

CIRCULAR No. 23/2010

Date: 31.05.2010

TO ALL MEMBERS



Dear friends,

Revised Gratuity Ceiling effective from 24th may 2010

We had informed you about the notification in respect of revision in the ceiling on Gratuity payable under the Act. We have now been informed by AIBOC vide their Cir. No. 77 dated 26th May 2010 that the revised ceiling is effective from 24th May 2010. We reproduce below the text of AIBOC Circular No. 77 dated 26-05-10 issued in this regard for your information.

With greetings,

Yours sincerely,


[KAUSHIK GHOSH]
GENERAL SECRETARY

**REVISION OF GRATUITY CEILING
DATE OF EFFECT IS 24TH MAY 2010**

[Text of AIBOC Cir. No. 77 dt. 26-05-10]

1. We have just now received a copy of the Gazette Notification issued by the Labour Ministry, Government of India for the purpose of notifying the date of effect of the revision in the Gratuity Ceiling payable under the Payment of Gratuity (Amendment) Act 2010. **The date of effect has been made as 24th May 2010**, much to our surprise and astonishment.
2. Our members are aware that the Confederation had led a delegation to the Minister of State for Labour and appealed to him to make the date of effect same as in the case of the Central Government employees i.e., 01.01.2006. When we were given to

understand that there are certain vested interests from the industry lobby who were inimical to raising the ceiling to Rs.10.00 lacs in the Gratuity Act and were attempting to scuttle the amendment; we submitted an exhaustive Memorandum to the Government to ensure that there is no discrimination as regards the date of effect between the Central Government employees and the Banks. There were positive responses from the Labour Ministry and our subsequent interaction with them at various stages also provided sufficient comfort and confidence to us.

3. We are disappointed with the current notification since it results in frustration to all those who retired between 1.1.2006 to 23rd May 2010. We have been receiving anxious queries as to the impact of this notification. The import of the notification is that it is prospective and all those who retire/resign on or after 24th May 2010 shall be eligible for the benefit of the revised ceiling. For those who had retired earlier, we will pursue the matter after due consultation with other organizations as to the manner in which the issue needs to be taken up with the Government. We are also examining the possibility of legal remedy in the matter in view of a large number of representations we have been receiving in the matter.
4. We note to keep our members advised in the matter in due course.

With greetings,

Sd/= **(G.D.NADAF)**
GENERAL SECRETARY

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