

All India Bank of Baroda Officers' Association

(Central Office)

Registered Under Indian Trade Unions Act, 1926 & Recognised by Bank

(Affiliated to INTUC-INBOC)



CIRCULAR TO MEMBERS NO.29 OF 2018

1st October,2018

Dear Members,

Re: Wage Revision – Talks with IBA held on 29th September, 2018

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We wish to inform that Indian Banks' Association held yet another meeting on Wage Revision with UFBU in Mumbai on 29th September, 2018. The text of a circular issued by UFBU after the meeting, is reproduced hereunder for your information:

“One more round of Bipartite Discussions were held on 29-9-2018 between UFBU and IBA at Mumbai. In continuation of the last round of discussions, IBA wanted to know our reaction to their offer of 6% hike made in the last round of talks. Responding to their question from our side, we pointed out that their offer is too inadequate and we asked IBA to improve their earlier offer.

However IBA proposed that in addition to 6% hike offered by them which would be common to all Banks, additional wage increase can be worked out through a scheme by which in each Bank annual increase in emoluments can be offered based on Operating Profits and Return on Assets of the individual Bank with a view to add an element of performance linked compensation over and above the uniform pay structure.

IBA detailed their proposal as under:

% increase YoY in Operating Profit/Return on Assets - ROA
Category C 0.01 % to 7 %- 0.75 to - 0.25
Category B 7.1 % to 15 %- 0.24 to 0
Category A Above 15 % Above 0

No. of days for which Establishment Cost shall be paid out/Return on Assets
Category ABC

Operating Profit (YoY Growth) A 30 25 15 B 25 20 10 C 10 10 5

Pay Out as % of Establishment Cost/Return on Assets
Category ABC

Operating Profit (YoY Growth) A 8.2 % 6.8 % 4.1 % B 6.8 % 5.5 % 2.7 %
C 4.1 % 2.7 % 1.4 %

YoY Growth in Operating Profit/Return on Assets
Category No. of days for which Establishment Cost will be paid out/Pay Out as % of Establishment Cost
Above 15 % Above 0 A A 30 days 8.2 % Above 15 %- 0.24 to 0
A B 25 days 6.8 % Above 15 %- 0.75 to - 0.25 A C 15 days 4.1 % 7.1 % to 15 % Above 0
B A 25 days 6.8 % 7.1 % to 15 %- 0.24 to 0 B B 20 days 5.5 % 7.1 % to 15 %- 0.75 to - 0.25
B C 10 days 2.7 % 0.01 % to 7 % Above 0 C A 15 days 4.1 % 0.01 % to 7 %- 0.24 to 0
C B 10 days 2.7 % 0.01 % to 7 %- 0.75 to - 0.25 C C 5 days 1.4 %

IBA sought the reaction of UFBU to their proposal. From UFBU, we have pointed out that their above proposal based on performance/profits of the Banks is not an answer to our demand for increase in wages due to inflation, price rise, cost of living, increased workload and job profile of bank employees and officers. We reiterated that the IBA's offer of 6% hike should be substantially improved upon.

IBA while stating they are not averse to increasing their 6% offer, wanted UFBU to consider their proposal looking to the present varying Operating Profits of the Banks and consequent paying capacity. IBA proposed that UFBU may study their proposal and come out with suggestions or alternative proposals for their consideration. IBA also informed UFBU to revise the demands in terms of total cost in order to arrive at a

negotiated solution. It was decided that the issue would be further discussed in the next round of discussions.

Merger of DA with Basic Pay: We proposed that Dearness Allowance upto 6352 points of Consumer Price Index (Quarterly Average of July, August, September, 2017 i.e. DA paid from November, 2016) be merged with Basic Pay for constructing the revised Pay Scales. IBA informed that they would give their reaction in the next round of discussions.

UFBU Meeting: In the UFBU meeting held thereafter, it has been decided to hold UFBU meeting on 14th October, 2018 to discuss the proposal of IBA and give our reactions thereupon.

Renewal of Medical Insurance Policy: The Medical Insurance Policy for serving employees and officers of the Banks is being renewed w.e.f. 1-10-2018 based on the revised quotation received UIIC.”

With greetings,

Yours sincerely

(PREM MAKKER)
GENERAL SECRETARY

PLEASE CIRCULATE AMONGST OFFICER-COLLEAGUES