

# State Banks' Staff Union (Kerala Circle)

(Affiliated to All India State Bank of India Staff Federation)

Reg. No. 01-36-2000

Circular No.64/25  
To All Unit Secretaries



State Bank of India  
Local Head Office  
Poojappura  
Thiruvananthapuram-695 012  
Date: 13.11.2025

Dear Comrade,

## **SPECIAL PAY FOR OFFICERS**

We reproduce hereunder the full text of letter No.FED/GS/2025/157 dated 10<sup>th</sup> November, 2025 issued by Com. L. Chandrasekhar, General Secretary, AISBISF, addressed to the Deputy Managing Director (HR) & Corporate Development Officer, State Bank of India, Corporate Centre, Mumbai, the contents of which are self-explicit.

Yours comradely,

(Akhil S)

General Secretary

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“This has reference to our earlier communications vide letters No. FED/GS/2024/11 dated 03.09.2024, FED/GS/2024/57 dated 19.12.2024 and FED/GS/2025/109 dated 10.06.2025 respectively. (Copies enclosed for your instant perusal and reference). We are aggrieved to observe that the issue still remains unresolved despite a lapse of more than 15 months and our submissions/deliberations during our formal/informal meetings in the last more than a year.

2. The provision of payment of special pay to officers in State Bank of India, who have completed 16 years/24 years of service has raised lots of concerns and dissatisfaction among the workmen employees since workmen employees were provided with payment of Special Pay only against additional duties and responsibilities since the introduction of Career Progression Scheme in the year 1999.

3. We learn through the Circular issued by the Officers' Federation that it had demanded for a separate package to officers, quoting bank-level agreement for various categories of workmen, that was agreed subsequent to signing of the 11<sup>th</sup> Bipartite Settlement dated 11.11.2020, claiming that the quoted settlement has significantly narrowed the gap in pay and superannuation benefits between officers and clerical staff. However, the Bank's circular vide CDO/P&HRD-PM/37/2024-25

dated 28.08.2024 does not provide any rationale or justification for extending such Special Pay to officers. In the absence of any stated reasoning, it appears that the Bank has simply accepted the demand put forth by the Officers' Federation.

4. Whereas the provision of payment of above-referred Special Pay to Officers, over and above the agreed percentage of increase under 8<sup>th</sup> Joint Note, based on the above demand is illogical, unacceptable for the reason that the relativity/parity aspect has been affected in the wage structure between officers and workmen employees of the Bank.

5. In this connection, we reiterate our view-points and urge upon you to arrange for resolution of the issue at the earliest without any further delay.

I. **SPECIAL PAY:**

- a) The practice of payment of Special Allowance to workmen staff for performance of additional duties is prevalent since Award days.
- b) The Desai Tribunal observed that in order to entitle a workman to special allowance, the determinative factor would be the nature of the duties and functions, assigned to the employee.
- c) The Desai Tribunal further opined that the special allowances payable to workmen need to be enhanced to a certain extent in view of the changes made in the scheme of basic pay and dearness allowance under its award.
- d) Special Allowance for workmen staff in the Bank is different from the one that is available for employees of Public Sector Banks.
- e) It is to be noted that since 3<sup>rd</sup> Bipartite, Special Allowances for Subordinate and Clerical staff were consolidated in the same manner as it was done at industry level subject to adjustment on account of switch-over from Middle Class Index to Working Class Index as per Special Compensatory provisions agreed under Schedule-III of 3<sup>rd</sup> Bipartite Settlement dated 1<sup>st</sup> August 1979.
- f) The nomenclature of Special Allowance for workmen staff has been changed to Special Pay in terms of provisions under the 7<sup>th</sup> Bipartite Settlement.
- g) It is a known fact that Career Progression Scheme is available only in State Bank of India, which was introduced aiming improvement in employee productivity by job enrichment with a view to increasing the Bank's profits and profitability with corresponding widening of its market share in all

avenues of business commensurate with the Bank's standing as the largest commercial bank in the country. The Bank and the Federation have, as a sequel to negotiations held over a period of time, reached a consensus on the issues of concern to employees in the area of their career progression as well as issues of concern to the Bank in the sphere of employee-performance and productivity and the Career Progression Policy was evolved in the year 1999.

- h) Since the introduction of Career Progression, improvements have been brought in the area of revision of Special Pay relating various existing positions, introduction of new positions under the Scheme with increased duties and responsibilities under the head review/revision of Career Progression Scheme / Empowerment of Staff.
- i) There is a specific time-limit for **review** of Career Progression Scheme and depending upon the needs of the Bank, the improvements in the Scheme were agreed upon between the Bank and the Federation. It is pertinent to note that, the review of the Career Progression Scheme has also been carried out independently from time to time, based on the needs of the Bank and at a specific time limit. The present revision of Career Progression Scheme, therefore, is due for revision by 2023.

However, the revisions under the scheme were also agreed subsequent to 7<sup>th</sup>, 8<sup>th</sup>, 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup> bipartite settlements at industry level on account of revision of pay and allowances. This revision of Special Pay is in addition to consolidation of special pay of all allowance carrying positions in the same manner as it was done at industry level. The review of career progression scheme was also done alongside irrespective of the bipartite settlements and depending upon the needs of the bank.

The following table presents the chronology of both revisions and reviews, those arising from Bipartite Settlements at the industry level and those resulting from periodic or need-based reviews of the Career Progression Scheme by the Bank:

| <b>Revision O/a of Bipartite Settlement</b>        | <b>Review of the Career Progression scheme</b> |
|----------------------------------------------------|------------------------------------------------|
| 11.05.2000 – 7 <sup>th</sup> Bipartite Settlement  | 12.04.1999 (Introduced in Bank)                |
| 16.06.2005 – 8 <sup>th</sup> Bipartite Settlement  | 23.10.2006 1 <sup>st</sup> Revision            |
| 29.08.2009 – 9 <sup>th</sup> Bipartite Settlement  | 30.09.2008 2 <sup>nd</sup> Revision            |
| 04.06.2015 – 10 <sup>th</sup> Bipartite Settlement | 23.12.2014 3 <sup>rd</sup> Revision            |
| 26.11.2020 – 11 <sup>th</sup> Bipartite Settlement | 06.03.2018 4 <sup>th</sup> Revision            |
| 15.05.2024 – 12 <sup>th</sup> Bipartite Settlement | Due by 2023                                    |

- j) The Special Pay to Special Assistants and Senior Special Assistants were fixed at the same level, though the passing powers are more to Senior Special Assistants. On the representation of the Federation, an additional amount of Rs.1500/- was provided to Senior Special Assistants, while consolidating Special Pay in tune with the increase at industry level during the 11<sup>th</sup> Bipartite Settlement.
- k) On account of increased passing powers, Special Pay was revised for some of the positions of workmen staff involving passing powers. The subsequent revision of Special Pay on these positions was also mainly on account of increase in passing powers. It may be noted that the passing powers agreed for Chief Associates is more than the one that is vested with Officers JMGS-I/Probationary Officers of the Bank. However, while the passing powers have been doubled over time, the corresponding allowances have not been increased in proportion to the enhanced responsibilities.

|                   | 10 <sup>th</sup> Bipartite Settlement        |           |                                                                                                               | 11 <sup>th</sup> Bipartite Settlement         |                                            |
|-------------------|----------------------------------------------|-----------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------|--------------------------------------------|
|                   | Passing Powers                               | Allowance | Allowance w.e.f 01.11.2017                                                                                    | Passing Powers                                | Allowance w.e.f. 01.12.2020                |
| Special Associate | 1,00,000/-<br>Cash<br>4,00,000/-<br>Transfer | 3970/-    | (3970/- + Load Factor + DA) =<br><b>6050/-</b>                                                                | 2,00,000/-<br>Cash<br>6,00,000/-<br>Transfer  | 8000/-<br>For the enhanced passing powers  |
| Chief Associate   | 2,00,000/-<br>Cash<br>5,00,000/-<br>Transfer | 3970/-    | (3970/- + Load Factor + DA) =<br><b>6050/-</b><br>Hence,<br>increased by<br>1500/-<br>(6050+1500) =<br>7550/- | 4,00,000/-<br>Cash<br>10,00,000/-<br>Transfer | 11000/-<br>For the enhanced passing powers |

- l) In view of the above, considering the revision of special pay to the workmen staff under improvements in career progression scheme, which is in vogue since the year 1999, the claim that the workmen staff were offered additional special pay, in addition to revision of pay scales & allowances under 11<sup>th</sup> Bipartite Wage Settlement, does not have any merits.

## II. NARROW GAP IN SUPERANNUATION BENEFITS:

- a) The claim that the above-referred increase in Special Pay to the workmen staff has narrowed the gap in superannuation benefits between officers and workmen staff is also incorrect. The narrow gap in superannuation benefits between officers and workmen staff was mainly on account of ceiling on pension, particularly to those senior officers (approximately 17%), who were provided pension at the formula 50%-40%, introduced w.e.f.01.03.1999.
- b) Even these senior officers (approximately 17%) were provided with pension at the uniform rate of 50% of average of last twelve months' substantive salary, effective from 10<sup>th</sup> November 2023, which has widened the gap in pension between officers and workmen staff. The decision of the management to provide Special Pay to officers, effective from 1<sup>st</sup> August 2024, considering the above logic, that too after introduction of uniform pension to all SBI Pensioners effective from 10<sup>th</sup> November 2023, is not acceptable.

## III. VITAL POINTS FOR CONSIDERATION:

- a. The share of workmen staff in the offer of increase in wage revision has already got reduced to a maximum extent on account of 100% neutralisation of Dearness Allowance to Officers' cadre under the 8<sup>th</sup> Bipartite Settlement/ 5<sup>th</sup> Joint Note, agreed between the Indian Banks' Association and the Workmen/Officers' Unions/Associations respectively.
- b. The disparity on account of additional provision of Special Pay to Officers in the Bank would result in drastic reduction in the share of workmen Staff in all the future wage revisions, which would lead to potential conflicts and dissatisfaction among workmen across the banking industry. This move not only undermines the concept with which collective agreements and settlements were signed between the Bank and Federation with the sole objective of prosperity and growth of the Bank as well as the welfare of the employees, for the last several decades.
- c. We are shocked to observe that the Bank had introduced Special Pay with all consequential benefits including superannuation, whereas all the employees in the banking industry, including officers, were denied the eligible increase in their Pay Scales under 10<sup>th</sup> Bipartite Settlement/7<sup>th</sup>

Joint Note dated 25.05.2015, 11th Bipartite Settlement/8<sup>th</sup> Joint Note dated 11.11.2020 and 12<sup>th</sup> Bipartite Settlement/ 9<sup>th</sup> Joint Note dated 08.03.2024, under the guise of requirement of huge provisioning in superannuation benefits as per AS-15 Norms.

d. **In this connection, our views are as under:**

- The restriction of load factor to 2%, 2.5% and 3% in the above-referred last three bipartite agreements/joint notes at industry level, in the guise of requirement of huge provisioning under AS-15 Norms towards pension benefits, had drastically reduced the eligible increase in Basic Pay of all employees.
  - The restriction of load factor above has led to the introduction of Special Allowance attracting only Dearness Allowance in order to compensate the spiraling cost inflation.
  - The restriction of load factor as above has drastically affected the pension of all employees retired after signing of the above settlements/joint notes.
- e. In these circumstances, we are shocked to observe that the Bank has unilaterally taken a decision to provide Special Pay to officers with consequential benefits including superannuation benefits, despite requirement of huge provisioning for pension under AS-15 norms, which has further widened the gap in superannuation benefits of the workmen and officers.

6. In view of the above, we urge upon you to arrange for provision of due compensation to workmen staff in the Bank and wipe out the anomaly arose on account of provision of payment of Special Pay to officers effective from 1<sup>st</sup> August 2024. We believe it is imperative to address this issue promptly to avoid any escalation of discontent among workmen, on account of disparity in wages.

7. We are pained to note that our submissions/discussions/deliberations with the Bank, during formal/informal meetings, on the issue for the last more than a year, has not yielded any results. Despite our persistent follow-up of the above issue and our sincere efforts to find a resolution to the issue through bilateral negotiations across the table, we are aggrieved to observe that the Bank has not given the due cognizance. The inaction of the Bank has resultantly increased the frustration and discontent in the minds of workmen.

Hence, the relativity/parity needs to be maintained through the offer of equivalent compensation to workmen i.e., similar quantum of increase to workmen staff.

8. In view of the above, we urge upon you to arrange for providing due compensation to workmen employees of the Bank so as to nullify the disparity in the wages and allowances between the workmen and officers of the Bank. As a responsive organisation, we believe in bilateral system followed by the Bank and the Federation all these years. The workmen in the Bank are already frustrated, depressed and demoralised on the inordinate delay in resolution of the issue and we would be compelled to resort to organisational action with all forces at our command if the issue is not resolved at the earliest.

9. Please treat the matter as **EXTREMELY URGENT**.

Please acknowledge receipt of this communication and advise us the developments in this regard.”

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