

All India Bank of Baroda Officers' Association

(CENTRAL OFFICE)

Registered Under Indian Trade Unions Act, 1926 & Recognised by Bank
(Affiliated to INTUC - INBOC)



C/o. Bank of Baroda,
3, Walchand Hirachand Marg,
Ballard Pier, Mumbai - 400 001.

CIRCULAR TO MEMBERS NO. 21 OF 2019

17TH September, 2019

Dear Members,

WAGE REVISION – TALKS HELD WITH IBA TODAY

We are happy to report to you that One more round of Bipartite Talks were held today at IBA office in Mumbai between IBA and UFBU. IBA team was led by Shri Rajkiran G. (MD & CEO, Union Bank of India), Chairman of the Negotiating Committee. From UFBU representatives of our 9 constituent unions were present.

Performance Linked Incentive Scheme: IBA made a presentation of the Performance Linked Incentive Scheme proposed by them. This scheme envisages payment of additional annual incentive payable in addition to and over and above the mutually agreed wage revision quantum and the quantum of incentive would depend on growth in Operating profits and Return on Assets of each Bank each year after the declaration of annual results. IBA informed that the Performance Linked Incentive compensation will be over and above the settled pay structure as the wage revision is based on the negotiations and not linked to Bank's performance. The IBA further informed that they are open to discuss about their proposal on PLI in all respects including parameters and amount to be paid as incentive. IBA informed that the cost of such incentive would be exclusive of the cost of revision being discussed and finalized.

IBA clarified that the scheme would be based on the performance of the Banks each year and not on the performance of the individual employees/officers. IBA wanted the views and inputs of the UFBU for finalizing the performance measures formula.

From UFBU it was informed to them that since the Scheme and its cost are over and above the wage revision, we agree in principle to discuss the scheme further and would give our suggestions during the further course of discussions.

Mandate issue: On the mandate issue to cover all officers upto Scale VII, IBA informed that since the UFBU has agreed in principle to discuss the PLI scheme, they would reconsider their earlier stand and take a positive decision after consulting the Boards of the concerned Banks regarding the revised mandate from those Banks who had given the fractured mandate.

IBA's improved offer: During the discussions, IBA improved their offer from 10 % to 12 % hike in the pay slip cost of the wage bill. From our side, while welcoming their improved offer, we informed that this is insignificant as per the expectations of the employees and officers in general so we are not able to accept it and requested them to improve their offer over and above what was settled in the last wage revision to discuss and decide the final quantum for the wage revision. Finally, we requested the IBA to improve their offer to at least to the level where it was settled in the last wage revision to take the talks to the logical conclusion.

5 Day Banking: To our demand for introduction of 5 Day Banking, IBA informed that they are seized of the issue and have taken up the issue with the concerned authorities and decision can be taken only after taking into account the viewpoints of various stake-holders connected with the issue. We urged upon them to expedite their decision.

Improvement in Family Pension and updation of Pension: We reiterated our demand for improving the present formula of Family Pension. IBA informed that they are equally sympathetic on this issue and would further proceed in the matter after considering the additional cost involved, approval from higher authorities, etc.

As regards updation of pension, IBA stated this also would entail additional provision to the Pension Fund which needs to be examined in detail. We requested the IBA to provide us the details of the necessary data, so that the unions may also work out the cost implications through actuaries before discussing further on the issue.

Increase in Ex-Gratia of Pre-1986 Retirees: We urged upon the IBA to recommend to the Government for increase in the Ex-gratia amount being paid to the pre-1986 retirees. IBA agreed to examine the matter.

Exempted Pension Trust for private banks: We pointed out that while public sector banks have exempted and own Pension Trusts, the private banks who are covered by our Pension Settlement are not being permitted to have their own Bank-wise exempted Pension Trusts. We suggested that at least for all the private Banks together a common exempted pension trust should be permitted. IBA agreed to examine our request.

Medical Insurance Scheme for the retirees: We requested the IBA to take up with the United India Insurance Company for considering the reduction in the premium on the policy relating to retirees. IBA informed that the same may be taken up with UIIC provided we can suggest suitable changes in the coverage, ceiling on bed charges, etc. which would result in reduction in claim ratio and premium. IBA wanted the views from the UFBU in this regard.

Exemption of GST on premium on medical insurance policies: We pointed out while the premium for medical insurance policy itself is becoming unaffordable by the retirees, the 18% GST on such premium is adding further burden on them and hence IBA should take up the matter with the Government to remove GST on medical insurance policy at least for the retirees. IBA agreed to pursue the matter with the Government.

With greetings,

Yours sincerely,

(K.K.NAIR)

GENERAL SECRETARY

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