

Performance Linked Incentive Scheme

The wages settled during wage revision at industry level are paid by all Banks uniformly, irrespective of the size of the Banks and their financial strength. In today's challenging environment, where there is stiff competition among Banks, a genuine need is felt to allow Banks to pay their employees something extra by way of encouragement as per the profitability and financial soundness of the respective Banks. In order to inculcate a sense of competition and also to reward the performance, the concept of Productivity Linked Pay was discussed and after discussions between the parties, it is agreed to introduce Performance Linked Incentive Scheme in Public Sector Banks which will be based on Operating Profit/Net Profit of the individual bank (optional for private and foreign banks). The PLI shall be payable to all employees annually over and above the normal salary payable. The PLI matrix shall decide the amount payable to the employees (number of days of pay = Basic + DA) depending on the annual performance of the Bank. All the employees shall get the minimum number of days of pay as incentive depending on where in the matrix the Bank's performance fits in, broadly as per Matrix as under:-

Sr. 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 and 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.