

**Association of Officers of UCO Bank**  
**(Registered under the Indian Trade Unions Act, 1926)**  
**Affiliated to All India Federation of UCO Bank Officers (AIFUCBO)**  
**An Affiliate of All India Bank Officers Association (AIBOA)**

**Circular No. 131/2018-21**

**July 24<sup>th</sup>, 2020**

**TO ALL THE MEMBERS**

**Ref: BIPARTITE TALKS WITH IBA – MOU SIGNED – CONGRATULATIONS**

We reproduce hereunder the full text of Federation Circular No. AIBOA/CIR/2020-21/26 dated July 23, 2020, as a reproduction of AIBOA Circular No. 11/VII/2020 dated 23/07/2020 issued by Com. S Nagrajan, General Secretary of AIBOA, on the captioned subject for information of all concerned.

Comradely Yours,

Yours truly,

**Ajoy Kumar Mondal**  
**General Secretary**

**Quote**

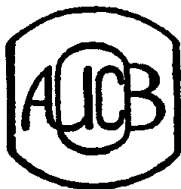
**BIPARTITE TALKS WITH IBA – MOU SIGNED – CONGRATULATIONS**

After the Sub-Committee meeting held on 16-3-2020 to discuss and finalise the loading factor after merger of DA for construction of revised pay scales, there was no meeting with the IBA on our wage revision issues in view of the corona related pandemic situation and lockdown restrictions on travel. However, having regard to the developing scenario in general and in the banking industry in particular, we felt it expedient and accordingly pursued the matter with IBA for resuming and continuing the negotiation and to reach an early and amicable solution. IBA agreed and fixed the negotiations at Mumbai yesterday i.e. on 22.7.2020.

IBA team was led by Shri Raj Kiran Rai, G, MD&CEO, Union Bank of India and Chairman of the Negotiating Committee and UFBU was led by the undersigned i.e. Sanjeev Kumar Bandlish, Convener and General Secretary (NCBE). From UFBU Com. C H Venkatachalam, General Secretary (AIBEA), Com. Sanjeev Kumar Bandlish, General Secretary (NCBE), Com Subash Sawant, General Secretary (INBEF) participated in the talks in person. Others participated through video conferencing from Chennai, Kolkata, Delhi, Patna and Pune as they could not undertake the travel due to restrictions, quarantine issue, etc.

Earlier on 21st July night, a virtual meeting of the UFBU was held and viewpoints of all constituent unions were enlisted to adopt a common approach.

During the discussions with IBA, Shri Raj Kiran Rai explained the constraints faced by the Banks and the challenges that are emerging before the Banks consequent to covid19 which are limiting the capacity of the Banks to incur additional load under



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establishment expense/wage expenses. Hence he urged upon the UFBU to conclude the issue with their offer of pay slip component 15%. From our side, while reiterating our viewpoints made in the earlier round of discussions, we pointed out that the additional loading factor after merger of DA at 6352 points should be satisfactorily resolved so that an MoU could be signed. After prolonged discussions by all the unions and after a lot of deliberations, it was mutually agreed that the additional loading factor after merger of D.A. will be 2.5% thus paving the way for signing the MoU.

Accordingly, the MoU/Minutes of Discussions has been finalized and signed. The main features of the Understandings are as under:

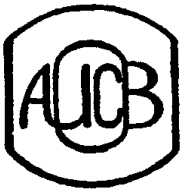
- The 11th Bipartite Wage revision/Joint Note for Officers will be effective from 01-11-2017.
- Increase under this Wage Revision will be Rs.7898 crores per year i.e. 15% on the wage bill of PSBs (payslip component cost) as on 31.03.2017. New pay scales would be worked by merging DA upto 6352 points of price index with an additional loading of 2.5%.
- After prolonged discussions and deliberations, it has been agreed to introduce Performance Linked Incentive(PLI) in Public Sector Banks, which will be based on Operating/Net Profit of the individual bank(optional for private & foreign banks). The PLI is payable to all employees annually over and above the normal salary payable. The PLI matrix decides the amount payable to the employees (in number of days of pay=Basic+DA) depending on the annual performance of the Bank. All the employees will get the number of days of pay as incentive depending on where in the matrix the Bank's performance fits in, broadly as per Matrix 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.**

**(The PLI will be applicable from FY-2020-21)**

- From this calendar year each employee below 55 years of age can encash PL up to 5 days per year for any one festival ( 7 days for those above 55 years of age).



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- For employees who have joined the Banks under NPS, management's contribution would be at 14% of Pay and DA against 10% now.
  - Improvement in service conditions discussed and agreed upon so far would be duly incorporated in the final settlement
  - All other pending issues including 5 days banking, updation of pension, etc. are open and would be further discussed.
  - The full-fledged and final settlement with revised payscales and allowances and incorporating all the agreed issues would be concluded within the next 90 days.
  - Thereafter the Settlement will be implemented and revised salaries would be paid accordingly.

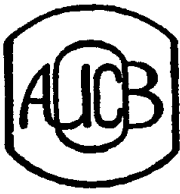
**Good news – Improvement in Family Pension:** On conclusion and signing of the MoU, the Chairman of IBA and SBI, Shri Rajnish Kumar came in the meeting room and participated in the discussions. During his address to all the participants, he informed that IBA agrees in principle to improve Family Pension to uniform rate of 30% for all family pensioners without any ceiling and the existing ceilings of family pension will be removed. Necessary approval of the Government would be obtained.

Addressing the participants, he expressed his satisfaction on the satisfactory signing of the MoU which includes wage increase and new schemes like PLI and encashment of privilege leave, etc. He emphasized the need to ensure a robust banking system which is responsive to the present-day challenges facing the country and our economy and hence the importance of improving productivity, efficiency and responsiveness to the needs of the customers and other stakeholders of the banks. He also made a special reference to the service being rendered by bank employees and officers under the present pandemic circumstances amidst all difficulties. He also informed that the Government is also appreciative of the same and informed that all this could have been possible because of the positive attitude of the Finance Minister for the Bank Employees as well as Officers.

From our side, we expressed our thankfulness to him for his positive interventions during the course of negotiations which has helped in reaching the MoU. We also assured him that the entire banking fraternity would surely rise to the occasion, as hitherto, and it would be our endeavour to improve the services, productivity and efficiency.

We also brought to the attention of the IBA, the various problems faced by bank employees and officers in discharging their duties under lockdown and Pandemic COVID-19 situation and IBA assured to discuss and resolve these issues at their level at the earliest. To our request to fast track compassionate appointments in the case of the families of the employees/officers who lost their lives due to corona infection, IBA assured to look into the same.

Comrades, the signing of the MoU marks the culmination of the long process of our negotiations during which we had to engage ourselves in agitations including strike actions. The unity and cooperation amongst our unions and members has resulted in



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achieving this satisfactory MoU amidst the present uncertainties and challenges posed by Covid19 pandemic. We congratulate all of our unions and members for this achievement in the most difficult circumstances.

We shall now take further steps to work out the final Settlement at the earliest.

Yours comradely

**/-Sd**

**(S. Nagrajan)**  
**General Secretary**  
**AIBOA**

**Unquote**