

## HOUSE RENT ALLOWANCE

In substitution of Clause 9 of the Bipartite Settlement dated 27th March, 2000, with effect from 1st November, 2002 the House Rent Allowance payable shall be as under:

AREA	Rate as % of Pay
	No Minimum No Maximum
(i) Places with population of more than 45 lakhs	8.5
(ii) Places with population of more than 12 lakhs	7.5
(iii) Places with population of 2 lakhs and over (other than places in (i) and (ii) above) and State Capitals and Capitals of Union Territories.	6.5
(iv) Places with population below 2 lakhs.	6.0

Note: Where quarters are provided, HRA shall not be payable and the rent to be recovered shall be 1% of the first stage of the Scales of Pay. All other existing provisions relating to House Rent Allowance shall remain unchanged.

(Para 9 of BPS dated 02-06-2005)

In the following places which have population of more than 45 lakhs as per census 2001, HRA is payable at 8.5% of pay: Ahmedabad, Bangalore, Chennai, Delhi, Greater Mumbai, Hyderabad and Kolkata.

(IBA CIR No. PD/76/90/2005-06/534 dated 07-06-2005)

Where employees occupy residential quarters provided by the bank they will not be entitled to any house rent allowance.

(Para 6.25 of Desai Award)

Where an employee is on leave of any kind without pay, he will not be entitled to draw any house rent allowance. Where an employee is

on leave/other than leave of any kind without pay, he will be entitled to be paid house rent allowance provided he satisfies the bank that he has continued to retain the residential accommodation occupied by him. In case where separate residential quarters are not provided by the bank, but an employee is allowed to sleep on the bank's premises he will be entitled to receive house rent allowance.

(Para 6.26 of Desai Award)

House Rent Allowance in project areas is agreed on the basis that residential accommodation is not available in these areas. Accordingly, house rent allowance in these areas shall be payable until such time as a bank is in a position to offer residential accommodation. The continuance of house rent allowance in project areas after the expiry date of this settlement will be subject to fresh review of the housing situation in these places.

(Para 8.3 of BPS dated 19.10.1966)

In supersession of paragraph 6.27 of the Desai Award, for the purpose of house rent allowance, the latest available official figures of the All India Census shall be taken into account effectively.

(Para 8.4 of BPS dated 19.10.1966)

(ii) If at a centre both City Compensatory Allowance and Project Area Allowance are payable, only the higher of the two shall be paid.

(Para 9 (ii) of BPS dated 05-01-1987)

All workmen employees posted in Project Area Centers – Group A and Group B may be paid HRA @ 8.5% and 7.5% of pay respectively w.e.f. 1<sup>st</sup> November 2002.

(IBA Cir no. PD/GSN/E (iv) dated 22.08.2005)

If a bank has provided accommodation to its employees in a Project Area and has been recovering 6% of basic pay as house rent apart from not paying the House Rent Allowance, the same should continue in terms of the Fifth Bipartite Settlement also. The banks should not pay any house rent subsidies in Project Areas. If some banks have been paying so, it should be withdrawn and in any case,

should remain frozen at the existing levels till such time it is withdrawn. Where an accommodation has been provided by the Bank, the recovery of full rent as per the provisions of the Fifth Bipartite Settlement should be made disregard of the fact that the employee in a particular month was on half-pay or loss of pay.

(IBA CIR No: PD/CIR/76/90 dated 16-08-1989)

An award staff employee whose spouse has been provided with residence by the bank, may be paid HRA in terms of the provisions of Bipartite Settlement.

(IBA CIR No. PD/CIR/76/E (iv)/850-10-08-1990)

All places constituting an urban agglomeration will be taken as a unit and the house rent allowance will be paid on the basis of population of urban agglomeration.

(Para 3/15 of BPS dated 16-04-1980)

In partial modification of the MOU dated 19.10.1966, w.e.f. 1.6.1989, Delhi will also comprise of areas covered by Gurgaon Urban agglomeration. Note: For all administrative purpose including payment of halting allowance all places forming part of Delhi including Gurgaon (UA) shall be treated as one composite area.

(Para 7 of BPS dated 16.7.91)

In terms of Bipartite Settlements/Officers' Service Regulations governing the service conditions of bank employees, House Rent Allowance/City Compensatory Allowance are payable on the basis of the population figures published as per latest Census Report only, which at present is 1991 Census Report. The population of the place/urban agglomeration as available during 'mid-census' period is not to be taken for the purpose of HRA/CCA. However, if the respective Government issues a notification regarding formation of new Urban Agglomeration, inclusion of additional areas in the existing urban agglomeration, such notification may be considered for change in the rates of HRA/CCA. However, nothing short of Government notification in this regard should be relied upon. Instances have come to the notice of the Government, that some

banks are not strictly adhering to the said provisions while making payment of HRA/CCA, and more violation have been noticed at branch level. The Government has examined the matter and has advised IBA to suitably advise banks to strictly follow the classification of areas for the purpose of HRA/CCA, as per the extant provisions. In view of the above, banks are requested to ensure strict adherence to the above provisions by eliciting required particulars from their branches and verifying the corrections of payment of HRA/CCA. In cases where it is found that the branch(s) has/have not followed the existing provisions and eventually have paid HRA/CCA at higher rate than what is eligible, the banks may take steps to effect recovery from the officers/employees drawing such higher HRA/CCA. The concerned drawing officer/branch manager shall be personally responsible for effecting recovery immediately. Banks are requested to ensure strict compliance of the aforesaid instructions.

(IBA CIR No. PD/CIR/76/E