



### Important clarifications on Officers' Service Regulations (OSR) 1979

#### 1. Definition of 'Family'

- i) **For the purpose of Medical facilities & LTC:** Officer's spouse, wholly dependent unmarried children (including step children & legally adopted children) physically challenged brother/sister with 40% or more disability, as also parents ordinarily residing with and wholly dependent on the officer. Wholly dependent child /parents/brothers/sister mean, such member of the family having a monthly income not exceeding Rs.3,500/-. If income of one of the parents exceeds Rs.3,500/-, both the parents shall not be considered as wholly dependent on the officer.
- ii) **For the purpose of Transfer travelling Allowance:** Spouse as also children, parents, brothers and sisters residing with and wholly dependent on the officer

#### 2. Increments:

- i) If an officer is promoted to higher scale after reaching the maximum in the previous scale of pay but before drawing stagnation increment, the date of his next increment shall be the anniversary date of promotion or due date of stagnation increment in previous scale, whichever is earlier.
- ii) The period spent on leave without pay/extra ordinary leave/unauthorized absence shall not count for increment and in such case, the anniversary date of increment will be postponed and notionally determined, but the effect of postponement will be given, when the notional date of increment shifts to next calendar month. Withholding/postponement of increment may also arise due to imposition of penalty on account of disciplinary action or failure to cross efficiency bar.

#### Example 1

Notional date of increment of the officer: 15<sup>th</sup> May  
Period spent of Extra ordinary leave on loss of pay: 40 days  
Notional date of increment shifts to : 24<sup>th</sup> June  
**Hence the Officer will get his Future increment on 1<sup>st</sup> June instead of 1<sup>st</sup> May**

#### Example 2

Notional date of increment of the officer: 15<sup>th</sup> May  
Period spent of Extra ordinary leave on loss of pay: 14 days  
Notional date of increment shifts to : 29<sup>th</sup> May

Hence, there will be no change of date of release of increment and the officer will continue to get his increment on 1<sup>st</sup> May

iii) An officer against whom charge sheet has been issued or enquiry is pending is eligible for increments including stagnation increment, but it is a bar for stagnation movement to next running scale. (IBA letter No. PD/HNS/57/B/37 dated 08-04-1994)

iv) If an officer in receipt of stagnation increment is awarded penalty of reduction of certain stage of his Basic pay, he will continue to be paid stagnation increment with reduced basic pay

v) The grant of increment for passing CAIB will not change the date of annual increment

### **3. Professional qualification Pay(PQP):**

i) When an Officer acquires CAIB qualification (either/or both parts) after reaching maximum, the 1<sup>st</sup> instalment of PQP would be released from the date the result is announced and the release of subsequent release of increment of PQP shall be with reference to the date release of 1<sup>st</sup> instalment of PQP.

ii)) On account of penalty if Basic Pay of the Officer, in receipt of PQP, is reduced, the Officer will continue to get PQP along with reduced Basic Pay.

iii) Officers who are in Scale I and Scale II and are granted further increments in the next higher scale (Stagnation movement) shall draw PQP only after one/two years, as the case may be, **on reaching the maximum in such higher scales.**

### **4. Fitment on Promotion to higher Scale:**

A. The fitment of an Officer on promotion to next higher scale would be determined by reducing the number of increments he would have earned for passing each part of CAIB in existing scale of Pay, prior to his fitment in the higher scale of pay. However, when the officer is on the top of the scale before promotion, the fitment would be as under

i) In case at the time of promotion the Officer is at the stage of top of the scale for one year he would not be drawing any PQP. Then the number of increments i.e. one for JAIIB and two for CAIB as the case may be, being included in his Basic Pay shall be reduced from existing Pay.

ii) In case the Officer is stagnating at the top of the Scale for one year or more, but less than two years, the Officer would be drawing PQP. In such cases, if he has passed both parts of CAIB, then one increment shall be reduced in the existing Scale. But if PQP is for passing JAIIB, then no increment need be reduced from the existing scale.

iii) If the stagnation is for two years or more and the Officer has passed both parts of CAIB and getting PQP for both parts, there would be no scope of reducing the increments for CAIB as even without CAIB increment the Officer would be at the ceiling of the scale.

iv) Thereafter one increment in the old scale shall be notionally added and his pay shall be fixed in the appropriate stage in the higher scale which is equal to or just above it. Where in the pre promoted scale, the officer has already reached the maximum; the

notional increment added shall be equal to the last increment drawn by him in the scale.

v) After such fitment in the higher scale of pay, one/two increments shall be added to the basic pay so fixed in respect of part I or both parts of CAIB as the case may be. If however, no increment is available in the scale or only one increment is available, the officer shall be eligible for PQP in lieu of such increment(s)

**Example 1:**

Officer (Scale II) having CAIB qualification reaches maximum of Scale-III Rs.31,500/- on 01.05.2010. Hence, he is eligible for PQP of Rs.410/- w.e.f. 01.05.2011 and Rs.1,030/- w.e.f. 01.05.2012.

He gets promotion to Scale-III on 01.07.2010. Hence, fitment would be as under:

- a) B. P. in the existing scale Rs.31,500/-
- b) Reduction of two increments for CAIB Rs.31,500/- - Rs.1,800/- = Rs.29,700/-
- c) B.P. after addition of one increment as per old scale Rs.29,700/- + Rs.900/- = Rs.30,600/-
- d) Hence w.e.f. 01.07.2010, he will be fitted in the new scale at Rs.30,600/-. Although he is eligible to get two increments of CAIB, but he will get one increment as there is only one increment left in the scale and hence, his basic pay w.e.f. 01.07.2010 shall be Rs.31,500/-.

**Example 2 :**

Officer (Scale III) having CAIB qualification reaches maximum of Scale at Rs.31,500/- on 01.05.2009. Hence, he is eligible for PQP of Rs.410/- w.e.f. 01.05.2010 and Rs.1,030/- w.e.f. 01.05.2011.

He gets promotion to Scale-IV on 01.07.2011. Hence, fitment would be as under:

- a) B. P. in the existing scale Rs.31,500/-
- b) B P after addition of one increment Rs.31,500/- + Rs.900/- = Rs.32,400/-
- c) Thus w.e.f. 01.07.2011, he will be fitted in the new scale at Rs.32,400/-. Also he shall be eligible to get two increments of CAIB, and thus his basic pay w.e.f. 01.07.2011 shall be Rs.32,400/- + Rs 900/- + Rs. 900/- = Rs34,200/-

B. Officers who acquired CAIB qualification in Clerical Cadre and were on promotion to Officers Cadre fitted at the minimum Basic Pay shall be eligible for two increments for qualifying CAIB.

i) in case of officers in scale I and II promoted after moving to Scale II & III because of stagnation movement, the notional increment to be added shall be the increment drawn by him on the date of promotion and the next and the subsequent increment shall be on the anniversary date on which the officer has drawn his increment in the previous scale.

ii) The officer who is under suspension or disciplinary proceeding is contemplated/pending or prosecution has been launched in a court of law or sanction for prosecution has been issued, shall be permitted to participate in the promotion exercise, if he is otherwise eligible, but the finding of the competent authority in respect

of promotion would be kept in a sealed cover. It will be opened only when the officer is exonerated without awarding any penalty, even censure.

#### **5. Fixed Personal Pay (FPP):**

i) When an employee is promoted to next higher cadre/scale after earning FPP in the lower cadre/scale, he would continue to get the same FPP in the promoted scale (except on salary revision) till such time he reaches the maximum in the promoted cadre/scale. **On completion of stipulated one year at the maximum of the promoted cadre/scale, he shall be sanctioned FPP as applicable to the higher cadre/scale in which he is promoted.**

**ii) However the FPP being received by an officer will not be taken into account for fitment on promotion to next higher scale/grade**

iii) On account of penalty if Basic Pay of the Officer, in receipt of FPP, is reduced, the Officer will continue to get FPP along with reduced Basic Pay.

#### **6. Retirement:**

An officer employee shall retire on the last day of the month, in which he completes his age of retirement (60 years) . However if his date of birth is on the first day of the month, he shall retire from service on the afternoon of the last day of the preceding month on attaining the age of retirement

#### **7. A Voluntary Retirement under OSR [Reg 19(1) of OSR ]**

i) An officer having 30 years of service or 55 years of age, whichever is earlier may seek voluntary retirement giving three months notice to the Bank

ii) The officer shall retire on the last day of the month in which the notice period expires unless the competent Authority issues an order to the contrary before expiry of the notice period

iii) The officer shall not be permitted voluntary retirement if

- a) Disciplinary proceedings are pending or contemplated against him and the Disciplinary Authority is of the view that a penalty of removal/ dismissal is warranted in the case or the relevant misconduct for which Disciplinary action has been initiated , has resulted in or likely to result in monetary loss to the Bank
- b) )Prosecution is contemplated /launched in a court of law

iii) The officer employee shall be entitled to all retirement benefits as available under normal retirement including encashment of accumulated Privilege leave

iv) The officer is entitled to avail of leave standing in his credit before expiry of notice period

## **7.B Voluntary Retirement under Pension Regulations 1995, as amended**

In terms of Regulation 29 of Pension Regulations, an employee who has completed twenty years of qualifying service may, by giving notice of not less than three months in writing to the appointing authority, retire from service;

The notice of voluntary retirement requires acceptance by the appointing authority;

Where the appointing authority does not refuse to grant the permission for retirement before the expiry of the period specified in the said notice, the retirement shall become effective from the date of expiry of the said period.

An employee may also make a request in writing to the appointing authority to accept notice of voluntary retirement of less than three months giving reasons therefore;

After being satisfied that the curtailment of the period of notice will not cause any administrative inconvenience, the appointing authority may relax the requirement of notice of three months on the condition that the employee shall not apply for commutation of a part of his pension before the expiry of the notice of three months.

An employee, who has elected to retire, as above, shall be precluded from withdrawing his notice except with the specific approval of such authority; provided that the request for such withdrawal shall be made before the intended date of his retirement.

The qualifying service of an employee retiring voluntarily under this regulation shall be increased by a period not exceeding five years, subject to the condition that the total qualifying service rendered by such employee shall not in any case exceed thirty-three years and it does not take him beyond the date of superannuation.

The pension of an employee retiring under this regulation shall be based on the average emoluments (**average of the pay drawn by an employee during the last ten months of his service in the Bank**) and the increase, not exceeding five years in his qualifying service, shall not entitle him to any notional fixation of pay for the purpose of calculating his pension.

### **8) Resignation:**

i) No officer shall leave or discontinue his service in the Bank without first giving three months notice in writing of his intention. The Competent authority may reduce the notice period. However, the resignation letter should not be deemed to be automatically accepted unless formal acceptance of such resignation and the communication to that effect is made to the individual officer by the competent authority.

ii) In case, considering the background of the officer and irregularity, if any allegedly committed by the officer, in performance of his duties, the Competent Authority may not accept his resignation and may issue him a notice to show-cause why disciplinary proceedings shall not be instituted against him. In such a case, disciplinary proceedings shall be deemed to be pending against him until final orders are passed by the Competent Authority (Regulation 20(3)(ii) of OSR).

**9. Extension of Service beyond the date of superannuation:**

Any officer employee, against whom disciplinary proceedings have been initiated by issuance of charge sheet, will cease to be in the service on the date of his superannuation but the disciplinary proceedings will continue as if he was in service until the proceedings are concluded and final order is passed. The concerned officer will not receive any pay or allowances after the date of his superannuation. He will not be entitled for the payment of retirement benefits till the proceedings are completed and final order is passed thereon except his own contribution to CPF (Regulation 20(3)(iii) of OSR).

**10. Termination of Service: [Regulation 20(1) of OSR]**

(i) When the Bank is satisfied that the performance of an officer is unsatisfactory or inadequate or there is a bonafide suspicion upon his integrity or his retention in the Bank would be prejudicial to the interest of the Bank and where it is not possible for expedient to proceed against him departmentally the CMD is empowered to terminate his service giving him three months or emoluments in lieu thereof in accordance with the guide lines issued by the Govt. from time to time.

(ii) Order of Termination shall not be made unless the officer is given a reasonable opportunity of making representation against the proposed order.

(iii) The officer has the right to make appeal against such order within 15 days to the Board of Directors of the Bank.

(iv) Such officer whose services are terminated shall be paid gratuity, Provident Fund including Employers Contribution that may be admissible to him as per rules notwithstanding the years of service rendered by him.

**11. HRA:**

Fixed HRA is payable to an officer who stays in the accommodation provided by the Bank to his/ her spouse without reference to the rent actually paid

**12. CCA & Project area allowance:**

If an officer is posted at a place where CCA as well as Project Area Allowance is payable, he is entitled to draw either CCA or Project Area Allowance, whichever is higher and not the both.

**13. Officiating Allowance :**

Where an officer comes to officiate in a higher scale, as a consequence solely of the review of the categorization of posts under Regulation 6 he shall not be eligible for officiating allowance for a period of one year from the date on which the review of the categorization takes effect.

Although, officiating allowance is payable for intervening Sundays and Holidays, it is allowed if the officer takes leave during the period of officiating.

**14. Special Area Allowance & Hill & Fuel Allowance :**

If both Special Area Allowance & Hill & Fuel Allowance are payable to any of the places, the officer posted thereon will be entitled only to draw the higher of the two allowances and not the both.

#### 15. **Medical Aid :**

(i) If the husband and wife are employed in the same Bank they would be entitled individually and severally to the medical aid and expenses but both cannot claim reimbursement in respect of same bills.

(ii) A lady officer shall be eligible for reimbursement of medical expenses for her husband even though he is not dependent on her or **vice-versa**.

#### 16. **Hospitalisation Expenses :**

In terms of clarification dated 31.12.2007 of IBA in case of tests/investigation etc. which do not form part of the schedule to the hospitalization scheme but which are considered as essential part of the treatment being certified by the Hospital Authorities and Bank's Medical Officers, expenses for such tests/investigations may be considered by the Bank for reimbursement at the rate not exceeding lowest paying beds in AIIMs, New Delhi or CGHS rates. Such expenses may be reimbursed at the rate of 125% or 150% as the case may be of the rates applicable to general ward patient (lowest paying bed) in any case not exceeding the rates prescribe by AIIMs for private ward patient.

#### 17. **Indicative List of Special, Major & Minor Operation :**

(i) **Special Operation** : Cardiac including By-Pass Surgery, Brain, Lung and Cancer Operations, Kidney/Liver Transplantation Operation, Bone Marrow transplant and Multiple Fractures (time taken is more than 3 hours).

(ii) **Major Operation** : Kidney Stone (including lithotripsy), Prostate, Thyroid, Caesarean Delivery, Gastrectomy, Hysterectomy, Fractures, Amputations, S.P.Nailing, Discoideotomy, Retina Detachment, Liver & Gall Bladder, Plastic Surgery (not for beautification), Cataract(with IOL), Hernia subject to Bank's discretion(Time taken approximately 1 to 3 hours).

(iii) **Minor Operation** : D & C, Fissure, Circumcision, Small Hydrocele, Dilatation, Vasectomy, Abscess, Bilat, Hydrocele, Appendix, Tubectomy, Piles, Fistula, Minor Operations of the Eye, Nose and Ear(Time taken approximately 60 minutes or less).

Note : Operative interference done using state of the art medical techniques taking less than the time indicated as above will not alter the nature of the operations.

#### 18. **Perquisites :**

Non-monitory benefits provided by the Bank to their officers are called perquisites. The Perquisites provided as per the OSR are as follows:

- (i) Medical Aid & Hospitalisation Expenses (Regulation 24)
- (ii) Residential Accommodation (Regulation 25)
- (iii) Bank's Car for Personal Use (Regulation 26)
- (iv) Conveyance Loans (Regulation 27)
- (v) Housing Loans (Regulation 28)
- (vi) Entertainment Expenses and Club Membership Fees (Regulation 29)



(vii) Preferential Interest Rate on Deposits (Regulation 30)

**Notes :**

(i) The Bank Officers are eligible for conveyance loan for purchase of a vehicle for the second or subsequent occasion only when four years period has elapsed from the date of availment of earlier loan, which should be liquidated along with interest before availment of second loan. Moreover, disposal of the old vehicle is a must for availing the second loan with the exception if the second loan is intended for purchasing a four wheeler and the officer already owns a two wheeler.

(ii) Rate of Interest on Housing Loan:

(a) Upto Rs.1.10 lac - 5% p.a. (Simple)

(b) Above Rs.1.10 lac to Rs.5.00 lacs - 10% p.a. (Simple)

(c) Above Rs.5.00 lacs - 11% p.a. (Simple)

\* Interest will be calculated on the balance outstanding on the last day of the month and the amount of the loan carrying higher rate of interest would be adjusted first from the recovery of loan instalment.

(iii) If husband and wife are working in the same Bank/different Banks/in Central Govt./State Govt./Public Sector Enterprise or some other Govt. Institute or Local Bodies housing loan is admissible to only one of them.

**18. Gratuity [(Regulation 46(2))]:**

i) Length of service for calculation of Gratuity is the total period from the day of initial appointment (permanent/temporary/probation) in the Bank to the day of cessation of the Bank's service.

ii) If the fraction of service beyond completed years is six months or more, gratuity will be paid pro-rate for the period.

iii) In case of death of the employee in harness, the amount of gratuity will be payable to the nominee of the Officer employee if he had submitted such a document, otherwise, the gratuity will be payable to the legal heirs, executors, administrators or assigns of the Officer employee.

iv) Gratuity is forfeited wholly or partly if the services of an employee has been terminated (a) for riotous/disorderly conduct or any act of violence on his part, (b) for any act which constitutes an offence involving moral turpitude committed in course of employment.

v) Gratuity is also liable to be forfeited to the extent of loss suffered by the Bank, if the employee is terminated for any act of wilful omission, negligence causing damage/loss/destruction of Bank's property.

vi) For delayed payment of gratuity beyond 30 days the Bank is liable to pay simple interest @10% p.a. provided the delay is not caused due to the fault of the employee.

vii) In case of Officers the gratuity is calculated as per OSR as well as per Gratuity Act, 1972 and higher of the two amounts shall be payable.



**Note:**

- i) As per OSR gratuity shall be equal to one month's pay for each completed years of service, subject to a maximum of 15 month's pay. In case the officer rendered more than 30 years of service, he would be entitled additional amount of gratuity @  $\frac{1}{2}$  of a month's pay for each completed years of service beyond 30 years.
- ii) As per payment of Gratuity Act, 1972, the Gratuity is payable @15 days wages for each completed of service or part thereof in excess of six months on the basis of 26 working days subject to a ceiling of Rs.10.00 lakhs. Wages includes the pay + dearness allowance.

**$(BP + DA) \times 15/26 \times \text{No. of years of service} = \text{Rs.10.00 lakh maximum}$**

- In other words DA is not taken for calculation of gratuity as per OSR whereas the DA forms a part of wages as per Gratuity Act.