, Dearness Allowance, HRA, CCA

An increase in HRA and CCA will not benefit the officers work force, as 52% of the officers either occupy leased quarters or reside in banks owned quarters and hence do not receive HRA. Likewise about 48% of the officers work in rural and semi urban areas which do not rank for CCA.

Hence out of the proposed wage settlement after giving 2.50 % increase for the construction of basic pay, and the DA there on, the remaining amount. The remaining amount after construction of revised basic pay, and HRA, CCA, and other benefits like PQA, FPA of the PSC, any excess amount is given as special pay as the money is available in the kitty. For Officers, 52% of the Officers stay in bank owned or leased quarters and 48% of the Officers are in area where CCA is not applicable. Hence after providing reasonable amount for HRA and CCA, the remaining amount is disbursed as Special allowance as there are no other area for distribution.

05. WHY STRIKE's - IT's IMPACT ON DISCUSSIONS ?

As you all know the first strike call in connection with Negotiations was given for 15th March 2018, from then on we had resorted to various agitational programmes and demonstrations ending this Feb 2020. The negotiations started from a paltry offer of 2% hike on PSC to 15% hike, the journey was tough but remarkable. It was further to our successful 2 days strike on 31st JAN & 1st FEB 2020, and before proposed 3 days strike, in the discussions held at IBA Office in Mumbai on 29.02.2020, (Earlier discussions on 31st Jan 2020 was inconclusive) the UFBU could succeed in moving forward with Offer on PSC to 15%, BP loading more than 2%, PL encashment of 5 days per year, Improvement on Family Pension and excluding PLI from Normal Salary etc.

All these could be achieved because of the whole hearted participation and thundering success of the Strike/Agitational programmes by all of you.

Our Organisation AIBOA had again played the leading/pivotal role in achieving a RESPECTABLE & ADMIRABLE WAGE REVISION COMMENSURATE TO THE NATURE OF JOB

We also place on record the Appreciation towards every single member of AIBEA & AIBOA for the impressive conclusion

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Comradely yours'



H VINOD KUMAR
GENERAL SECRETARY