

# UNITED FORUM OF BANK UNIONS

(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)

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**K K NAIR**

Chairman

**SANJEEV K. BANDLISH**

Convenor

UFBU / 2017 / STRIKE NOTICE

8<sup>th</sup> February , 2017

## FORM – 1

### NOTICE OF STRIKE

**NAME OF UNIONS : UNITED FORUM OF BANK UNIONS (U.F.B.U.)**

- ALL INDIA BANK EMPLOYEES' ASSOCIATION (AIBEA)
- ALL INDIA BANK OFFICERS' CONFEDERATION (AIBOC)
- NATIONAL CONFEDERATION OF BANK EMPLOYEES (NCBE)
- ALL INDIA BANK OFFICERS' ASSOCIATION (AIBOA)
- BANK EMPLOYEES FEDERATION OF INDIA (BEFI)
- INDIAN NATIONAL BANK EMPLOYEES FEDERATION (INBEF)
- INDIAN NATIONAL BANK OFFICERS CONGRESS (INBOC)
- NATIONAL ORGANISATION OF BANK WORKERS (NOBW)
- NATIONAL ORGANISATION OF BANK OFFICERS (NOBO)

### NAMES OF ELECTED REPRESENTATIVES

- 1 Shri. Sanjeev K. Bandlish, General Secretary, NCBE/Convenor UFBU
- 2 Shri. C.H. Venkatachalam, General Secretary, AIBEA
- 3 Shri. Harvinder Singh, General Secretary, AIBOC
- 4 Shri. S. Nagarajan, General Secretary, AIBOA
- 5 Shri. Pradip Biswas, General Secretary, BEFI
- 6 Shri. Subhash S. Sawant, General Secretary, INBEF
- 7 Shri. K.K. Nair, General Secretary, INBOC
- 8 Shri. Upendra Kumar, General Secretary, NOBW
- 9 Shri. Hazari Lal Meena, General Secretary, NOBO





Dated this day of 8<sup>th</sup> February, 2017

To  
The Chairman,  
Indian Banks' Association,  
World Trade Centre,  
Cuffe Parade, Mumbai.

Sir,

In accordance with the provisions contained in sub-section (1) of Section 22 of the I.D. Act - 1947, we hereby give you notice that the members of the constituent unions of **United Forum of Bank Unions** (AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBEF, INBOC, NOBW, NOBO) propose to go on strike on the **28<sup>th</sup> February, 2017 on the following issues and demands:**

**OPPOSING:**

- Anti-people Banking /Labour Reforms
- Government moves infringing trade union rights
- Outsourcing of permanent jobs

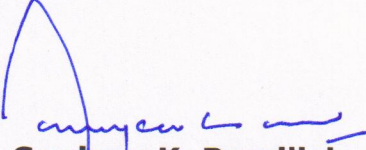
**DEMANDING:**

- Legitimate compensation to employees and officers for extra hours of work performed on demonetization work;
- Removal of Gratuity ceiling under Payment of Gratuity Act, 1972; Exemption of Income Tax on Gratuity and Leave Encashment on retirement.
- Immediate appointment of Workmen/Officer Employee Directors in all Banks/FIs.
- Early initiation of process of next wage revision of bank employees
- Pension related issues - Improvements in pension scheme on the lines of RBI/Central Government including for past retirees - Extension of erstwhile Pension Scheme in banks in lieu of NPS - Follow up of Record Note dated 25.05.2015
- Implementation of Compassionate appointment scheme on the lines of Central Government as approved by the Government
- Adequate recruitment in all cadres
- Reimbursement of cost of demonetization to Banks by Government
- Immediate introduction of 5-Day Banking



- **Stringent measures to recover bad loans and accountability of top Executives**
- **Criminal action on willful defaulters.**

The details of the programme and the Statement of the case are furnished herein.



**Sanjeev K. Bandlish**  
Convenor, UFBU

- Encl. :**
- 1.** Details of Agitational Programme
  - 2.** Statement of the Case

**Copy to**

1. Chief Labour Commissioner (Central), New Delhi
2. CMDs/MDs/CEOs of All Banks
3. Copy to All Constituent Units of UFBU



## All India Bank Strike on 28<sup>th</sup> February, 2017

### PROGRAMMES

|  |   |
|--|---|
| 13.02.2017                             | Press Release at all State Capitals and major centres |
| 17.02.2017                             | Centralised Demonstrations at all Centres             |
| Between<br>17.02.2017 to<br>22.02.2017 | Dharna at all State capitals                          |
| 22.02.2017                             | Badge-wearing & Demonstrations/Rallies at all Centres |
| 27.02.2017                             | Lunch Hour Demonstrations at all Centres              |
| 28.02.2017                             | <b>ONE DAY ALL INDIA BANK STRIKE</b>                  |

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## **STATEMENT OF THE CASE**

### **1. ANTI-PEOPLE BANKING/LABOUR REFORMS::**

The Unions in the banking industry have been fighting for more than 2 decades against the reform menace that was introduced in the year 1991 and trying to the speed of the reforms for the prime reason that the measures are aimed at privatization of public sector banks which has now been clearly exhibited by the moves of the government through its discrimination in capitalization, dilution of PSBs and encouragement to Private Sector Banks, establishment of holding companies and bringing them under Companies Act, attempts of privatization, allowing Small Banks and Payments to private corporate, blaming the banks alone for the alarming position of NPAs, huge provisions towards NPAs and showing the PSBs in poor light, etc. Despite stiff opposition from the trade unions in the banking industry, the present Government is bent upon in continuing the reform measures that too at rapid speed. In the guise of amendments to the well established Labour Laws of the Country, attempts are being made by the Government to wipe out the pro-labour provisions to suit the needs of the private and foreign investors. Further, the proposed amendments to several related laws such as Industrial Disputes Act, Child Labour Act, Shops & Establishment Act, etc. would resultantly leave no space left for the labour force in the country to have a peaceful living as the proposed amendment would provide full freedom to the employers to follow hire and fire policy. Hence, the continuation of struggle by UFBU against anti-people banking/labour reforms so as to ensure protection of hard earned rights as well as the entire labour force in the Country.

### **2. GOVERNMENT MOVES INFRINGING TRADE UNION RIGHTS:**

Under the provisions of the Trade Unions Act, 1926, workers have the right to organize themselves into trade unions and have the right to negotiate and achieve for the betterment of workers. The collective bargaining and the right of representation are the genuine trade union functions provided under the Trade Unions Act. The genuine trade union activities are being questioned. The right to strike is being challenged. The proposal to consolidate the existing Industrial Disputes Act, Trade Unions Act and Industrial Employment (Standing Orders) Act would deprive the protection and benefits of these Acts to the labour as well as the Trade Unions. In the banking sector also, there are increasing instances of denial of trade union rights viz. right of representation in the Boards of the Banks, right to collective bargaining, violation of Settlements, questioning to right to strike etc.



3. **OUTSOURCING OF PERMANENT JOBS:**

Banking industry is the backbone of the economy of the country. The virtual ban on recruitment for more than one and a half decade has virtually increased the shortage of staff. The recruitments made later on are not sufficient due to opening of more number of branches under financial inclusion and casualties on account of retirements, resignations, death, etc. Further, the expansion of banking services has also resulted in huge increase in the business of banks. However, instead of going for adequate recruitment in all cadres, the banks are attempting to outsource the regular and permanent jobs through contract. This will not only jeopardize the chances of employment to unemployed but also result in increased risks and exploitation of labour by not adhering to the Payment of Minimum Wages Act. Hence, the UFBU is opposing outsourcing of permanent jobs and demanding for adequate recruitments in all cadres.

4. **LEGITIMATE COMPENSATION TO EMPLOYEES AND OFFICERS FOR EXTRA HOURS OF WORK PERFORMED ON DEMONETIZATION WORK & REIMBURSEMENT OF COST OF DEMONETIZATION TO BANKS BY GOVERNMENT:**

The demonetization scheme was introduced on the 9<sup>th</sup> November 2016 and since 10<sup>th</sup> November 2016 onwards, the flooding of customers and general public in all the branches of all banks is known globally. A sea change has been witnessed through introduction of demonetization scheme, which has not only affected the routine of the bank employees and officers but also the customers and the general public on the whole. Sensing the alarming and warranting situation, the bank employees and officers had to work continuously since 9<sup>th</sup> November 2016 onwards for more than 50 days beyond their normal working hours. Late sitting was almost a forced one during the said period. But, the employees are not adequately compensated for the extra hours of work performed by them for nearly 50 days. Some banks paid lesser compensation for the first four days i.e., 10<sup>th</sup> to 13<sup>th</sup> November 2016. Some other banks have not paid any compensation even for those initial four days. Unilateral instructions are being given by some bank managements to pay overtime for restricted hours instead of actual hours even though employees are legitimately eligible for payment of overtime as per bilateral provisions. Officers were also made to work for long hours and on Sundays / holidays without compensation or with notional payment. In view of extra-ordinary but warranting circumstances, where all bank employees and officers had to perform extra hours of work exclusively on demonetization work, we demand for legitimate compensation to employees and officers.



Further, the effect of demonetization is huge on banks. The profitability of banks would be affected on account of (i) inflow of huge deposits which are now kept idle in banks as there is lack of demand for loans; (ii) the cost incurred/ to be incurred by banks towards compensation paid to the employees/officers; (iii) the cost of digitization; (iv) the cost of educating customers and (v) the business loss of the banks due to inability to concentrate on other areas of banking for more than 50 days on account of demonetization works such as collection/exchange of money, remittances, etc. UFBU demands for reimbursement of all these costs to the banks by the Government as this additional cost would hugely affect the balance sheets of the banks in the present fiscal.

5. **REMOVAL OF GRATUITY CEILING UNDER PAYMENT OF GRATUITY ACT, 1972 & TOTAL EXEMPTION OF INCOME TAX ON GRATUITY AND LEAVE ENCASHMENT ON RETIREMENT**

Payment of Gratuity Act 1972 provides for statutory payment of Gratuity to employees of Public Sector undertakings, Private Sector enterprises, Banks and other establishments, but does not include employees of Central and State Governments. Central Government employees are paid Gratuity as per Central Pay Commission recommendations accepted by Government from time to time. Section 4(3) of the Payment of Gratuity Act, 1972 provides for the amount of ceiling on gratuity payable to an employee that it shall not exceed Rs. 10 lacs, whereas the ceiling on gratuity payable to Central Government employees is fixed by Government on the recommendations of Central Pay Commission which is presently Rs. 20 lacs. Amendment to the Payment of Gratuity is legislation independent of the Pay Commission recommendations. Further, Section 4(5) of the Act states that "Nothing in this section shall affect the right of an employee to receive better terms of gratuity under any award or agreement or contract with the employer". Hence, the UFBU demands for removal of gratuity ceiling under Payment of Gratuity Act, 1972. The benefits at the time of retirement are presently taxable after certain limit. These limits were fixed long back and not revised so far. Inasmuch as the benefits are provided to the retired employees in the form of terminal benefits, the UFBU demands for total exemption of Income Tax on Gratuity and Leave Encashment on retirement.

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6. **IMMEDIATE APPOINTMENT OF WORKMEN / OFFICER EMPLOYEE DIRECTORS IN ALL BANKS/FIs:**

Undue delay in the appointment Workmen/Officer Employee Directors in the boards of Public Sector Banks/FIs is prevalent which has created a vacuum in the boards and the interests of employees as well as the bank/FI have been affected. The issue is pending since long in many banks. The recommendations sent by the Banks/FIs are pending with Department of Financial Services despite submission of the same much before the expiry of the term of the then directors. The absence of employee/officer directors on the Bank/FI Boards defeats the very purpose of the scheme meant to ensure workers' participation and hence the demand for immediate appointments in all these vacant posts.

7. **EARLY INITIATION OF PROCESS OF NEXT WAGE REVISION OF BANK EMPLOYEES:**

The Department of Financial Services has already communicated directly to the Management of member banks of Indian Banks' Association (IBA) with copies marked to IBA for initiating the process of negotiations of next wage revision of the employees and officers with a view to conclude the same by effective date i.e., 01.11.2017 positively. However, the process is moving at snail's pace as many of the member banks have not even sent their mandates to IBA despite a lapse of more than a year of Government communication. Even in the meeting of UFBU with IBA on 13<sup>th</sup> April 2016, it was informed by IBA that in view of the Government guidelines, they would take up this issue, after the Balance Sheets of the Banks for the year ended 31.03.2016 are finalized. The mandate from all the member Banks to be obtained and the process of next wage negotiation, as hitherto, needs to be initiated immediately without any further delay.

8. **PENSION RELATED ISSUES :: (a) Improvements in Pension Scheme similar to RBI/Central Government including for past retirees (b) Extension of erstwhile Pension Scheme in banks in lieu of NPS (c) Follow-up of Record Note dated 25.05.2015**

In the charter of demands submitted by UFBU (Workmen Unions / Officers' Associations) for revision of wages and service conditions for Tenth Bipartite Wage Settlement, certain demands pertaining to the superannuation benefits/ issues of retirees were also raised. Inasmuch as the discussions on the said issues could not be finalized before conclusion of Tenth Bipartite Wage Settlement/Officers' joint Note, the discussions between the representatives of UFBU and IBA were recorded as a Note. Revision in the rates of Family Pension on the same lines of the Central Government Scheme and RBI Scheme, Extending Dearness Relief at 100% compensation to all pre-November 2002



pensioners as in the case of post November 2002 retirees, Upgrading the Basic Pension of all the pensioners at the common and uniform index of 4440 points, Updation of pension for all existing pensioners and family pensioners, Periodical updation/ improvement in pension along with occasions of wage revision of in-service employees on the lines of the Central Government and Uniform percentage of allocation from Welfare Fund towards schemes pertaining to retirees were the issues discussed and the responses of IBA also were recorded in the Record Note dated 25.05.2015. In the discussions held on 13<sup>th</sup> April 2016 with IBA, it was informed by IBA that details with regard to Family Pension have been called for from the banks and the UFBU asked the IBA to expedite the collection of the details in order to take this issue forward. With regard to periodical updation of pension and Uniform DA formula for Pre-November 2002 retirees, IBA replied that the cost implications need proper working out. Inasmuch as there is not much progress since signing of Record Note dated 25.05.2015, the UFBU demands for immediate follow-up of the same without any further delay. UFBU also demand for extension of erstwhile pension scheme in banks instead of NPS.

9. **IMPLEMENTATION OF COMPASSIONATE APPOINTMENT SCHEME ON THE LINES OF CENTRAL GOVERNMENT AS APPROVED BY THE GOVERNMENT**

UFBU had been persistently following up the matter with the Government of India for restoration of Compassionate Appointment Scheme in the banking industry. Subsequent to sustained struggles of the UFBU for almost a decade, the Government had initially advised all the Public Sector Banks to open the Compassionate Appointment Scheme in PSBs on the lines of Central Government effective from the 5<sup>th</sup> August 2014 by discontinuing the provision of ex-gratia. However, subsequently instructions were sent by the Government that all Public Sector Banks can have both the options enabling continuation of the provision of payment of ex-gratia lumpsum amount also. The Compassionate Appointment Scheme on the lines of Central Government, as approved by the Government, has so far not been implemented in many of the banks. Further, in some of the banks the Compassionate Appointment Scheme under exceptional circumstances along with Scheme for payment of Ex-gratia Lumpsum Amount in lieu of Compassionate Appointment, have been introduced totally ignoring the approval of Government of India to open the Compassionate Appointment Scheme in Public Sector Banks (PSBs) on the lines of Central Government. UFBU demands for immediate implementation of Compassionate Appointment Scheme on the lines of central government, as approved by the government, in all the banks.



#### **10. IMMEDIATE INTRODUCTION OF 5-DAY BANKING:**

The demand for 5-day banking was made during the last wage negotiations primarily for the reason that with the introduction of technology oriented banking and alternate channels for customer use like ATMs, CDMs, e-lounges, Net Banking, etc., the necessity of manual banking has reduced to a considerable extent. The demand was met partly through declaration of 2<sup>nd</sup> and 4<sup>th</sup> Saturdays of the months as holidays. It can also be noted that Central Government employees, majority of State Government employees, RBI and IT sector employees work for five days a week. Moreover, no financial institution, internationally, work on Saturdays. Further, the recent Government directives also insist for cashless transactions and maximum utilization of alternate channels by the customers. It was also assured to us, while considering the proposal of holidays on 2<sup>nd</sup> and 4<sup>th</sup> Saturdays, that the 5-day banking will be introduced after some testing period. Hence, UFBU demands for immediate introduction of 5-Day banking.

#### **11. STRINGENT MEASURES TO RECOVER BAD LOANS AND ACCOUNTABILITY OF TOP EXECUTIVES – CRIMINAL ACTION AGAINST WILFUL DEFAULTERS OF BANK LOANS**

The Government is very serious in continuing the retrograde reform measures ignoring the real menace in the banking industry i.e., alarmingly increasing bad loans. Wilful defaulters are also on the increase. The borrowers after taking the loans are not repaying it deliberately and getting away from the trouble through the perilous write-off provision available in the banking industry. The whole country has so far witnessed that the method of evading repayment also is maximum done by the big and corporate borrowers. The resultant effects of increase in bad loans such as increase in provisions, huge write-offs, etc., will siphon off the profitability earned by the banks affecting the efforts and hard work put in by the employees and officers on the whole towards the growth of the banking industry. There is an imperative need to fix accountability of top-executives concerned, if any. Criminal action against willful defaulters of bank loans can only reduce such types of irregularities in the banking industry. Hence, UFBU demands for stringent measures to recover bad loans and accountability of top executives and also for initiation of criminal action against will defaulters of bank loans.

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