



STATE BANK OF HYDERABAD STAFF ASSOCIATION

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CIRCULAR NO. SA-CO/20/2015

Dated: 10TH June 2015

ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the **CIRCULAR LETTER NO. 27/134/2015/30, dated: 9th June, 2015**, issued by our National Organization – AIBEA, for your information.

With Greetings,

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

- **Encashment of Leave to employees served with punishment of Compulsory Retirement.**

During the recent negotiations on our Charter of Demands for the 10th Bipartite Settlement, we had demanded that employees who resign the jobs and those served with punishment of compulsory retirement, removal from service or discharge from service may be extended the facility of allowing encashment of Privilege leave to their credit at the time of exit from the Bank. The issue was also discussed with the Sub-Committee meeting of the IBA who had agreed to examine our demand and were also inclined to agree in cases where there is no loss to the Bank on account of the actions of such employees. The issue remained inconclusive and needed to be pursued further.

In the meantime, based on certain legal decision in the matter, the IBA has recently decided to permit encashment of Privilege Leave in cases where the employees are compulsorily retired. The decision is effective from 30-4-2015.

The Circular issued by the IBA (Circular No. 755 dated 11-5-2015) is furnished herein for the information and reference of our units.

Units may take note of the same.

With greetings,

Yours Comradely,

C.H.VENKATACHALAM
GENERAL SECRETARY

Indian Banks' Association

HR & Industrial Relations

No. HR &IR/76/H7/E9/755

May 11, 2015

Chief Executives of Public Sector Banks

Encashment of Leave on Compulsory Retirement

The Personnel Committee of IBA at its meeting held on 16.10.2000 had agreed Compulsory Retirement emanating from Disciplinary Proceeding as contained in Regulation 4(h) of Bank Officer Employees' (Discipline & Appeal) Regulations, 1976/1982, equated with termination of service and not under meaning of 'retirement' mentioned in Regulation 38 of OSR. Accordingly IBA issued the circular IBA No. PD/CIR/76/H7/E9/1452 dated November 27, 2000 stating that Leave Encashment & Travelling Allowance on Retirement will not be entitled for Officer whose services are terminated or who is compulsorily retired as a punishment as per Regulation 4 of the OSR 1979/1982.

The Public Sector Banks (PSBs) except State Bank of India are not permitting encashment of leave on compulsory retirement as per the provisions of Regulation 38 of OSR. Some of the affected officers had approached various High Courts, got relief in their favour. In this connection, it is pertinent to mention that Government of India, Department of Personnel & Training (DOPT) vide O.M.No.14028/1/2004-Estt.(L) dated 13th February 2006 had also decided that in such cases where the Government servants are compulsorily retired as a measure of punishment and in whose cases, if a cut in pension (including gratuity) has been ordered, the benefit of encashment of earned leave at the time of such retirement shall be allowed.

Based on the various representations received from banks in the matter, quoting the court's decision and Government of India decision, the HR Committee at its meeting held on 06.04.2015 discussed the issue and was of the view that the officers/employees in Public Sector Banks may be permitted for encashment of privilege leave to their credit on compulsory retirement in view of the similar provisions in SBI/Government of India. The matter was placed before the Managing Committee at its meeting held on April 30, 2015. The Committee deliberated the matter and approved the recommendations of the HR Committee and **decided to permit encashment of PL for compulsory retired employees/officers.**

Member banks may kindly note the above decision of the HR Committee / Managing Committee of IBA and be guided accordingly. The date of effect of the above decision will be from the date of the decision of the Managing Committee, i.e. April 30, 2015.

K.Unnikrishnan
Dy. Chief Executive