



ALL INDIA BANK PENSIONERS & RETIREES CONFEDERATION (A.I.B.P.A.R.C.)



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Circular no 84-24

Date: August 08, 2024.

For circulation among members of the Governing Council, State Secretaries, Special Invitees, Advisors, Affiliates, Constituents of CBPRO and Members.

Dear Comrade,

Sub: Staff welfare fund in Public Sector Banks.

1. The DFS, MOF, GOI by its communication no: 14/7/92 --IR dated 5th August,2024 has declared the revised norms for computation of the quantum of the amount to be provided in Staff welfare fund. We are reproducing the Notification of the Government for perusal and information of members.

2. Members are aware of the fact that AIBPARC in one voice with all the serving unions/ Associations has always shouted in the full- throated voice that the existing norm decided in the year 2012 needs immediate upward revision in the changed scenario otherwise its aims and purposes would be frustrated. We had also demanded that the large-scale merger of Public Sector banks made the situation more complicated because number of employees got substantially hiked in the Anchor Banks whereas the amount of the Welfare fund remained the same because of the very low ceiling as decided in the circular of DFS issued in the year 2012. We convey our happiness that the Government has responded to the call at long last. Better late than never -- is the right saying to describe the action.

3. For us, there are, however, certain zones of serious discomfort and we shall be taking up such issues with IBA for redressal of our grievances.

The Notification of the Government has been addressed to The Chairman, SBI and The MDs & CEOs of the Nationalized Banks. We shall request IBA soon to send the advisory to The MDs& CEOs of The Private Sector Banks which had been parties to the Bipartite Settlement/ Joint Note. We shall also request IBA to address the letter to the parties to the 1993 Pension Settlement otherwise the Retirees of the Private Banks taken over by Foreign Banks and the New generation Private Sector Banks will be at serious jeopardy.

4. The earlier norm of providing 3% of the Net Profit remained unchanged but the ceiling in respect of different Banks decided according to volume of Business and number of employees has been upwardly revised. This is, no doubt, a welcome development. But we shall have to take up with IBA/ GOI about issuance of a specific advisory telling



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what would be the quantum of share of the Retirees in the amount available in the Staff Welfare Fund. This is pertinent to mention that the Khandelwal Committee Report which has been largely accepted by GOI has made specific recommendations in this regard which says:

The number of retired and retiring employees has been increasing year after year. Thus, it is fair on the part of Banks to allocate a due share of Welfare Funds to the Retired employees in view of their long services and contribution to the growth of the respective Banks.

It is very important to note that the number of Retirees has substantially increased in all Banks, rather outnumbered the total strength of Serving Staff. Hence much higher allocation of fund for the Welfare of Retirees is necessary.

With best wishes and regards,

Comradely yours,

K.V. Acharya.
President, AIBPARC
& Jt. Convenor, CBPRO

Suprita Sarkar
General Secretary

Encl: As stated

**eF. No. 14/7/92-IR
Government of India
Ministry of Finance
Department of Financial Services**

**Jeevan Deep Building,
3rd floor Parliament Street,
New Delhi-110001
5th Aug, 2024**

To:

1. Chairman, State Bank of India
2. Managing Director and CEOs of Nationalised Banks

Subject: Staff Welfare Fund (SWF) in Public Sector Banks- reg.

Madam/Sir,

The matter of revising norms for the Staff Welfare Fund in Public Sector Banks (PSBs) has been examined in this Department in light of the change in business mix and employee strength in PSBs. It has been, accordingly, decided to raise the maximum ceiling for the Staff Welfare Fund as under, subject to a cap of 3% of net profit:

S.No	Category*	Sub-category	Max. ceiling
1	State Bank of India	-	Rs. 250 crore
2	PSBs with business mix of over Rs. 15,00,000 Cr.	Employee strength above 85000	Rs. 100 crore
		Employee strength up to 85000	Rs. 90 crore
3	PSBs with business mix of over Rs. 10,00,000 Cr. to Rs. 15,00,000 Cr.	Employee strength above 50000	Rs. 60 crore
		Employee strength up to 50000	Rs. 50 crore
4	PSBs with business mix up to Rs. 10,00,000 Cr.	Employee strength above 30000	Rs. 35 crore
		Employee strength over 15000 up to 30000	Rs. 25 crore
		Employee strength up to 15000	Rs. 15 crore

(*For categorization purposes, the average of business mix figures for the previous two years is to be taken)

2. The PSBs are advised to strictly adhere to the prescribed ceilings for the Staff Welfare Fund allocations and ensure that expenditures do not exceed the set limits.

3. This issue with the approval of the Competent Authority.

Yours faithfully,

**(Vijay Shankar Tiwari)
Under Secretary to the Govt. of India**

Copy to:

The Chief Executive, Indian Banks Associations, Mumbai w.r.t. letter No. HR&IR/GOVT/PSBs dated 05.08.2023 for information.