

MANDATORY LEAVE POLICY - Mandatory Leave will not affect the regular leave entitlement of employees

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Units are aware that last year, in July, 2021, Reserve Bank of India issued instructions to all Banks to introduce and implement "Mandatory Leave Policy" in banks, wherein banks were advised to put in place a "mandatory leave" policy so that the employees posted in sensitive positions or areas of operation shall be compulsorily sent on leave for not less than 10 working days in a single spell every year. This was being suggested by them as a risk management measure.

We had taken up the matter with IBA and pointed out that while we are not averse to such risk management measures, there should be clarity on what are the departments, works and positions of the employees that are sensitive in nature and further, such compulsory leave taken at the behest of the RBI and Banks cannot be to the debit of the leave entitlement of the concerned employees since leave is a part of the service conditions under the Bipartite Settlement and is meant for the personal use of the employees. We are happy to learn that IBA has decided in their meeting and have advised all the PSBs that while finalising such Mandatory Leave Policy, the CVOs of respective banks may identify sensitive positions in operational risk areas where the mandatory leave policy would be applicable. IBA has also clarified that such mandatory leave would not affect the usual leave entitlement of the employees, that is, such leave period will not be debited to the leave account of the employees. All our units are requested to take note accordingly.