



# ALL INDIA PNB STAFF FEDERATION

(Affiliated to N.C.B.E.)

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**Circular No. 15/2011**

**Dated: 20-12-2011**

## TO ALL MEMBERS

### ● MEMORANDUM TO THE GOVERNMENT

We reproduce hereunder the full text of Circular No.UFBU/2011/25 dated the 20<sup>th</sup> December 2011, issued by United Forum of Bank Unions, the contents of which are self-explanatory.

**(R. K. Sharma)**  
**General Secretary**

“During the UFBU’s Dharna before Parliament on 14-12-2011, a Delegation from UFBU met the Government. We met Mr. D K Mittal, Secretary, Dept. of Financial Services, Ministry of Finance, Govt. of India and submitted a detailed memorandum on our various issues and demands.

UFBU was represented by the following: s

1. Com. C H Venkatachalam, AIBEA and Convener, UFBU
2. Com. K D Khera and Com. Harvinder Singh, AIBOC
3. Com. Milind Nadkarni, NCBE
4. Com. S S Sisodia, AIBOA
5. Com. Pradip Biswas, BEFI
6. Com. Subhash Sawant, INBEF
7. Com. Kansal, INBOC
8. Com. Ashwani Rana, NOBW
9. Com. S. Deshpande, NOBO

While submitting the Memorandum, we explained all the issues and urged upon the Government not to proceed with any action unilaterally on issues like Khandelwal Committee report, banking reforms, etc. and also pointed out that our demands are being inordinately delayed and not resolved and hence bank employees are highly agitated over the same. Mr. D K Mittal while receiving our Memorandum, listened to our viewpoints patiently and held very cordial interactions. He informed us that the Government would be willing to discuss all the issues raised by the UFBU including the recommendations of the Khandelwal Committee, proposed amendments to the Banking Laws, Compassionate appointment scheme, pension related demands, etc. and desired discussions in a smaller forum between the representatives of the Government and UFBU. We welcomed his suggestions and agreed to discuss the issues further with the Government. We also urged upon him that pending such discussions, the Government may advise the Bank managements not to proceed with the implementation of the Khandelwal Committee recommendations.”

**Encl: UFBU’s Memorandum**

# **UNITED FORUM OF BANK UNIONS**

**(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)**

**14<sup>th</sup> December, 2011**

**To  
Secretary  
Department of Financial Services,  
Ministry of Finance  
Government of India, New Delhi**

Dear Sir,

## **MEMORANDUM FROM UFBU**

You are aware that United Forum of Bank Unions represents nearly 10 lacs of bank employees and officers working the Public Sector Banks, Private Sector Banks, Foreign Banks, Regional Rural Banks and Co-operative Banks. On behalf of our constituent unions and our membership we would like to submit this memorandum to the Government.

We thank you for providing us time to meet the representatives of United Forum of Bank Unions and receive this memorandum on our issues, concerns and demands.

We have already taken up these issues with the Indian Banks Association but no solution is forthcoming and hence the employees and officers are highly restless and feel agitated.

Hence this memorandum to the Government seeking their attention, consideration and expedited resolution.

### **1. Khandelwal Committee Recommendations:-**

While bank employees and officers have expressed their strong reservations and protest against many of the recommendations of Khandelwal Committee, we are disturbed and concerned to learn that the government has accepted most of the recommendations and have also advised the Banks to go ahead with the implementation.

Broadly we find that the Committee has suggested the following:

- Scuttling collective bargaining and bilateralism established in the banking industry for the past 5 decades.
- H R matters to be decided by unilateral decisions of the Board of Directors bypassing trade unions.
- Proposals to cap establishment expenses thereby suggesting ceiling on wage cost.
- Abolition of industry-wise common Wage Revision Settlement existing since 1966 and introduce bankwise wage revision

- Abolition of existing uniform wage pattern for bank employees/officers and introduce incentive based differential/variable salary
- Free hand to managements to outsource all regular banking jobs and give them on contract basis.
- Unilateral guidelines of recruitments, transfers and promotions in Banks which are today governed by bilateral agreements with unions.

All these are negative measures and hence UFBU opposes the same.

If the IBA and the Government are really interested in streamlining the HR issues in the banking sector, they must discuss the recommendations of the Khandelwal Committee with the Unions before proceeding with the implementation of the same. In HR matters, employees, officers and their Unions are the main stakeholders and bypassing the unions is unfair and unacceptable. In the Banking industry, bilateralism in industrial relations has been the sheet-anchor and hallmark for the last five decades. Hence the recommendations are required to be held in abeyance till they bilaterally discussed.

## **2. Compassionate ground appointments & financial compensation scheme:-**

After a lot of agitation, litigation, etc. at the instance of the Chief Labour Commissioner, Ministry of Labour, Government of India, the IBA and UFBU discussed the issue of a revised scheme on compassionate ground appointment and financial compensation to families of employees and officers who die in harness while in service of the Bank. Ultimately, a mutually accepted scheme was worked out in February, 2009. It was informed to us that the revised scheme would be introduced and implemented after approval by the Government of India.

30 months have since elapsed but the mutually accepted scheme is yet to be implemented. You are well aware that the incidence of death of employees while in service is very very negligible and less than 0.5% of the total staff in a year. But the scheme that was in existence for more than 25 years based on Government guidelines was given a go-bye and even the revised scheme agreed to by the IBA is not being implemented.

In all other sectors – Central Government, State Governments, Railway, Public Sector Units, LIC, RBI, etc – there are schemes in operation but the apathy to this most genuine issue warranting sympathy and humane consideration is highly resented by our membership. The issue warrants immediate attention and the revised scheme should be got introduced without any further delay.

## **3. Adequate recruitment of Staff:-**

The volume of business and consequently work load in the Banks has gone up considerably but the number of employees has been coming down. In many Branches of various Banks, there is shortage of staff and hence in violation of the provisions of the industry – level Bipartite Settlement, the staff are required to work beyond the stipulated working hours without any compensation. The situation warrants recruitment of adequate staff by the Banks as otherwise the level of customer services would be seriously affected.

## **4. Revival of BSRBs:-**

While some of the Banks have gone in for some dose of recruitments, the same are being done by campus recruitment process and various non-transparent procedures. Recruitments, particularly in the Government owned Public Sector Banks, should be by a Government recruitment agency and hence the erstwhile Banking Service Recruitment Boards need to be revived.

## **5. Uniform guidelines in Staff Loans:-**

All along, the schemes relating to staff loans like Housing Loan, Vehicle Loan, Festival Advance, etc. were always based on uniform Government guidelines. But these guidelines are not being revised even though the earlier guidelines issued years ago have become inadequate. Of course, the Government has issued the guidelines on Festival Advance but here also, the earlier 'one month total pay' has been changed to 'one month Basic Pay'. Revised guidelines on Housing Loan and Vehicle Loan have not been issued so far.

**Staff Welfare Fund:** Similarly, the guidelines on the quantum and ceiling on allocation of funds to staff welfare schemes have not been revised even though the profits in the Banks have improved considerably.

## **6. Business Hours in Banks:-**

From time immemorial, the business hours for the customers was 4 hours within the total working hours of 6 ½ hours. With the advent of technology and CBS, and to benefit the customers, Banking / Business hours was extended by another one hour. But of late it is observed that the Banks are resorting to indiscriminate increase in Business Hours, some Banks even for 6 hours out of 6 ½ hours thus not leaving adequate time for back up work, cash tallying, etc. Even as per RBI guidelines, Banks can allow non-cash transactions upto 1 hour prior to close of working hours. This also means that for cash transactions, the timings should be still lesser. The unilateral and disproportionate increase in Business / Banking hours by the various Banks is creating a lot of problems for the employees and officers in the Branches and the same has to be regulated within the framework of RBI guidelines.

## **7. Defined Working Hours for Officers:-**

There are well-settled case-laws that bank officers are also employees and do not *ipso facto* belong to the management / executive category. But in their service conditions, there is no defined working hours which is being wrongly interpreted as though they are 24 hour servants of the Banks. While officers do carry supervisory responsibilities, by no stretch of imagination, one can deny them a regulated and defined working hours. This is a very important issue to be resolved as officers are being increasingly subjected to harassments in this regard.

## **8. 5 Day Banking:-**

With the introduction of technology in the banking sector, basic Banking services are today available 24 X 7. RBI, Central Government, State Governments, Insurance Sector, Financial Market, Stock Exchange, Foreign Exchange Markets, etc. are closed on Saturdays and Sundays. But in Banks, 6 days banking still continues. With the increased need for canvassing business, marketing, follow-up recovery, etc, one weekday off is inadequate and there is genuine need to introduce 5 Day banking for the Banks. The matter brooks no delay.

## **9. Pension Scheme:-**

Bank employees' Pension Scheme was agreed upon and introduced in 1993 exactly on the lines and basis of the Central Government Pension Scheme. Even the New Pension Scheme that has been introduced for the Government employees has been made applicable to banking industry. But the various improvements that have been made in the Government scheme as per the 5<sup>th</sup> & 6<sup>th</sup> Pay Commission Report have not yet been extended to the banking sector. Hence issues like periodical updation of Pension Scheme along with wage revision for serving employees, 100% DA compensation for all pensioners, improvement in Pension, Commutation, Family Pension, etc. are very genuine demands that need to be resolved expeditiously. Even the Ex-Gratia Pension of Rs.300 per month being paid to the pre – 1986 retirees remained the same.

## **10. Implementation of New Pension Scheme for employees joining / joined from 1.4.2010:-**

In terms of the Bipartite Settlement / Joint Note, IBA agreed to work out and implement the New Pension Scheme for all employees joining / joined from 1.4.2010 on the lines of the Government employees' scheme. It is now 18 months since signing the agreement on 27.04.2010. But IBA has not worked out this New Pension Scheme for these new recruits. The issue should not be delayed any further.

## **11. Outsourcing Permanent and regular jobs:-**

In terms of the existing provisions of the Bipartite Settlement, regular and permanent jobs in the Banks cannot be outsourced except in areas specifically provided in the Settlement. But attempts are being made to outsource various routine, regular, permanent and perennial jobs on contract basis. This is most objectionable, unfair and unacceptable. Adding fuel to fire, basic banking services are being extended through contract agencies and Business Correspondents, thus endangering the jobs and job security in the banking sector.

## **12. Unwarranted Banking Reforms:-**

The experiences around the world and in our own country have brought into focus the need for better regulations and monitoring the Banks. In Indian context, the need for further strengthening our public sector banks cannot be overstated. But we regret to observe that the efforts are being continued and intensified to dilute public sector banking, further liberalise our Banks, encourage private sector and foreign banks, opening banking sector to more and more private and foreign capital, amending the Banking Regulations Act and Banking Companies (Acquisition and Transfer of Undertakings) Act, Sarfaesi Act, etc. Licences are sought to be given to corporate sector to open their own banks. Regional Rural Banks are sought to be commercialized and co-operative banks are being ignored even though they could be very effective instruments for achieving financial inclusion.

All these measures are detrimental to the interest of our public sector banks in particular and banking industry in general. Hence UFBU is opposed to all these measures.

You are already aware that nearly ten lacs of employees and officers have expressed their strong protest by their All India Strike on 5.8.2011 at the call of UFBU. Further delay in addressing these issues for an amicable resolution would only aggravate the agitated feelings of the bank employees and officers and would result in further agitational programmes and industrial unrest in the banking sector.

Hence, we seek the attention and intervention of the Government on our issues to advice expeditious actions by IBA in this regard in the larger interest of industrial peace in our banking industry.

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