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स्टेट बैंक ऑफ इण्डिया ऑफिसर्स एसोसियेशन  
**State Bank of India Officers' Association (Patna Circle)**

All Letters to be  
Addressed to the  
General Secretary

Regd. No. 1872 of 1975  
(REGISTERED UNDER TRADE UNION ACT - 1926)

State Bank Building  
West Gandhi Maidan  
Patna - 800 001

CIRCULAR NO. 16/2012

DATE : 18.04.2012

TO,  
ALL MEMBERS

**APPOINTMENT ON COMPASSIONATE GROUND**

We quote hereunder the text of **AISBOF Circular No. 29 dated 18.04.2012** on the captioned subject, the contents of which are self-explicit

"In our Bank, appointment of dependent of an employee on retirement or death was in vogue from the days of Imperial Bank of India. During those days, it was a practice to offer an appointment to one of the eligible dependent family members of the retiring employee, to continue the connection of the family with the Bank. In case of death of an employee while in service, an appointment of dependent on compassionate ground was assured.

**2.** During 1996, on account of Supreme Court Judgement in the matter of Steel Authority of India Vs Union of India, the appointment on compassionate ground was not to be claimed as a matter of right, but management to offer it on the basis of the 'penury' and 'precarious' living conditions of the family of the deceased employee. The Government of India, advised all Public Sector Banks to adhere to the spirit of the Supreme Court Judgement on compassionate appointment. They also laid down penury norms for appointment on compassionate grounds. However, in case of death while on duty, on account of dacoity, violence, robbery etc., compassionate appointment as well as cash compensation was made available.

**3.** Subsequently, based on the recommendations of the IBA, Payment of ex-gratia to the dependent family members, instead of

appointment was introduced during 2005. One of the reasons for depriving the appointment was, the IBA Managing Committee felt that, such appointments will dilute the efficiency of the Bank. But, the statistics show that such appointments in Banks were less than 1% of workforce. There was no concession on qualification required for the post. The appointment were made in subordinate or clerical cadre, based on the minimum qualification of the candidate. The written test and interview was waived.

In Govt., it is permitted to offer compassionate appointments upto 5% of the workforce. Hence, in Govt. establishments, Public Sector undertakings etc., the appointments on compassionate ground continued, whereas in the banking industry quoting the Supreme Court Judgement, almost such appointments were stopped. Even for payment of ex-gratia, in lieu of appointment, stringent penury norms were prescribed, thereby in majority of the cases of officers, neither appointment was offered nor ex-gratia was paid to the dependents.

**4.** In this background, we took up the matter with our management for simplification of Penury norms for payment of cash compensation to the dependent family members. We also suggested to ensure payment of atleast 50% of the eligible exgratia amount to the dependents of deceased employee, without applying the penury norms. There was need for extension of time limit for submission of application by the dependents for appointment/ex-gratia.

**5.** We are glad that, the Executive Committee of the Central Board at its meeting held on 3<sup>rd</sup> April, 2012 has approved the revised scheme for payment of ex-gratia lumpsum amount in lieu of compassionate appointment. The following is the gist of the revised scheme.

**REVISED SCHEME FOR PAYMENT OF EX-GRATIA LUMP SUM AMOUNT  
IN LIEU OF COMPASSIONATE APPOINTMENT, W.E.F 01.04.2012**

**PENURY NORMS:**

**While the stipulation of monthly income of family less than 60% may remain, the following relaxation in primary calculation may be made:**

- (i) Income from other sources and presumed notional income from net corpus (other than terminal benefits received from Bank) not to be reckoned while calculating the monthly income of the family.**
- (ii) SBI Life Insurance claim received not be taken into account while calculating total Investments.**
- (iii) Loans raised from officers/employees co-operative credit**

**societies may be included as liabilities.**

**The effect of the above would be that while determining the financial condition of the family the following income/liabilities will be taken into account:**

**INCOME:**

- (i) Terminal benefits – PF, gratuity, and leave encashment (no change).**
- (ii) LIC and other insurance policies (no change).**

**LIABILITIES:**

- (i) Loans and other dues payable to Bank (no change)**
- (ii) Loans raised from credit societies and other financial institutions.**

**Without approval of the Bank (These will be adjusted first from the other liquid assets of the deceased) (no change)**

**AMOUNT OF EX-GRATIA**

- (i) The maximum amount of Ex-gratia increased as under for cases whose monthly income is less than 60% of the last drawn gross salary (net of taxes).**

<b>Cadre</b>	<b>Amt.of Ex-Gratia</b>	<b>Min.Amount</b>
<b>Supervising</b>	<b>Rs.10 lacs</b>	<b>Rs. 5.50 Lacs</b>
<b>Clerical</b>	<b>Rs. 9 lacs</b>	<b>Rs. 4.50 lacs</b>
<b>Subordinate</b>	<b>Rs. 8 lacs</b>	<b>Rs. 4.00 lacs</b>

- (ii) The minimum amount of ex-gratia shall be paid to all cases where the monthly income is more than 60% of the last drawn gross salary (net of taxes) so that no family of the deceased employee is deprived of ex-gratia lumpsum amount.**
- (iii) The maximum amount of Ex-Gratia payable shall be subject to the cadre wise prescribed ceilings.**

**TIME LIMIT:**

**It is proposed to increase the time limit for submission of**

**applications to 9 months with a provision of condonation of delay of further 3 months in genuine cases.**

**PAYMENT OF MINIMUM EX-GRATIA AMOUNT OF 50% OF ELIGIBILITY  
TO ALL CASES REJECTED W.E.F 04.08.2005**

<b>CADRE</b>	<b>MAX.EX-GRATIA (A) Rs. In lacs</b>	<b>Minimum Amount of Ex- Gratia (B) Rs. In lacs (50% of A)</b>
Supervising Staff	Rs. 8 lacs	Rs. 4 lacs
Clerical Staff	Rs. 7 lacs	Rs. 3.5 lacs
Subordinate Staff	Rs. 6 lacs	Rs. 3 lacs

**6.** Comrades, we are extremely happy that, one of the long pending issues has been resolved. We hope that, dependent family members of deceased officers will get a sigh of relief. Of course, loss of life of a bread earner cannot be compensated by any monetary relief. We request our affiliates to inform the revised norms to all dependents of deceased officials whose requests have been rejected w.e.f 04.08.2005 and to arrange for payment of eligible ex-gratia to them."

*With seasons greetings*

**(ANIRUDH AKHAURI)  
GENERAL SECRETARY**

OUR UNITY : ZINDABAD-ZINDABAD  
S.B.I.O.A. : ZINDABAD-ZINDABAD