



## **ALL INDIA UNION BANK EMPLOYEES' ASSOCIATION**

CENTRAL OFFICE

C/o UNION BANK OF INDIA, 6<sup>TH</sup> FLR, M.S. MARG BRANCH, 66/80 M.S.MARG, MUMBAI -400023

Phone: 22629486(Bank); 22629509(U.O.); Fax: 22642785(Bank); 9819375526(M)

E-mail: aiubeaco@gmail.com

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To,  
General Manager ( HR)  
Union Bank of India,  
Central Office,  
Mumbai..

Dear Sir,

Sub: **Improvement in Staff Overdraft facility with measures to facilitate easy and hassle free repayment model.**

Please refer to the discussions we have been having with your office over the captioned issue for quite some time.. At present Bank is recovering the Staff Overdraft facility sanctioned to employees as under.

- 1) During the last 5 years of service 50% of the limit is recovered by reducing the limit by 10% every year.
- 2) Balance 50% is recovered from the terminal benefits receivable by the employees at the time of retirement.

However we observe that the mechanism of recovering the part of overdraft by reducing the limit as per above point no 1 has been found wanting due to many reasons and the recent move of the Bank to set right all the staff over draft accounts by applying the clause strictly has resulted in no release of salary to almost all such employees for last 2 months. Such employees are finding difficulties in maintaining themselves as the entire salary is going towards adjustment of overdraft to bring it under the specified limit .

Hence there is a need to review the staff overdraft scheme to bring in measures that will facilitate easy and hassle free repayment cum adjustment of the facility. In the industry almost all the banks are extending such facility and they are recovering the entire over draft from the retirement benefits payable to the employees. However such arrangement will lead to a situation where substantial portion of the retirement benefits going towards repayment of overdraft and other loans availed by the employees and at the time of retirement employees hardly get any saving to maintain themselves after retirement. So we have to adopt to a model that will serve both the purposes.

Hence we suggest that bank should recover one fourth of the staff overdraft limit in the last 5 years of service of the employee by transferring the amount to a loan account at the beginning of the 5<sup>th</sup> year prior to retirement and through 60 equal monthly instalments from the salary. Balance three fourth of the limit to be recovered from terminal benefits payable to the employee. We feel that above model will ensure easy and hassle free repayment model.

Present staff overdraft limit was also reviewed and fixed some years back and the same requires improvement. While considering our suggestion as above we also request for improving the staff overdraft limit to fall in line with the corrections on account of inflation and the requirement of employees.

We hope Bank will consider our request in right perspective and do the needful at the earliest.

Thanking you,

Yours Truly,

(N. SHANKAR)  
General Secretary.



