

	Bank of India Head Office	Human Resources Department, Industrial Relations Division.
Branch Circular No. : 118/144	Sub : Human Resources / 2024-25	
Sub-subject : Staff Matters / Personal Overdraft		
Ref : HO:HR:IR:SM:14	Date: 21.09.2024	

CIRCULAR TO ALL OFFICES / BRANCHES

Scheme for extending Personal Overdraft facility to staff members

We refer to Branch Circular No. 112/084 dated 17.09.2018 and subsequent Circulars modifying the Clean Overdraft facility extended to staff members.

2. The said facility was introduced in 2001 i.e. around 23 years ago. With the passage of time, there was a consistent demand from various categories of staff to enhance the limits due to substantial rise in the salary level of the employees. We are pleased to advise that the Board in its meeting held on 30.08.2024 has modified the said Scheme as “**Personal Overdraft facility to staff members**” and enhanced the limits.

3. We annex herewith the details of the revised Scheme which is effective from the date of Board approval.

4. The contents of this Circular may be brought to the notice of all staff members working in the Branches / Offices under your jurisdiction.




(Shampa Biswas)
General Manager (HR)

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**Scheme for extending
Personal Overdraft facility to staff members**

We refer to Personal Overdraft facility extended to staff members approved by the Board dated 09.08.2018 and subsequent Circulars modifying the facility.

2. The said facility was introduced in 2001 i.e. around 23 years ago. With several modifications and enhancement in limits over the period of time, the scheme was last revised in 2018. Due to recent wage revision there was a demand from various categories of staff to enhance the limits. Salient features of the revised scheme shall be as under.

3. **Eligibility:**

All confirmed Officers and Award Staff are eligible. In the case of employees, whose services are not confirmed due to technical reasons but have completed their probation period as prescribed, they become eligible after completion of their probation period.

4. **Loan Entitlement (subject to completed years of service):**

(Amount - Rs. in lakh)

Cadre / Scale	Length of Service					
	Less than 5 years		5 years & above but less than 10 years		10 years & above	
	Existing	Revised	Existing	Revised	Existing	Revised
Officers	2.00	3.00	3.50	5.50	10.00	15.00
Clerks	1.65	2.50	3.00	4.50	7.00	10.00
Sub-Staff	1.35	2.00	2.00	3.00	4.00	6.00

5. As per extant guidelines, 60% of total sanctioned limit may be sanctioned as Overdraft and 40% as Term Loan. EMI for the Term Loan portion be fixed in such a manner that the amount must be paid off before the date of superannuation of the employee. An employee, who has already availed the facility, will be allowed to avail the enhanced facility. In such cases, Term Loan portion up to the enhanced limit will be allowed, subject to that, the dues in the existing Term Loan account is fully recovered from the fresh Term Loan disbursement. The Term Loan portion will be recovered in EMI in maximum 84 months or by the date of superannuation of the concerned employee, whichever is earlier. If an employee repays the Term Loan before the stipulated repayment period, fresh Term Loan may be sanctioned. However, at all times, ratio of 60:40 will be maintained towards Overdraft and Term Loan limits respectively.

6. **Rate of Interest:**

7% per annum (for both Overdraft and Term Loan portion). The interest payable in the OD account must be recovered every month from the salary paid to the employee. Therefore, it will be mandatory for the employees to designate their OD account for credit of their monthly salary.



7. **Total Deductions:**

Not to exceed 65% of gross salary (excluding notional interest on OD).

8. **Repayment:**

(A) **Overdraft portion:**

Overdraft portion can be repaid by the employee as per his/ her convenience. However, at the time of his cessation, it shall be closed through recovery from the Terminal Dues of the employee. In case the employee intends to close the account earlier, he may do so. Employees may avail a Personal Overdraft facility, irrespective of whether he/she has closed the account earlier.

(B) **Term Loan:**

Repayable in EMI of maximum 84 months or by the date of superannuation of the concerned employee, whichever is earlier. The employee will be entitled for fresh Term Loan in case of early repayment.

9. **Sanction/ Review:**

Sanction of Personal Overdraft facility would rest with:

- (i) Employees working in the Branches / Zonal Office, the sanction would rest with SZLCC of the concerned Zone.
- (ii) Employees posted at Zonal Audit Office, Training Centres, LCBs and other Administrative Offices, it will be considered at the level of SZLCC of the concerned Zone in whose jurisdiction the said office is located.
- (iii) In case of those employees, who have already availed OD facility (with or without Term Loan component), their request for additional limits shall be considered by the SZLCC of the Zone where their original limits have been sanctioned, even though they are presently posted outside the said Zone.

10. **Documentation:**

As per Branch Circular No. 109/222 dated 4.3.2016.

11. **Other Conditions:**

- (i) **Additional limits or new loan under the scheme will not be considered in respect of those employees where disciplinary proceedings are pending / initiated against the employee or the employee is under suspension, till the pendency of such proceedings.**
- (ii) In respect of employees who are placed under suspension, this facility should not be extended. If already extended, the suspended employee should not be allowed to withdraw from the Overdraft account during the period of suspension, till the suspension is revoked. However, employee can be allowed to withdraw subsistence allowance as applicable.



- (iii) In case of transfer of an employee, the Overdraft/Term Loan account will remain at the original branch where it was opened. There is no necessity in the present environment to transfer/shift Overdraft Account as all the Branches are covered in CBS.
- (iv) It will be mandatory for the employees to designate the O/D account for credit of their monthly salary as well as charge account for Credit Card usage. However, the limit should not be allowed to be overdrawn, which may attract disciplinary action against the concerned employee.
- (v) As the Overdraft account will be an operative and multi-purpose account, the employees will not be entitled for any tax relief.
- (vi) It will not be obligatory on the part of employees who are enjoying 100% OD facility to switch over to the revised limits. In other words, those opting for revised limits will have to avail the same into 60:40 (60% - OD and 40% TL) proportion.



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