



eCircular  
Department: P&HRD  
Sl. No.: 298/2020 - 21 Circular No.:  
CDO/P&HRD-IR/23/2020 - 21  
Date: Tue 16 Jun 2020

All Branches / Establishments of  
State Bank of India

**STAFF DEPOSITS PAYMENT OF 1% ADDITIONAL RATE OF INTEREST**  
**MASTER CIRCULAR**

As per extant instructions, Staff members / Retired members in our Bank are entitled to 1% additional rate of interest over and above the rate applicable to public on their deposits placed with the Bank. However, the additional interest rate is payable subject to certain conditions. We have been receiving queries at regular intervals relating to the members eligible for the additional rate, payment in the event of separation of the employee under different circumstances etc. Bank has been issuing clarifications on each occasion and also, as and when Reserve Bank of India issues clarificatory guidelines. However, as many clarificatory instructions have been issued from time to time, a need has been felt, for the convenience of all the staff members and for the sake of uniformity, to consolidate them into a single comprehensive Circular containing all the instructions in one place and also to align the instructions with those recently issued by Reserve Bank of India.

Bank allows additional interest at a rate not exceeding 1% per annum over and above the rate of interest offered to the public, subject to the following conditions:

Sl No	Existing Instructions	Revised
(a)	The benefit of additional 1% interest may be allowed on deposits maintained either singly or jointly with the other family members of the employee or retired employee irrespective of whether the employee or the family member is the first account holder, provided the employee / retired employee furnishes a declaration that the monies deposited or which may, from time to time, be deposited into such account, shall be monies belonging to him / her	No Change
(b)	A "member of the Bank's staff" means a person employed on a regular basis, whether full-time or part-time, and includes a person recruited on probation or employed on a contract of a specified duration or on deputation and an employee taken over in pursuance of any scheme of amalgamation, but does not include a person employed on casual basis	No Change
(c)	"A retired member of Bank's staff" or a retired employee means an employee retiring on superannuation or otherwise as provided in the Service / Staff Regulations	No Change
(d)	"Family" means and includes the spouse of the member / retired member of the Bank's staff and the children, parents, brothers and sisters of the member / retired member of the Bank's staff, who are dependent on such member/ retired member, but does not include legally separated spouse	No Change
(e)	In case of Domestic Deposits, resident Indian retired Staff, who are Senior Citizens, will get the benefit of higher interest rates as admissible to Senior Citizens over and above the additional interest	No Change

	of not exceeding 1% payable to them by virtue of their being retired members of the Bank's Staff	
(f)	In terms of Reserve Bank of India instructions dated 18.07.2012, the benefit of additional interest rate of 1% given to Staff members by Banks on NRE, NRO & FCNRB Deposit stands withdrawn	No Change
(g)	The benefit of additional interest rate for Staff members cannot be offered on accounts standing in the name of HUF even if the Karta of the HUF falls in the Staff category	No Change
(h)	Interest on deposits of Societies (including Co-operative Housing Societies) and Associations formed exclusively by members of the Bank's Staff will be paid at the rate applicable to the staff, subject to submission of a declaration by the Society at yearly intervals on 1st April each year that monies deposited or which may, from time to time, be deposited into their account, belong to the member of the Society who are members of the Bank's Staff. In other words, no additional interest at staff rate would be payable where retired members of Staff / Pensioners of the Bank are members of such Fund / Association / Society etc., in terms of Reserve Bank of India guidelines	No Change
(i)	Bank Employees' Federations in which Bank employees are not direct members are not eligible for additional interest	No Change

2 Since some employees are also separated as a consequence of VRS, Resignation, Disciplinary Action etc., the treatments under different scenarios are listed out as under.

Sl No	Category of Staff / Retiree	Eligible or not for Staff Rate of Interest
1	SBI & e-AB employees who have superannuated in the normal course	Eligible
2	SBI & e-AB employees separated on account of Resignation / Voluntary Retirement / Voluntary Vacation if eligible for Pension	Eligible
3	SBI & e-AB employees separated on account of Resignation / Voluntary Retirement / Voluntary Vacation but not eligible for Pension	Not Eligible
4	e-AB employees separated on account of Resignation / Voluntary Retirement / Voluntary Vacation but not eligible for Pension, but already getting the benefit of 1% additional rate of interest on some deposits	Eligible only till maturity of running deposits. Not Eligible for fresh deposits & renewals
5	Employees Compulsorily retired due to incapacitation on health grounds before completion of 20 years of service	Eligible
6	Employees Compulsorily retired in consequence of Disciplinary Action	Not Eligible
7	Employees / Retirees Dismissed / Removed from Service in consequence of Disciplinary Action	Not Eligible
8	Employees permitted to retire under Rule 19(3) of SBIOSR and Retired Employees who received minor punishment after the conclusion of Disciplinary Proceedings	Eligible
9	Disappeared / Absconding / Convicted Employees	Eligible till Voluntarily Vacation of Service / awarded punishment / found guilty
10	Family Pensioners / Dependents of deceased staff	Eligible till he / she is eligible for Family Pension / eligible till the period of dependency

3 It is further clarified that:

- a. These instructions shall apply to all the employees / retirees of e-ABs.
- b. The term 'Employees' includes both Supervising as well as Award Staff
- c. For all those employees who are separated from the Bank and are not eligible for the 1% additional rate of interest in terms of the above guidelines, the existing Term Deposits with the additional rate as on the date of their separation from the Bank will continue till the maturity of the contracted term of deposit wherever applicable.
- d. As regards Saving Bank accounts of such persons who are not eligible for the 1% additional benefit, the benefit will be withdrawn immediately on the date of his / her separation from the Bank.

4. The above instructions supersede all the earlier instructions issued by the Bank on the subject.

5. The contents of this Circular may please be brought to the notice of all concerned.

(Alok Kumar Choudhary)  
Dy. Managing Director (HR) &  
Corporate Development Officer