Indian Banks' Association

HR & Industrial Relations

No./HR&IR/CIR/2013-14/589/8764

January 30, 2014

Chief Executives of Public Sector Banks

Dear Sir,

Pay Fixation of Ex-Servicemen Re-Employed in Public Sector Banks

We refer to our letter No.HR&IR/CIR/2012-13/76/589/5850 dated 6.9.2012 regarding re-fixation of pay of ex-servicemen re-employed in Banks on or after 1.1.2006.

2. Keeping in view the fact that all the Public Sector Banks are enjoying autonomy in their HR matters, the Ministry of Finance, vide its letter dated 22\textsuperscript{nd} March, 2013, requested IBA to frame uniform guidelines for fixation of pay of Ex-Servicemen upon their re-employment in PSBs, in consonance with the Government of India's policy in the matter and the principle of fairness. The letter further stated that the system of re-employment should be reviewed comprehensively to allow Ex-Servicemen to have their pay protected upon re-employment in PSBs. IBA was requested to have these issues considered and examined in consultation with the PSBs and send their considered opinion/comments to the Ministry of Finance, Department of Financial Services for necessary action.

3. Accordingly, IBA constituted a Working Group, consisting of three senior officers drawn from banks and prepared a report. With the approval of the Managing Committee at its meeting held on 6\textsuperscript{th} June, 2013, the Report of the Working Group was sent to DFS for their consideration and to issue necessary guidelines. The Ministry of Finance, vide letter dated 19\textsuperscript{th} July, 2013, advised IBA to take appropriate decision in the matter of pay fixation of re-employed Ex-Servicemen in PSBs as deemed fit. While doing so, IBA was asked to ensure that such pay fixation is in consonance with DOPT guidelines issued from time to time that all PSBs follow the guidelines uniformly to avoid disparity in pay fixation across PSBs.

4. As desired by DFS, a “draft” guidelines to be issued to PSBs was sent to the DFS vide our letter dated 27\textsuperscript{th} August, 2013 for their examination and their approval.

5. Now, the Ministry of Finance, DFS, vide their letter dated 30\textsuperscript{th} December, 2013 (copy enclosed), has advised that the draft guidelines prepared by IBA generally appear in order. However, before issue of these guidelines to all PSBs, it is desirable to ensure that no decision is contradictory to established Government Policy and that none of these are violative of DOPT or Ministry of Defence (MOD)/Ministry of Finance instructions on this subject.

...2.
6. Draft guidelines, approved by the Ministry of Finance, Department of Financial Services with some suggestions were put up to the Management Committee of IBA at its meeting held on 28.1.2014 for approval. The Committee has approved these guidelines as per annexure enclosed for compliance by Banks.

All the Banks are therefore advised to implement these guidelines regarding pay fixation of ex-servicemen on their re-employment on or after 1.1.2006.

Yours faithfully,

( K Unnikrishnan )
Deputy Chief Executive

Encl:

c.c.to : Chief Executives of Private Sector Banks - For information