



CRN  
225/2002-03

**Head Office**  
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( भारत सरकार का उपक्रम )  
आपका विश्वसनीय बैंक  
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**Circular No.**  
CHO/PAS/09/2002  
Dated : 07.10.2002

**CIRCULAR TO ALL BRANCHES/OFFICES**

**Sub : Reckoning increment for the period under suspension for the purpose of computation of Subsistence Allowance of Award Staff.**

Attention of Branches/Offices is invited to CHO/PAS/14/87 dated 23.09.1987 wherein it was stated that the annual increment due to an employee under the Award during the period of suspension should not be taken into account for calculating the quantum of Subsistence Allowance for each month.

The Personnel Committee of Indian Banks' Association has reviewed their earlier decision, as above, in the context of a host of decisions of Tribunals/High Courts relating to payment of Subsistence Allowance to workmen in Banks, ruling that in computing and paying Subsistence Allowance, the annual graded increments are to be taken into account. The Committee has decided that Banks are to reckon the increments which fall during the period of suspension for calculation of Subsistence Allowance to Award Staff keeping in view the specific provisions of Awards/Bipartite Settlement. This decision shall have only prospective effect. In respect of employees who were under suspension as on 17.02.1998, their Subsistence Allowance may be arrived at by notionally reckoning the annual graded increments which fell due since their suspension and payments made prospectively.

In case of officers, keeping in view the specific provision in Regulation 14 of Officer Employees' (Discipline & Appeal) Regulations, that an officer employee, who is placed under suspension, shall be entitled to receive payment from the Bank by way of subsistence allowance as 1/3rd or 1/2 of the basic pay, as the case may be, which the officer employee was receiving on the date prior to the date of suspension, the annual graded increments are not to be taken into account while computing and paying subsistence allowance.

However, the question of whether or not the increments during the period of suspension are to be released would depend on the final orders of the Disciplinary Authority at the conclusion of the disciplinary proceedings. This is equally applicable both in the cases of officers and workmen.

In view of the above, Branches/Offices are requested to make a careful note of this change

in the computation of Subsistence Allowance of Award Staff and review all the suspension cases of Award Staff who were under suspension and receiving subsistence allowance as on 17.02.1998 and thereafter and give effect of the above changes. If any arrears are payable for implementation of this Circular, the same may be paid as early as possible.



**Dy. General Manager  
(Personnel)**