Mobile Number
President : 9431205645
General Secretary: 9835452010

स्टेट बैंक ऑफ इंडिया ऑफिसर्स एसोशिएशन

State Bank of India Officers' Association

(Patna Circle)

Regd No. 1872 of 1975

REGISTERED UNDER TRADE UNION ACT – 1926

All letters to be addressed
to the General Secretary

State Bank Building
2nd Floor, Local Head Office
West Gandhi Maidan,
Patna-800001

CIRCULAR NO.70 /2026 **DATE : 17.08.2026**

TO,
ALL MEMBERS

DEMAND FOR PAYMENT OF SERVICE GRATUITY TO OFFICERS OF STATE BANK OF INDIA WITHOUT ANY CEILING, AT PAR WITH OFFICERS OF OTHER PUBLIC SECTOR BANKS — REQUEST FOR AN AGREEMENT WITH THE FEDERATION UNDER SECTION 53(5) OF THE CODE ON SOCIAL SECURITY, 2020, IN TERMS OF THE CLARIFICATION ISSUED BY THE MINISTRY OF LABOUR & EMPLOYMENT

We reproduce hereunder the text of the AISBOF Circular No. 70 dated 17.08.2026, the contents of which are self-explicit.

With warm greetings,

(Amaresh Vikramaditya)
General Secretary

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

TEXT

DEMAND FOR PAYMENT OF SERVICE GRATUITY TO OFFICERS OF STATE BANK OF INDIA WITHOUT ANY CEILING, AT PAR WITH OFFICERS OF OTHER PUBLIC SECTOR BANKS — REQUEST FOR AN AGREEMENT WITH THE FEDERATION UNDER SECTION 53(5) OF THE CODE ON SOCIAL SECURITY, 2020, IN TERMS OF THE CLARIFICATION ISSUED BY THE MINISTRY OF LABOUR & EMPLOYMENT

We have sent a communication to the Deputy Managing Director (HR) & Corporate Development Officer, State Bank of India, Corporate Centre, Mumbai-400021, on the captioned subject.

The content of the communication is reproduced below.

With Greetings,

Yours Comradely,

(Rupam Roy)
General Secretary

Letter No. 6547/17/26 **Date: 12.08.2026**

The Deputy Managing Director (HR) & CDO,
State Bank of India,
Corporate Centre
State Bank Bhavan, Madam Cama Road
Mumbai – 400021.

Dear Sir,

<u>DEMAND FOR PAYMENT OF SERVICE GRATUITY TO OFFICERS OF STATE BANK OF INDIA WITHOUT ANY CEILING, AT PAR WITH OFFICERS OF OTHER PUBLIC SECTOR BANKS — REQUEST FOR AN AGREEMENT WITH THE FEDERATION UNDER SECTION 53(5) OF THE CODE ON SOCIAL SECURITY, 2020, IN TERMS OF THE CLARIFICATION ISSUED BY THE MINISTRY OF LABOUR & EMPLOYMENT</u>

The All India State Bank Officers' Federation (AISBOF), registered under the Trade Unions Act, 1926, is the sole representative organisation of the officers of State Bank of India, with membership across all Circles of the Bank, and has a long-standing bilateral relationship with the Bank in matters concerning the service conditions of its officers. It is in that representative capacity, and in furtherance of the mandate of its membership, that this representation is placed before the Bank for bilateral resolution.

The United Forum of Bank Unions (UFBU), of which the All India Bank Officers' Confederation (AIBOC) is a constituent, and to which this Federation, the All India State Bank Officers' Federation (AISBOF), is affiliated through AIBOC, served a strike notice in Form-L dated 05.03.2025 upon the Chairman, Indian Banks' Association and the Chief Labour Commissioner (Central), proposing strike action on 24th–25th March, 2025 on thirteen demands. Enhancement of the ceiling on payment of gratuity to ₹25 lakh was one of the demands contained in the said strike notice. The Chief Labour Commissioner (Central) seized the matter into conciliation and held several rounds of proceedings; the issue of gratuity was taken up in the conciliation meetings held on 21.03.2025 and 04.11.2025, and the discussions in the subsequent rounds have been communicated through the circulars issued by the UFBU.

On the strength of the assurances of the IBA and the Department of Financial Services (DFS), Ministry of Finance, recorded before the CLC(C) in the conciliation proceedings dated 21.03.2025, and the assurance of the CLC(C) to directly monitor the developments, the UFBU agreed to defer and postpone the strike. The conciliation proceedings have thereafter continued through 2025, and at every stage the issue of gratuity has remained on record.

The record of the conciliation proceedings on the gratuity issue, in chronological order, is as under:

(a) Minutes of conciliation dated **21.03.2025** (F. No. 21(17)/2025-IR): The DFS informed that increase in the gratuity ceiling “requires legal formalities which involves Ministry of Labour”, that DFS had already taken it up with the Ministry of Labour and was following up the same, and the UFBU requested that the process be expedited;

(b) Conciliation meeting dated **29.04.2025** (UFBU Circular No. 2025/7 dated 29.04.2025): On enhancement of the ceiling on gratuity to ₹25 lakh under the Gratuity Act, it was informed that the issue “is under process and is being followed up”;

(c) Conciliation meeting dated **17.06.2025** (UFBU Circular No. 2025/11 dated 18.06.2025): It was informed that “the matter is under process at the Government level for increasing the limit to Rs. 25 lacs under the Gratuity Act”;

(d) Minutes of conciliation dated **04.11.2025** (F. No. 21(17)/2025-IR): The DFS stated that it had once again written to the Ministry of Labour & Employment vide letter No. 4/8/1/2024-IR dated 25.08.2025 to take appropriate action and revise the ceiling from ₹20 lakh to ₹25 lakh, and the unions requested the Conciliation Officer to expedite the matter with the Ministry of Labour & Employment.

It will thus be seen that throughout the conciliation proceedings before the apex industrial-relations forum of the country; the officers and employees of the banking industry were consistently given to understand that the enhancement of the gratuity ceiling stood recommended by the DFS and was pending only the formal notification by the Government.

The Ministry of Labour & Employment, Government of India, has since clarified the correct legal position vide its communication No. **S-42025/01/2026-SS-II dated 03.08.2026** (copy enclosed), issued in response to the National Confederation of Bank Employees' letter No. NCBE/GS/2026/137 dated 20.07.2026. The Ministry has clarified that: (i) the Code on Social Security, 2020 (36 of 2020) has come into force with effect from 21.11.2025 vide Notification No. S.O.5319(E) dated 21.11.2025; (ii) Section 164 of the Code has repealed the Payment of Gratuity Act, 1972, whose provisions stand subsumed in Chapter V of the Code; (iii) in terms of Section 53(3) of the Code, the gratuity payable to an employee shall not exceed such amount as may be notified by the Central Government, the present ceiling being ₹20 lakh; and, most materially, (iv) **Section 53(5) of the Code is an independent enabling provision** which expressly provides that nothing in the Section shall affect the right of an employee to receive better terms of gratuity under any award, agreement or contract with the employer, and that employees covered under any such award, agreement, settlement or contract are entitled to receive gratuity on terms more beneficial than the statutory limit, including any enhanced ceiling, **without requiring amendment of the Act or the Code**.

We say with respect that this clarification places the matter in an entirely new light. While the conciliation record of 2025 proceeded on the premise that a gazette notification enhancing the ceiling was awaited, the Ministry of Labour & Employment has now made it clear that no such notification is required at all for employees to receive better terms of gratuity, an agreement or settlement with the employer suffices under Section 53(5). The legal route the Bank requires is, therefore, already open, and continued waiting upon a notification is neither necessary nor justifiable.

There is a further and equally compelling dimension for the officers of State Bank of India. Officers of the nationalised public sector banks are eligible for Service Gratuity in terms of their respective Officers' Service Regulations — payable at one month's pay for each completed year of service, with the applicable formula for service beyond thirty years — and they receive the *higher of* the Service Gratuity under the Regulations or the gratuity under the statute, the Service Gratuity being subject to no monetary ceiling. **In a typical case of long service, the benefit so computed amounts to more than double the sum to which officers of the Bank are presently entitled under the capped statutory provision**. Officers of State Bank of India alone remain confined to the statutory ceiling. This is plainly discriminatory and deprives the officers of the country's largest bank of a benefit which their counterparts across the industry enjoy.

Officers of the Bank render long years of dedicated service, shouldering the implementation of every national priority, financial inclusion, Direct Benefit Transfers and emergency economic measures during critical times, in an environment of ever-increasing workload, responsibility and risk. In the face of the rising cost of living and the financial commitments that fall due at the time of retirement, a capped gratuity no longer provides adequate post-retirement support, and terminal benefits must reflect the full length and value of the service actually rendered.

In view of the foregoing, and in exercise of the enabling provision contained in Section 53(5) of the Code on Social Security, 2020, we demand and request that the Bank enter into an appropriate agreement/settlement with All India State Bank Officers` Federation (AISBOF) providing for payment of **service gratuity to the officers of the Bank without any monetary ceiling**, at par with the officers of other public sector banks, with effect from **21.11.2025**, i.e., the date on which the Code on Social Security, 2020 came into force.

We earnestly hope that the Bank will appreciate the importance of the matter and take an early and favourable decision in the interest of its officers. The Federation shall be glad to meet the Bank at the earliest convenience to discuss and finalise the terms of the agreement/settlement.

With best regards,

Yours sincerely,

Sd/-
(Rupam Roy)
General Secretary

Encl:

Annexure I - UFBU Form-L Strike Notice dated 05.03.2025
Annexure II - Proceedings/Minutes of the Chief Labour Commissioner (Central), F. No. 21(17)/2025-IR, dated 21.03.2025.
Annexure III - UFBU Circular No. UFBU/2025/5 dated 23.03.2025.
Annexure IV - UFBU Circular No. UFBU/2025/7 dated 29.04.2025.
Annexure V - UFBU Circular No. UFBU/2025/11 dated 18.06.2025.
Annexure VI - Proceedings/Minutes of the Chief Labour Commissioner (Central), F. No. 21(17)/2025-IR, dated 04.11.2025.
Annexure VII - UFBU Circular No. UFBU/2025/14 dated 04.11.2025.
Annexure VIII - Ministry of Labour & Employment communication No. S-42025/01/2026-SS-II dated 03.08.2026.