



ALL INDIA STATE BANK OFFICERS' FEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 727/MDS)

Central Office: State Bank Buildings, St. Mark's Road, Bangalore-560 001
Registered Office: 22, Rajaji Salai, Chennai- 600 001



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TO ALL OUR AFFILIATES

REVISED SCHEME FOR COMPASSIONATE APPOINTMENT

We have sent a communication to the Deputy Managing Director (HR) & Corporate Development Officer, State Bank of India, Corporate Centre, Mumbai, on the captioned subject.

The content of the communication is reproduced below.

With Greetings,

Yours Comradely,

(Rupam Roy)
General Secretary

To,
The Deputy Managing Director (HR) & CDO
State Bank of India
Corporate Centre, Mumbai-400021.

Dear Sir,

REVISED SCHEME FOR COMPASSIONATE APPOINTMENT

This communication is submitted for your kind consideration highlighting a matter of serious concern raised by our affiliates regarding the Revised Scheme for Compassionate Appointment, circulated vide e-Circular No. CDO/P&HRD-PM/90/2020-21 dated 16.03.2021.

As per the extant provisions of the Scheme, compassionate appointment is subject, inter alia, to the fulfilment of the *financial condition* criterion, whereby the monthly income of the family has been stipulated to be less than 75% of the last drawn gross salary of the deceased employee. For the purpose of such assessment, the Scheme also imputes a *notional monthly interest* calculated at the Bank's maximum term deposit rate applicable to public on 80% amount of the net corpus, inclusive of investment under LIC and other insurance policy proceeds.

We acknowledge and appreciate the Bank's established welfare-oriented approach, and recognise that the Revised Scheme is a benevolent initiative aimed at providing timely support to the dependents of employees who die in harness or are forced to take premature retirement on medical grounds due to incapacitation before attaining the age of 55 years. The underlying objective of the Scheme, to assist families in coping with the sudden financial crisis arising out of the loss of the sole bread earner of the family, is both laudable and necessary.

However, it is our considered view that the present methodology adopted for assessing the *financial condition*, particularly the treatment of investment proceeds and notional interest computation, has unintentionally undermined the humanitarian intent of the Scheme. Insurance proceeds do not represent a windfall gain nor are they an indicator of financial affluence. Rather, they are risk-mitigation instruments consciously funded by employees through regular contributions from their hard-earned salaries. Such decent financial discipline on the part of the Employee therefore should not result as a disincentive in acute state of compassion.

As bankers, we actively advocate financial prudence, insurance coverage and long-term investments to our customers through our cross-selling and upselling initiatives. It would therefore be incongruous if employees themselves are effectively penalised for having followed the very principles of financial discipline that the Bank promotes. Such investments are typically intended to meet essential long-term obligations such as children's education, housing stability, and medical exigencies. Treating a one-time insurance or investment receipt as a recurring source of monthly income results in the exclusion of families who are otherwise in genuine financial distress, solely because the deceased employee had responsibly maintained adequate insurance cover or investments. In effect, families are being deprived for the financial foresight and discipline exercised by the deceased employee.

In this context, we also draw reference to the Scheme for Compassionate Appointment under the Central Government, wherein the Department of Personnel & Training (DoPT) has consistently emphasised that compassionate appointment is meant to alleviate financial destitution and help families overcome sudden emergencies. The DoPT guidelines caution against rejection of cases merely on the ground that the family has received benefits under welfare schemes, and instead advocate a balanced and objective assessment that takes into account factors such as assets and liabilities, family size, ages of dependent children, essential needs, and the presence or absence of any earning member.

In view of the foregoing, we respectfully urge the Bank to revisit and rationalise the "financial condition" clause, particularly with regard to the treatment of Investment proceeds and the imputation of notional interest thereon. Incorporating a more humane, realistic, and discretionary framework would enable the appointing authorities to grant compassionate appointments in genuinely deserving cases and prevent the inadvertent exclusion of bereaved families who are in real need of support.

We trust that the Bank will give due consideration to this representation in the spirit of fairness, empathy, and the welfare-oriented ethos that it has consistently upheld.

Yours faithfully,

Sd/-

(Rupam Roy)
General Secretary

At the Service of Members for more than 6 Decades

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