



Indian Banks' Association

HR & INDUSTRIAL RELATIONS

No.HR&IR/GMB/ 2020-21/9578
January 29, 2021

MD & CEOs of PSBs

Dear Sir/Madam,

Release of Stagnation Increment notionally for the purpose of Pension under the 10th Bipartite Settlement/ Joint Note

In the 10th Bi-partite settlement / Joint note signed on 25.05.2015 an additional stagnation increment was considered for award staff and certain scales of officers to be notionally released from 1/11/2012 with monetary benefit to be paid from 1/5/2015. Those staff members who continued to be in the service post 30/4/2015 got monetary benefit in wages as well as benefit in their pension eligibility at the time of retirement. It was not explicitly mentioned in the bipartite/joint note that the benefit of notional stagnation increment would also be extended to those staff members who retired during the period from 1/11/2012 and 30/4/2015. While some banks have also extended the benefit to retirees, others have not extended the benefit of notional stagnation increment to those staff members who retired during the period from 1/11/2012 to 30/4/2015.

2. We have been receiving references from few banks, Officers and Workmen Unions wherein they have stated that there is a need to clarify to banks that the benefit of notional increment should also be extended to all those staff members/officers who retired from the services during the period from 1/11/2012 to 30/4/2015.

3. The matter was placed in the meeting of IBA Standing Committee on HR held on 11.01.2021. The Committee after detail deliberations noted that some banks after obtaining legal opinion, have already extended the benefit of notional stagnation increment for pension to workmen and officers who retired during the period from 01.11.2012 to 30.04.2015. Accordingly, to have an industry level uniformity, it was decided that the banks with approval of their respective boards can extend the benefit of notional stagnation increment for the purpose of pension only to the workmen and officers who were otherwise eligible and retired during the period from 01.11.2012 to 30.04.2015, with monetary benefit from 1/5/2015.

4. Banks may please be guided accordingly.

Warm regards,

Yours faithfully,


Gopal Murli Bhagat
Deputy Chief Executive

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