Indian Banks' Association

Minutes of the discussions held on 22nd July, 2020 between IBA representing Management of banks which are parties to the Bipartite Settlement and Workmen Unions and Officers' Associations on wage revision

Discussions were held between the Indian Banks' Association representing Managements of banks and the authorized representatives of Workmen Unions and Officers' Associations on wage revision for officers and workmen in banks.

The Management and the Unions representing Officers and Workmen staff, acknowledge the need for a robust banking system which is responsive to the challenges facing the country and the need to improve further the productivity, efficiency and responsiveness to the needs of the customers and various stakeholders. With this commitment, it has been agreed to resolve the pending wage settlement issue and enter into an MoU as under:-

1. The wage revision will be effective from 1.11.2017.

2. The annual wage increase in salary and allowances is agreed at 15% of the wage bill as on 31-3-2017 which works out to Rs.7,898 crores on Payslip components.

3. The new pay scales will be constructed after merging Dearness Allowance corresponding to 6352 points (average Index point as applicable for the Quarter of June, July, August 2016) and adding thereon a loading of 2.50% on Basic Pay plus Dearness Allowance as on 31st March 2017 amounting to around Rs.1155/- Crores.

4. Distribution of annual wage increase between Workmen and Officers will be worked separately and proportionately based on breakup of establishment expenses as on 31.3.2017.

5. In today's Banking scenario, there is stiff competition amongst different category of banks i.e., Public sector, Private sector, Foreign banks. In order to inculcate a sense of competition and also to reward the performance, the concept of Performance Linked Pay is felt to be introduced. After prolonged discussions and deliberations on this matter, 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:

Sl. 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*
**3rd & 4th 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 2nd slab of 5 days will be payable*		

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

6. From the calendar year 2020, besides encashment of PL at the time of retirement and during availment of LFC, PL Encashment would be permitted at 5 days every calendar year (7 days in case of employees/officers of 55 years of age and above) at the time of any festival of their choice.

7. It has been agreed to increase the banks contribution to the NPS fund to 14%, i.e. 14% of Pay & Dearness Allowance instead of the present rate of 10% from the prospective date of signing the settlement subject to approval of the Govt.

8. All other issues of the Managements and Unions/Associations discussed during the process of negotiation will be settled to the mutual satisfaction.

9. The parties will meet on mutually convenient dates to draw out a detailed Bipartite Settlement/Joint Note on the various issues on which consensus positions have been reached. The parties will endeavor to finalize the Bipartite Settlement /Joint Note within a period of ninety days from the date of this minutes.

Signed at Mumbai on 22nd July, 2020

FOR MANAGEMENT

Raj Kiran Rai G
Chairman Managing Director & CEO
Union Bank of India

Rakesh Sharma
Managing Director & CEO
IDBI Bank Ltd

Pallav Mohapatra
Managing Director & CEO
Central Bank of India

FOR WORKMEN UNIONS/OFFICERS' ASSOCIATIONS

All India Bank Employees' Association

National Confederation of Bank Employees

Bank Employees' Federation of India

Shyam Srinivasan
Managing Director & CEO
The Federal Bank Ltd

Indian National Bank Employees' Federation

A K Goel
Managing Director & CEO
UCO Bank

National Organisation of Bank Workers

Alok Kumar Choudhary
Dy MD (HR) & CDO
State Bank of India

All India Bank Officers' Confederation

Sunil Mehta
Chief Executive
Indian Banks' Association

All India Bank Officers' Association

Gopal Murli Bhagat
Deputy Chief Executive
Indian Banks' Association

Indian National Bank Officers' Congress

S K Kakkar
Senior Advisor (HR&IR)
Indian Banks' Association

National Organisation of Bank Officers

Witness :-

1. Shri Sanjay Prakash, DGM(IR), SBI ---
2. Shri Uttam Sharma, Manager (HR&IR), IBA ---
3. Shri Saiprasad Deshmukh, Manager (Establishment), IBA ---