



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered Under Trade Union Act, 1926–Registration No.B-2334)

Registered Office & Head Quarters:

Post Box No. 528, State Bank of India Buildings, Bank Street, Koti, Hyderabad-500095

CIRCULAR NO.29
TO ALL MEMBERS:

Date: 3rd April 2012

RE-FIXATION OF PAY TO EX-SERVICEMEN RE-EMPLOYED
IN PUBLIC SECTOR BANKS ON OR AFTER 01.01.2006

Members are aware that the ex-servicemen are given pay fixation, on re-employment in the Bank, protecting the salary and allowances they were drawing at the time of their discharge from the defence services and the components of salary which are to be reckoned have been defined and advised to all the Government/Public Sector undertakings including Banks through Indian Banks' Association by the Government of India from time to time.

Subsequent to signing of 9th Bipartite Wage Settlement in banking industry and implementation of Sixth Pay Commission recommendations for Government employees, a doubt has arisen on whether the Grade Pay that was introduced to the Government employees on Sixth Pay Commission recommendations has to be included along with Band Pay while re-fixing the Pay to all the ex-servicemen re-employed in Public Sector Banks, even though the Grade Pay is well within the definition of Pay as per recommendations of Sixth Pay Commission. In the absence of the categorical clarification from IBA/Government, the Banks were reluctant to reckon Grade Pay while pay fixation to re-employed ex-servicemen. We have received several representations from various affiliates/members seeking clarifications in this regard.

We are extremely happy to inform all the affiliates/members that the relentless efforts of the organization in clearing the above anomaly by representing the matter with Indian Banks' Association and the Ministry of Finance, Government of India have yielded greater results with the Indian Banks' Association, on receipt of clarification from Government, advising the managements of all Public Sector Banks to include Grade Pay to the Band Pay of the re-employed ex-servicemen for pay fixation. We reproduce hereunder the instructions of IBA sent to the managements of all Public Sector Banks; vide Circular No.HR&IR/CIR/2012-12/76/589/5499 dated the 2nd April 2012, for information.

(M.V. MURALI)
GENERAL SECRETARY

Text of Circular No.HR&IR/CIR/2012-12/76/589/5499 dated the 2nd April 2012 of Indian Banks, Association addressed to all the Designated Officers of Public Sector Banks

Dear Sirs,

Re-fixation of pay to ex-servicemen re-employed in Banks on or after 1.1.2006

"Please refer to our Circular No.HR&IR/CIR/2011-12/76/589/4358 dated 31st October 2011 on the captioned subject.

In this connection, Ministry of Finance, Government of India has since clarified that in respect of re-employment taking place on/or after 01.01.2006 pre-retirement pay for those retired after 01.01.2006 means the pay in the pay band plus grade pay. Therefore, Ex-servicemen re-employed in the Banks who retired on/or after 01.01.2006 are eligible to pay fixation in banks based on the pay drawn by them at the time of discharge from the Defence Services which would include band pay plus grade pay but does not include MSP.

Member banks are requested to be guided accordingly."

Yours faithfully,

Sd/-

(Prabhir Moulik)

Senior Advisor-HR&IR