

UNITED FORUM OF BANK UNIONS

(AIBEA-AIBOC-NCBE-AIBOA-BEFI-INBEF-INBOC-NOBW-NOBO)

CIRCULAR No. UFBU/2026/9

Date : 12-2-2026

TO MEMBERS OF ALL CONSTITUENT UNIONS:

Dear Comrades,

Govt/DFS/IBA move to enforce divisive PLI Model Unacceptable while dispute is sub judice

All our unions and members aware that a PLI scheme was finalised in the 11th BPS/8th Joint Note in 2020 applicable from Part time employees to General Managers in Scale VII. Since then, PLI is being paid to employees and officers at a uniform rate in each Bank according to the performance of that Bank.

Last year, the Department of Financial Services (DFS), Ministry of Finance, Government of India, abruptly advised Public Sector Banks to shift from the settlement-based PLI framework to a discriminatory mechanism for officers in Scale IV and above. Whereas the PLI scheme under the Bipartite Settlement/Joint Note is uniformly linked to the overall performance of the Bank, the DFS-advised model seeks to make PLI for Scale IV and above dependent on individual performance, thereby placing officers in the higher scales into different "risk" brackets and creating an artificial and divisive classification within the cadre.

Accordingly, we have consistently opposed this unilateral and discriminatory PLI dispensation, under which more than 90% of employees, who actually generate the business, are confined to a maximum of 15 days' Basic Pay plus DA, while officers in Scale IV and above would be extended PLI up to 360 days Basic Pay.

On the one hand, this would amount to discrimination between Scale IV officers and above and the bulk of the workmen staff and officers upto Scale III and on the other hand dividing the senior officers by extending PLI on individual performance basis. Therefore, we included this as one of the major issues in our Strike Notice served in March 2025.

Thereafter, in the conciliation proceedings held by the CLC(C), the banks were advised to maintain status quo and to work out an amicable solution through bipartite discussions between IBA and UFBU. It is pertinent that representatives of all PSBs, along with DFS and IBA, were parties to and signatories to the conciliation minutes—hence any departure from this recorded understanding is unacceptable in principle, untenable in law and practice, and corrosive to settled industrial relations.

During the discussions with IBA, we have suggested changes with certain improvements in the PLI scheme to make it more equitable. These suggestions have been duly forwarded to the DFS for their consideration.

During the conciliation meetings held on 22nd and 23rd January, 2026 in connection with the proposed strike on 5 Days Banking, the representative of

DFS informed the unions that if we proceed with the strike on 27th January, 2026 on the demand of 5 Days Banking, the Government may not take a favourable view on our other pending demands, including the issue relating to change in the PLI Scheme.

Today, we learn that all PSBs have been advised to credit the PLI for the year ended 31-3-2025, even though the issue is still pending before the CLC. Already Bank of India has credited the PLI today. This is a blatant violation of the requirement to maintain status quo.

This is nothing but an attempt to browbeat UFBU. This is an attempt to divide the workforce in the Banks. We shall take up the matter during the next round of conciliation meeting.

In the meantime, all our unions and members should remain united and vigilant against such attempts of the Government.

Yours comradely,

AIBEA

AIBOC

NCBE

AIBOA

BEFI

INBOC

INBEF

NOBW

NOBO