



Indian Banks' Association

HR & INDUSTRIAL RELATIONS

HR&IR/MBR/743/2022-23/0050
April 25, 2023

MD & CEO of member Banks party to 11th Bi-partite settlement / 8th Joint Note dated 11.11.2020

Dear Sir / Madam

Note on stagnation increments with clarification on newly introduced stagnation increment and also on readjustment of stagnation increments on account of reduced periodicity from 3 to 2 years

During a meeting held on 28.02.2023 in which the representatives from UFBU and IBA Standing Committee on HR were present, it was observed that in order to have uniform approach a clarification is needed on implementation of provisions regarding newly introduced stagnation increments and on readjusting of stagnation increments already released on account of reduced time interval of two years agreed upon in the settlement. The committee after detailed deliberation recommended to issue clarification on stagnation increment, which was subsequently approved in the meeting of Managing Committee of IBA

Accordingly, please find the clarifications as under. However, it is to be noted that this communication is only in the nature of clarification and as such no additional benefit over and above the provisions of bipartite/joint note mentioned above, are to be extended.

A. Workmen

Release of additional stagnation increment introduced in the 11th Bipartite signed on 11.11.2020

- a. From 1-11-2017, both clerical and subordinate staff are eligible for 9 stagnation increments in place of 8 earlier.
- b. The provision of additional stagnation increment introduced in the 11th Bipartite signed on 11.11.2020 is applicable for staff members who were in service on 1.11.2017.
- c. The ninth stagnation increment shall be of Rs. 1990 and Rs. 1000 for clerical staff and subordinate staff respectively. Clerical / Subordinate staff already in receipt of 8 stagnation increments shall be eligible for the 9th stagnation increment from 1st November, 2017 or two years after receiving the eighth stagnation increment, whichever is later and will draw monetary benefits from the date of release which include arrears of salary.

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Readjustment of stagnation increments

- d. After release of the additional stagnation increment and monetary benefit thereof, mentioned above, for staff members who are in service on 1.11.2017 the stagnation increments already drawn as per old norms shall be readjusted as per new norms from three years periodicity to two year periodicity from the date of reaching their maximum of scale. The benefit of such readjusted stagnation increments shall be notional from 1-11-2017. However, the monetary benefit, if any, shall be payable from 1-11-2020. In case the date of release of stagnation increment after readjustment falls after 1.11.2020, the monetary benefit will be passed from the date of release. No monetary benefit and arrears for the period earlier to 1.11.2020 will be paid on account of readjustment of stagnation increment.

For the staff members who were in service as on 1.11.2017 but not on 1.11.2020 and otherwise eligible, the monetary benefits in pension are to be passed on from 1.11.2020. It is clarified that such staff members shall not be eligible for any benefit in gratuity, pension commutation and leave encashment or any other superannuation benefit on account of such readjustment.

B. Officers

Release of additional stagnation increment introduced in the 8th Joint Note signed on 11.11.2020.

- a. The provision of additional stagnation increments introduced in the 8th Joint Note dated 11.11.2020 is applicable for officer staff who were in service on 1.11.2017.
- b. Officers in JM Grade Scale I and who have moved to Scale II under Reg. 5 (b) and who have received 4 stagnation increments shall receive the 5th stagnation increment of Rs. 2220, two years after receiving the 4th stagnation increment or w.e.f. 1-11-2017, whichever is later and will draw monetary benefits, which include arrears of salary. For those who have retired between 01.11.2017 and 31.10.2020, all superannuation benefits like Pension, Provident Fund, Gratuity, Leave encashment and revised commutation, if any, from the date of eligibility of 5th stagnation increment or 01-11-2017, whichever is later to be paid.
- c. Officers in MMG Scale II and who have moved to Scale III under Reg. 5 (b) and who have received 4 stagnation increments shall receive the 5th stagnation increment of Rs. 2220, two years after receiving the 4th stagnation increment or w.e.f. 1-11-2017, whichever is later and will draw monetary benefits which include arrears of salary. For those who have retired between 01.11.2017 and 31.10.2020, all superannuation benefits like Pension, Provident Fund, Gratuity, Leave encashment and revised commutation, if any, from the date of eligibility of 5th stagnation increment or 01-11-2017, whichever is later to be paid.
- d. Officers in MMG Scale III and who have received 5 stagnation increments shall receive the 6th stagnation increment of Rs. 2500, two years after receiving the 5th stagnation increment or w.e.f. 1-11-2017, whichever is later and will draw monetary benefits which include arrears of salary. For those who have retired between 01.11.2017 and 31.10.2020, all superannuation benefits like Pension, Provident Fund, Gratuity, Leave encashment and revised commutation, if any,


- from the date of eligibility of 6th stagnation increment or 01.11.2017, whichever is later to be paid.
- e. Officers in SMG Scale IV and who have received one stagnation increment shall receive the 2nd stagnation increment of Rs. 2730, two years after receiving the 1st stagnation increment or w.e.f. 1-11-2017, whichever is later and will draw monetary benefits which include arrears of salary. For those who have retired between 01.11.2017 and 31.10.2020, all superannuation benefits like Pension, Provident Fund, Gratuity, Leave encashment and revised commutation, if any, from the date of eligibility of 2nd stagnation increment or 01.11.2017, whichever is later to be paid.
- f. Officers in SMG Scale V shall be eligible for one stagnation increment of Rs.2970/- two years after reaching the maximum of scale or w.e.f. 1.11.2020, whichever is later and accordingly will get monetary benefits.

Readjustment of stagnation increments

- g. After release of the additional stagnation increment and monetary benefit thereof, mentioned above, for officers who are in service on 1.11.2017, the stagnation increments already drawn as per old norms shall be readjusted as per new norms from three years periodicity to two year periodicity from the date of reaching their maximum of scale. The benefit of such readjusted stagnation increments shall be notional from 1-11-2017. However, the monetary benefit, if any, shall be payable from 1-11-2020. In case the date of release of stagnation increment after readjustment falls after 1.11.2020, the monetary benefit will be passed from the date of release. No monetary benefit and arrears for the period earlier to 1.11.2020 will be paid on account of readjustment of stagnation increment.

For the officers who were in service on 1.11.2017 but not on 1.11.2020 and otherwise eligible, the monetary benefits in pension are to be passed on from 1.11.2020. It is clarified that such officer staff shall not be eligible for any benefit in gratuity, pension commutation and leave encashment or any other superannuation benefit on account of such readjustment of stagnation increment.

Yours faithfully


Brajeshwar Sharma
Senior Advisor (HR & IR)