



यूको बैंक UCO BANK
प्रधान कार्यालय, कार्मिक सेवा विभाग
Head Office, Personnel Services Department

Circular No. CHO/PMG/42/2022-23

Date: 30/12/2022

ALL BRANCHES / OFFICES IN INDIAN UNION

Sub: Standardization of Gross Salary income and deduction calculation for meeting loan obligation/ installments while availing various Staff Loans & Advances

Department was in receipt of request from various corner that employees are unable to avail various loan & advance facility to the maximum, due to their ineligibility considering 60 % income criteria where statutory dues like TDS & additional PF/NPS contribution deducted covers a large part which generally lowers after availing home loan & 40 % net take home pay for family maintenance without considering future income from assets created.

Now, we are pleased to inform that the Board of Directors in its meeting held on 22/11/2022 has approved proposed modifications for Standardization of Gross Salary income and deduction calculation for meeting loan obligation/ installments while availing various Staff Loans & Advances

We mention hereunder details of modifications for considering staff loans & advances

- a. Gross emolument will be considered as under :
 - i. Gross Salary as per latest Salary Slip (excluding lump sum arrear or recovery made for past period).
 - ii. Notional House Rent allowance on rent basis i.e 150 % of normal HRA to be added for the employees availing Bank's own/leased accommodations - This is required for giving same treatment to the employees availing Bank's quarter/ leased accommodation and the employees availing HRA.
- b. The total deductions from the employee's salary, inclusive of interest on clean OD & installments of proposed loan under this scheme, should not exceed **70 % of his/her gross salary**, for working out the maximum loan amount applicable under the scheme.
- c. For calculation of 70% of gross emoluments after deductions of various loan liabilities/statuary dues etc. will be calculated as under:

All types of deduction like various loan installments (other than the short term loan scheme with loan repayment period of less than three years like Festival Advance/ COVID Loan/ Flood Loan, Cyclone Loan/ any other

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distress loan etc.) Provident Fund, Income Tax, Insurance premium, other regular monthly recoveries, Credit Society Loan, notional monthly interest on Overdraft sanctioned etc., including installment of proposed loan(s) to be deducted from the gross emoluments calculated as above –

- d. Average monthly TDS deducted on account of salary in last financial year is to be considered as statutory deduction from monthly salary.

Department is of the view that providing the best of staff loan facilities to our staff members will continue to motivate and keep them highly dedicated towards achieving new heights for the Bank in future but at the same time employees shall avoid habitual indebtedness or insolvency.

The contents of this circular is to be brought to the notice of all staff members by displaying a copy of it in the staff notice board for information of all concerned.

Manish Kumar

(मनीष कुमार / Manish Kumar)
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