



NATIONAL CONFEDERATION OF BANK EMPLOYEES

(Registered under the Trade Unions Act 1926 - Registration No. B-2334)

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All letters to be addressed to the General Secretary

NCBE/2021/04

DATED:02.07.2021

The Chief Executive
Indian Banks' Association
World Trade Centre Complex
Cuffe Parade
Mumbai 400 005

Dear Sir,

XITH BIPARTITE SETTLEMENT : CLARIFICATIONS

This refers to the clarification issued on Stagnation Increment by you to the Designated Officers of Member Banks which are parties to the 11th Bipartite Settlement / Joint Note dated 11.11.2020 vide your letter No. HR&IR/MBR/XIBPS/9991 dated 5th June 2021.

02. The clarification issued by you in respect of workmen in the above-referred communication is reproduced hereunder for ready reference:
- a) From 01.11.2017, both clerical and subordinate staff are eligible for 9 stagnation increments.
 - b) Each stagnation increment shall be Rs.1990 and Rs.1000 for clerical staff and subordinate staff respectively at a frequency of 2 years.
 - c) Clerical/ Subordinate staff already in receipt of 8 stagnation increments shall be eligible for the 9th stagnation increment, from 1st November, 2017 or two years after receiving the eight stagnation increment, whichever is later;
 - d) For all other employees who were in service as on 01.11.2017, stagnation increments already drawn as per old norms shall be revised as per new norms. The benefit of such reworked stagnation increments shall be notional from 01.11.2017 and monetary benefit shall be payable from 01.11.2020 or the actual date, whichever is later. Though the benefits may accrue w.e.f.01.11.2017, in no case monetary benefit will be extended in any manner for the period preceding 01.11.2020.
03. In this connection, our observations are as under:
- Para-2(a) to Para-2(c) above are reiteration of provisions as per Clause-5 of the Eleventh Bipartite Settlement (XI-BPS) dated 11th November 2020;
 - The XI-BPS provides for reworking of stagnation increments as per new norms to all those clerical employees who are/were in service as on 01.11.2017 and drawing stagnation increments. Further, the settlement provides for notional eligibility of such reworked stagnation increment effective from 01.11.2017, which will qualify for superannuation benefits.

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National Confederation of Bank Employees

- Whereas, the inclusion of words "***For all other employees who were in service as on 01.11.2017***" under Para-2(d) above gives a meaning that reworking of stagnation increment as per Para – 2(d) above is not applicable / necessary for the employees who are already in receipt of 8 stagnation increments and are eligible for 9th stagnation increment as per Para – 2(c) above, which is not correct.
- The Basic pension is computed on the average of the last 10 months' substantive salary drawn by the employee for those employees who are covered under Banks' Pension Regulations, 1995 and is computed on the average of the last 12 months' substantive salary drawn by the employee for those employees who are covered under State Bank of India Employees' Pension Fund Regulations.
- If reworking of Stagnation increment is not made applicable for those employees who were already in receipt of 8th Stagnation increment on or before 01.11.2017, then it would result in lower fixation of basic pension in respect of those employees covered under the Banks' Pension Regulations, 1995 and who have not got the benefit of 9th Stagnation increment for the entire last 10 months period of his/her service that will be taken into account for computation of basic pension. Resultantly, such employees may lose the benefit of 9th Stagnation increment in the computation of Basic Pension between one month and nine months.
- Similarly, it would result in lower fixation of basic pension in respect of those employees covered under the State Bank of India Employees' Pension Fund Regulations and who have not got the benefit of 9th Stagnation increment for the entire last 12 months period of his/her service that will be taken into account for computation of basic pension. Resultantly, such employees also may lose the benefit of 9th Stagnation increment in the computation of Basic Pension between one month and eleven months.
- The illustration given hereunder would amply demonstrate the anomaly in the fixation of basic pension to such employees as observed by us:

"Employee-A got his 8th Stagnation increment in June 2018 and retired on 28.02.2021. As per Para-2(c) above, the employee is eligible for 9th stagnation increment in June 2020 with monetary benefits. The Basic Pension will be computed on the Substantive Salary drawn by the employee for the period from March 2020 to February 2021. If reworking of stagnation increment is not made applicable to the employee, then the employee will be put to loss as Substantive Salary of the employee for the period from March 2020 to May 2020 would contain 8th Stagnation Increment and he/she will get the benefit of 9th Stagnation increment only from June 2020 to February 2021.

Employee-B got his 6th Stagnation increment in June 2020 and retired on 28.02.2021. If reworking of Stagnation increment as per Para-2(d) above is made applicable to this employee, then he will become notionally eligible for 9th Stagnation Increment effective from 01.11.2017. Hence, his/her basic pension would be computed basing on the substantive salary drawn by him/her notionally for the period from March 2020 to February 2021, thereby he/she gets the benefit of 9th Stagnation Increment for the entire period of Average substantive salary."

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National Confederation of Bank Employees

- It can be observed from the above illustration that Employee-A, who was drawing 8th stagnation increment on the date of his/her retirement would be drawing less pension than Employee-B, who was drawing 6th Stagnation increment at the time of his/her retirement only because of notional eligibility on account of reworking of stagnation increment/s.

04. It will not be out of context to mention here that in your communication referred above, in respect of officers, it has been clearly advised that ***“for all officers who were in service as on 01.11.2017 and who have received stagnation increment/s at the earlier frequency of 3 years, their stagnation increments shall be readjusted and re-worked at the uniform frequency of 2 years. The benefit of such re-worked stagnation increment shall be notional from 01.11.2017 with monetary benefit w.e.f. 01.11.2020 or the actual date of entitlement whichever is later”***.

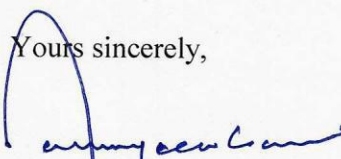
05. Further, the above-referred clarification is silent on the eligibility of superannuation benefits in respect of notional eligibility of stagnation increments w.e.f. 01.11.2017.

06. Hence, we request you to arrange to issue amended clarification as under:

- a) Reworking of stagnation increments should be done as per new norms to all those clerical employees who are/were in the service of the banks as on 01.11.2017 and drawing stagnation increments;
- b) Notional eligibility of such reworked stagnation increment/s as per the revised periodicity is effective from 01.11.2017 and will qualify for superannuation benefits.

With regards,

Yours sincerely,


(SANJEEV K. BANDLISH)
GENERAL SECRETARY

2/7/2021