

# Pending wage revision, KVB to make ad hoc payments to staff

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Aimed at lessening tax burden on staff by spreading out payments till the salary settlement is reached



## Mumbai, November 1:

With negotiations for the banking industry's 11th bipartite wage settlement dragging for the last six months, Karur Vysya Bank (KVB) has decided to release ad hoc payment to its 7,400-odd staff in lieu of salary arrears.

The Karur (Tamil Nadu) headquartered private sector bank will release the ad hoc payment (10 per cent of basic plus dearness allowance) as on October 31, 2017, from November 1.

The bank had released such ad hoc payments, pending wage revision finalisation, to 'kayveebians' for the previous two wage revisions too in 2007 and 2012.

Bank insiders say the move is aimed at lessening the tax burden on employees by spreading out the payments till the wage settlement is reached.

They reasoned that by the time the wage settlement is reached some employees would have moved to a higher tax slab.

Lumpsum arrears payment after the settlement would then attract higher tax rate. Hence, the move to release ad hoc payments.

In sharp contrast, though public sector banks (PSBs) make provisions for the expected revision in salary, they don't release the salary arrears till the settlement of wage negotiations.

According to KVB's circular, the ad hoc amount so released will be adjusted against the payment of arrears after the settlement. The total ad hoc amount thus paid will be adjusted in the salary revision settlement arrears of the employees.

## Business per employee

The bank, in its annual report, said its business per employee has been consistently increasing over the years and as on March-end 2017 it stood at Rs. 12.85 crore up from Rs. 12.41 crore as on March-end 2016.

Profit per employee increased to Rs. 8.19 lakh as on March-end 2017 from Rs. 7.87 lakh as on March-end 2016.

The banking industry-wide 10th bipartite wage settlement came to an end on October 31, 2017, and the next wage accord, which will be applicable for five years, was to commence from November 1, 2017. However, talks between bank managements and banking sector trade unions, which commenced in early May, have not made much headway.

S Nagarajan, General Secretary, All India Bank Officers' Association, said trade unions representing officers want the 11th bipartite wage settlement to cover employees up to Scale VII (General Manager) cadre.

However, four PSBs want the settlement to be applicable only till the rank of Scale III (Senior Manager), while one wants it be applicable till Scale IV (Chief Manager).

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