



STATE BANK OF HYDERABAD STAFF ASSOCIATION

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CIRCULAR NO. SA-CO/25/2015

Dated: 29TH June 2015

ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the **CIRCULAR LETTER NO. 27/136/2015/32, dated: 25th June, 2015**, issued by SSBEA and our National Organization – AIBEA, for your information.

With Greetings,

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

10th BP Settlement and Gratuity

References are being made to us regarding Gratuity under the 10th BP Settlement signed recently on 25-5-2015. Gratuity in the Banks is payable to employees and officers both under the Gratuity Act, 1972 as well as under the provisions of our Bipartite Settlement for employees and as per OSR for officers whichever is higher. (other than in SBI where Gratuity is paid only under the Act with a ceiling of Rs. 10 lacs).

Eligibility :

As per Bipartite Settlement	As per Gratuity Act
On retirement on superannuation	On retirement on superannuation
On resignation after 10 years' service	On resignation after 5 years' service
On termination of service	On disablement
On becoming incapacitated	On death of an employee
On the death of an employee	

Eligible Amount:

As per Bipartite Settlement	As per Gratuity Act
<p>One month Pay for each completed year of service (Max. 15 months) plus half month Pay for each year beyond 30 years' service (No maximum)</p> <p>Pay means Basic pay, Spl. Pay, Offg. Pay, PQP, increment portion of FPP.</p>	<p>15 Days wage x No. of years of service (Max. Rs. 10 lacs)</p> <p>Wage means Basic Pay, Spl. Pay, Spl. Allowance, PQP, Offg. Pay, DA, Increment portion of FPP.</p> <p>1 day = monthly wage/26 days</p>

PAYMENT OF GRATUITY FROM 1.11.2012

1. In terms of Section 4 (5) of the Payment of Gratuity Act, 1972, Gratuity under Gratuity Act or BPS provisions **whichever is higher is payable.**
2. Hence for every retiring employee, Gratuity has to be calculated both under the Act and under BPS and **higher of the two will be paid.**
3. For those employees who have retired from November, 2012, **Gratuity will be re-calculated** both under the Act and as per 10th BPS and arrears/difference if any will be paid to them.

Example:

- a) A Special Assistant (Graduate and CAIIB) with 8 Stagnation Increments and retiring in July, 2015 after 40 years' service

	Eligibility as per the Act	Eligibility as per BPS	Paid/ Payable
Under 9 th BPS	$58,342 / 26 \times 15 \times 40$ = 13,46,353 Max. Rs. 10 lacs	$28110 \times 20 =$ Rs. 5,62,000	10 lacs
Under 10 th BPS	$62,758 / 26 \times 15 \times 40$ = 14,48,260 Max Rs. 10 lacs	$47270 \times 20 =$ Rs. 9,45,400	10 lacs

- b) A Daftary with 8 Stagnation Increments and retiring in July, 2015 after 40 years' service

	Eligibility as per the Act	Eligibility as per the BPS	Payable
Under 9 th BPS	$30,930 / 26 \times 15 \times 40$	14890×20	713,770

	= 713,770	= 2,97,800	
Under 10 th BPS	33,204 / 26 x 15 x 40 = 766,250	25000 x 20 = 5,00,000	766,250
Difference of Rs. 52,480 will be paid			

c) **An Officer retiring in July, 2015 after 40 years' service**

(with Old Basic pay Rs. 25,700 and revised Basic pay Rs. 42,020)

	Eligibility as per the Act	Eligibility as per BPS	Paid/Payable
Previous	54,150 / 26 x 15 x 40 = 12,49,615 Max. Rs. 10 lacs	25700 x 20 = Rs 5,14,000	10 lacs
Revised	56,180 / 26 x 15 x 40 = 12,96,460 Max Rs. 10 lacs	42020 x 20 = Rs 8,40,400	10 lacs

d) **An Officer retiring in July, 2015 after 40 years' service**

(with Old Basic pay Rs. 40400 and revised Basic pay Rs. 66070)

	Eligibility as per the Act	Eligibility as per BPS	Paid/Payable
Previous	85,123/ 26 x 15 x 40 = 19,64,377 Max. Rs. 10 lacs	40,400 x 20 = Rs 8,08,000	10 lacs
Revised	88335 / 26 x 15 x 40 = 20,38,500 Max Rs. 10 lacs	85020 x 20 = Rs 13,21,400	13,21,400
Difference of Rs. 3,21,400 will be paid			

e) **An Officer retiring in July, 2015 after 40 years' service**

(with Old Basic pay Rs. 52000 and revised Basic pay Rs. 85000)

	Eligibility as per the Act	Eligibility as per BPS	Paid/Payable
Previous	1095654/ 26 x 15 x 40 = 25,28,400 Max. Rs. 10 lacs	52,000 x 20 = Rs 10,40,000	10.40 lacs
Revised	113645 / 26 x 15 x 40 = 26,22,577 Max Rs. 10 lacs	85020 x 20 = Rs 17,00,400	17.00 lacs
Difference of Rs. 6.60 lacs will be paid			

Our units should ensure that such arrears of Gratuity wherever eligible is paid to the concerned retirees.

With greetings,

Yours Comradely,


C.H.VENKATACHALAM
GENERAL SECRETARY