

STATE BANK RETIRES' ASSOCIATION

Federation of Erstwhile
Associate Bank Retirees' Organisations



Ref: SAB/M5/407

Date: 3rd March, 2021

The Chairman,
State Bank of India,
Mumbai

Respected Sir,

Election of Terminal Benefits at the time of Merger.

Those who were working in erstwhile Associate Banks were happy that they were given an option to choose between Terminal Benefits of erstwhile Associate Banks and that of State Bank of India. There is no controversy with regard to entitlement to elect among Terminal Benefits at the time of merger, both in terms of Notification with regard to merger of these erstwhile Associate Banks and also Circular issued advising exercise of option with regard to Terminal benefits. In this connection, we would like to bring following points to your kind notice :

- a. The Option letter as well as Terms and Conditions of service which were approved by the Central Board of SBI, as per the provisions of the Government Order regarding the acquisition of erstwhile Associate Banks, were circulated by these Banks on the 30th April 2017. Employees including Officers were given 15 days' time to exercise option ;
- b. They had three options. These options are 1) SBI Terminal benefits such as Pension, Provident Fund, Gratuity and any other benefit to which SBI employees are entitled on cessation of service in accordance with Rules, Regulations, Scheme, Circulars, administrative instructions or guidelines governing such benefits in SBI, as clarified therein 2) Erstwhile Associate Bank Terminal benefits such as Pension, Provident Fund, Gratuity and any other benefit to which SBI employees are entitled on cessation of service in accordance with Rules, Regulations, Scheme, Circulars, administrative instructions or guidelines governing such benefits in SBI, as clarified therein, as available then to these employees 3) Payment of Erstwhile Associate Bank Terminal benefits in case of not accepting the offer of employment in State Bank of India ;
- c. These Employees including Officers had fifteen days' time to exercise option.

2. It is pertinent to note that it was clearly stated in the option letter that

"I have examined the terms and conditions of service and accept the Offer of Employment from the Effective Date on the terms and conditions stated in the Annexure including SBI Terminal Benefits as mentioned in **Option A** of clause 2(a) of the Annexure B1 / B2"

But, these employees including Officers were not informed of the details of Terminal benefits available to employees of State Bank of India as on that date. These employees including officers had partial information with regard to Terminal Benefits available in the erstwhile Associate Banks. Atleast, they had the access to the information with regard to erstwhile Associate Banks available in "Nest/System", which they could go through, understand and decide while electing the option. They were blind folded as far as SBI Terminal Benefits.



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3. Most of those who had longer period of service have opted for 'State Bank of India Terminal Benefits'. Some of them opted to retire earlier than their actual date of retirement or those who are unable to understand the terms of offer on account of their inability to understand the language of notification, i.e English, have realised that the benefits they are entitled to are quite different from the terminal benefits what they had in their mind, while opting for terminal benefits.

4. There are erstwhile Associate Bank employees who have retired subsequent to merger or continuing in service, who had opted for Provident Fund as Terminal Benefit. In the absence of complete clarity with regard to Terminal Benefits available to them, they are entitled to better of Terminal benefits. There cannot be unilateral decision in respect of them.

5. In view of the foregoing, we request you to kindly extend another option to elect terminal benefits among terminal benefits of erstwhile Associate Banks or that of State Bank of India, as on the date of retirement. We request you to kindly understand and appreciate the situation they were in while opting for terminal benefits, within a short period of 15 days. Please extend another option and oblige.

Please acknowledge receipt.

Thanking you,

With regards,

(Prasad C N)
General Secretary