



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

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**CIRCULAR NO. 47
TO ALL OUR AFFILIATES**

DATE: 29.08.2024

PARITY IN PAY – INTRODUCTION OF SPECIAL PAY FOR OFFICERS

We are pleased to update our members on the significant progress we have made in addressing a longstanding concern among the officer cadre: achieving parity in compensation through the introduction of Special Pay for officers. Historically, our officers have sought a distinct compensation package reflective of our institution's exceptional performance, over and above the industry-wide settlements.

2. The demand for a separate package gained momentum, particularly after the 11th Bipartite Settlement, effective from November 1, 2017, which resulted in a bank-level agreement for various categories of workmen. This settlement significantly narrowed the gap in pay and superannuation benefits between officers and clerical staff, leading to a decline in the number of clerical staff opting for promotions. The resulting stagnation, with limited monetary incentives, adversely affected the morale of our officer cadre.

3. Over the past three years, we have consistently raised this issue in various forums, including Central Negotiating Council meetings. Our communications dated February 19, 2021, May 4, 2021, May 22, 2023, June 3, 2023, and April 9, 2024, highlighted the urgent need for adjustments in grade or special pay. We presented detailed analyses across different scales to underscore the necessity of these adjustments.

4. The industry-wide agreement on pay components under the 8th Joint Note and 11th Bipartite Settlement further widened the pay gap. This disparity has, at times, resulted in officers receiving less compensation than their clerical counterparts who continued as clerks and were promoted to higher positions such as Special Associate and Chief Associate after 16 and 24 years of service, respectively. This breach exacerbated the disparity in pay and benefits. Following the 9th Joint Note and 12th Bipartite Settlement, we made a detailed representation to address this inter-se anomaly at the bank level.

5. Our contention was that an officer promoted from the clerical cadre should not receive less compensation than they would have received had they remained clerks. Introducing grade or special pay was essential not only to correct these disparities but also to uphold the dignity of our officers.

6. The reduction in the pension gap due to pay discrepancies further highlighted the urgency of addressing this issue. We have held productive discussions with the CGM (HR) and DMD (HR) & CDO, subsequently presenting our case to the Managing Directors and the Chairman. We advocated for intervention to establish differential grade pay or special pay across scales, with superannuation benefits (including NPS) inclusive of DA, HRA, and PF, effective from November 1, 2022. Additionally, we proposed that this adjustment be applied retrospectively, on a notional basis, from November 1, 2017, to ensure that officers who retired during this period receive their rightful superannuation benefits.

7. We are pleased to announce that the bank's top management has taken our concerns seriously and has resolved the disparity. The Executive Committee of the Central Board (ECCB), in its meeting held on August 13, 2024, decided to introduce a "Special Pay" for all permanent officers of the bank, irrespective of grade or scale, with the following key features:

1. Special Pay Structure:

- Rs. 4,000 per month upon completion of 16 years of service in the bank, up to 24 years.
- An additional Rs. 8,500 per month (cumulative Rs. 12,500) upon completion of 24 years of service in the bank.

2. Components and Benefits:

- The "Special Pay" will be factored into DA, HRA, and superannuation benefits (PF, Pension/NPS, and Gratuity).
- It will be taxable in the hands of the officers.

3. Eligibility Criteria:

- This benefit is exclusive to permanent officers; contract, temporary, casual, or commission-based officers are not eligible.
- The "Special Pay" will be calculated based on completed years of service in the bank, excluding any periods not considered as service. Previous service periods/experience will not be factored into eligibility.

4. Effective Date:

- The "Special Pay" will be effective from August 1, 2024.

8. While our request for the retrospective application of "Special Pay" from November 1, 2017, was not accepted, the ECCB's decision to introduce "Special Pay" marks a historic milestone, eliminating the pay disparity and ensuring fair and just treatment for our officers.

9. We are particularly delighted that this benefit coincides with the assumption of office by our new Chairman, Shri C. S. Setty, giving a sense of accomplishment to our officers. We also view this as a parting gift from our previous Chairman, Shri Dinesh Khara, to the entire officer fraternity. We extend our sincere gratitude to the Chairman, Managing Directors, and Team HR under the guidance of DMD (HR) & CDO for resolving this glaring anomaly. We also appreciate our members for their patience and continued faith in the leadership during this period.

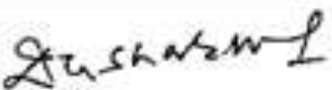
10. With the resolution of two major anomalies - the increase of basic pension from 40% of last drawn pay to 50% without any ceiling, and the redressal of pay disparity with the introduction of special pay - we are confident that our members will work with renewed enthusiasm in the remaining half of the financial year, giving their heart and soul to the organization that takes care of all of us.

Let us all join together with renewed vigor and pledge to see our bank always as the numero uno in the industry.

#OurUnityLongLive

With greetings,

Yours Comradely,



(Deepak Kumar Sharma)
General Secretary

At the Service of Members for more than 5 Decades

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