

## COUNTRY CIRCULAR

No: 006/2020/21

Date: 07/08/2023


**Subject: Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) – 2023**

As to adhere with the changes in the business environment and as a part of the Human Resource Management Strategy to enhance efficiency and create more streamlined workforce, the Board has approved Employee Re-engineering and Voluntary Retirement Scheme (ERVRS) -2023.

This scheme has been rolled as a part to support employee wellbeing and by embracing this scheme, eligible employees can embark on a new chapter in their lives, while bank can align its workforce to meet future challenges.

Please be very clear that this scheme is "voluntary", and every eligible employee is free to apply in the scheme based on their personal and professional choices. Bank reserves all rights to either accept or reject all application. The application applied by eligible employees shall be treated with utmost confidentiality.

The policy shall be applicable from 8<sup>th</sup> August 2023. Moreover, for any queries or further clarification and information, please contact Human Resource Department.



Ashok Sherchan

CEO

*Enclosed: ERVRS Policy-2023*



# Prabhu Bank Limited

## Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) – 2023

[A property of Prabhu Bank]

**Head Office, Babarmahal, Kathmandu**  
**August 2023**

*Prabhu Bank Employee Re-Engineering & Voluntary Retirement Scheme (ERVRS)-  
2023*

# **Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) – 2023**

## **1. Short Title:**

1.1 This scheme is called Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) – 2023.

1.2 This scheme shall come into commence from the date of its circulation.

## **2. Background:**

Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) – 2023 is a strategic initiative implemented by the bank to offer employees an opportunity to retire voluntarily before their regular retirement age. While the policy primarily focuses on providing employees with an attractive exit option, it also brings better efficiency and effectiveness to the bank itself.

Post-acquisition of the Century Commercial Bank Ltd. by Prabhu Bank Ltd., the bank has initiated various adjustments to fully utilize the available human resources based on their skills and capabilities. This scheme allows bank to streamline staffing structure and create a more efficient and agile workforce. By strategically managing the headcount through the scheme, bank can reshape its organizational structure, realign teams, and optimize resource allocation. This can lead to increased operational efficiency, improved decision-making processes, and enhanced productivity within the bank.

Also, the scheme provides opportunity for talent rejuvenation and succession planning. Through the scheme, bank can create vacancies that can be filled with new talents. This infusion of fresh perspectives, skills, and knowledge can invigorate the organization, foster innovation, and bring in diverse expertise to address emerging challenges in the dynamic banking industry.

Implementing a voluntary retirement policy also contributes to the bank's reputation as an employer of choice and a responsible corporate citizen. By providing employees with a voluntary exit option, bank demonstrates its commitment to employees well-being and work-life balance. This can foster a positive work culture, enhance employee satisfaction, and improve the bank's employer brand, making it more attractive to potential talent.

Hence, Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) – 2023 shall enable workforce optimization, facilitates talent rejuvenation, supports succession planning, manages workforce demographics, and enhances the bank's reputation. By strategically leveraging this policy, banks can adapt to changing business dynamics, remain competitive, and build a resilient workforce that meets the evolving demands of the banking industry.

### **3. Objective:**

- 3.1 To achieve optimum human resource utilization in the Bank.
- 3.2 To improve the efficiency and effectiveness of the organization.
- 3.3 To support and provide benefits to employees who wish to opt for the voluntary retirement scheme before reaching their retirement age.

### **4. Definitions:**

In this scheme, unless the context otherwise requires,

- 4.1 "Scheme" means Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme (ERVRS) 2023.
- 4.2 "Employee" means a person employed on permanent /regular basis working in Bank Ltd. as per Staff Service Bylaws 2078.
- 4.3. "Service" means a period of permanent or regular employment with the Bank.
- 4.4 "Year" means a financial year commencing on 1<sup>st</sup> of Shrawan and ending on the subsequent 31<sup>st</sup> Ashad.
- 4.5 "Gross Salary" means monthly salary (excluding Child allowance, Lunch allowance, Insurance allowances, Driver wage as well as request based/job role based allowances) obtained by employee as on the date of applying.
- 4.6 "Request for Voluntary Retirement" means application submitted for Voluntary Retirement, as per specimen pro-forma annexed as Annexure.
- 4.7 "Competent Authority" means the Chief Executive Officer of the Bank.

### **5. Operations of the Scheme:**

The Scheme shall remain in operation for 15 days from the date of its circulation /issuance of notification to this effect, which may be extended as per the decision of the

*Prabhu Bank Employee Re-Engineering & Voluntary Retirement Scheme (ERVRS)-2023*

management. Scheme may also be opened on phase wise and position wise if required, by the management.

## **6. Eligibility:**

Employees working on permanent / regular basis with the Bank as per the Bank Staff Service Bylaws 2078 will be eligible to seek Voluntary Retirement.

However, the employees falling in the following categories are not eligible to seek Voluntary Retirement under the scheme:

6.1 Employees who are under approved 'Leave without Pay'.

6.2 Employees appointed and working on contract basis or probationary period.

6.3 If any case against an employee is pending, he/she may participate in this scheme but the effective date for the retirement and disbursement of benefit shall be as per the decision of the management.

## **7. Amount of Ex-Gratia:**

An employee seeking Voluntary Retirement under this scheme will be entitled the compensation as below

<b>Service as per Tenure</b>	<b>For all Levels</b>
Above 5 Years (for all level)	24 Months Gross Salary
Less than 5 Years (for AM and above level)	20 Months Gross Salary
From 3 Years to 5 Years (Officer level)	20 Months Gross Salary

## **8. Mode of Payment:**

100% of the amount of ex-gratia payable to an employee on opting for Voluntary Retirement under this Scheme would be paid within 15 days from the date of his /her relieving.

## **9. Other Benefits:**

An employee whose offer for Voluntary Retirement under this Scheme is accepted will be eligible; apart from the ex - gratia defined above, to any benefit as per the Banks *Prabhu Bank Employee Re-Engineering & Voluntary Retirement Scheme (ERVRS)-2023*

Employees' Service Bylaws, which would have been available to him /her upon release from the Bank prior to the date of notification of this scheme.

#### **10. Procedure:**

10.1 An eligible employee may tender request opting for Voluntary Retirement under the scheme to the Competent Authority through proper channel in the prescribed format attached herewith 15 days from the date of first notice.

10.2 The Competent Authority may after considering the application within a period of 15 days, either accept or reject the request. The competent authority has exclusive right to reject any application without any reason whatsoever.

#### **11. Other General Terms & Conditions:**

11.1 Any increment in Salary and Allowances after the date of submission of application for ERVRS shall not be considered.

11.2 Fraction of service shall be calculated on pro-rata basis for the purpose of calculating the ex-gratia.

11.3 The salary shall be calculated on the basis of last salary drawn by an employee.

11.4 No employee shall be allowed to withdraw the request made for Voluntary Retirement under the scheme.

11.5 The Competent Authority shall have absolute discretion either to accept or reject the request of an employee seeking Voluntary Retirement under the scheme with or without assigning any reason whatsoever.

11.6 All payments under the scheme and any other benefit payable to an employee shall be subject to the prior settlement /re-payment in full of loans, advances and any other outstanding due against him /her and receivable from him /her by the Bank.

11.7 All payments made under this scheme shall be subject to deduction of tax at source as per Income Tax Act 2058 wherever applicable.

11.8 In the event of the death of an employee, whose request for Voluntary Retirement under this scheme has been accepted, the compensation, which would have become due and payable to the deceased employee, shall be paid to the person nominated to receive such dues.

- 11.9 For employees with position AM and above availing OYVS facility shall pay the net amount of Written Down Value (After deducting amount deposited in Escrow account) to settle the OYVS. For employees having OYVS tenure less than 12 months, waiver on net Written Down Value (After deducting amount deposited in Escrow account) shall be provided.
- 11.10 All the settlements of the employee such as social loan, OYVS, Staff Home Loan must be settled within 1 month after the last working date. Post 1 month highest customer interest rate shall be levied. For staff home loan and social loan, the interest calculation shall be done at Cost of Fund if settled within the above-mentioned timeframe.
- 11.11 The benefits payable under this scheme shall be in full and final settlement of all claims of whatsoever nature, whether arising under the scheme or otherwise to the employee (or his/her nominee in case of death). An employee who voluntarily retires under this scheme will not have any claim against the Bank and no demand or dispute or difference will be raised.
- 11.12 Employees whose remaining job period is less than 24 months under age basis as per Staff Service Bylaws 2078 shall be eligible for VRS of their remaining month tenure.
- 11.13 The Bank reserves sole rights to withdraw this scheme at any time if it thinks necessary and its decision in this respect will be final.

**Annexure – Prabhu Bank ERVRS – 2023**

The Chief Executive Officer  
Prabhu Bank Limited  
Head Office, Babarmahal  
Kathmandu.

Through: ..... (Line Manager)

Dear Sir,

I hereby opt to seek Voluntary Retirement from the services of the Prabhu Bank in accordance with the terms and condition stipulated in Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme – 2023, circulated vide **Country Circular No. .... Dated .....**, which I have carefully read and understood the contents of the same.

I accept the terms and conditions stipulated in Prabhu Bank Employee Re-engineering & Voluntary Retirement Scheme- 2023, unconditionally and irrevocably. I furnish the required particulars in the APPENDIX enclosed for consideration of my offer to seek Voluntary Retirement from the services of the bank under the above scheme w.e.f.....

Yours sincerely,

.....  
Name:

Employee Code:

Corporate Title:

Functional Title:



TO BE FILLED IN BY THE EMPLOYEE

**PART – I**

**S.No. Particular Fill by Employee**

1. Name of Employee: .....
2. Employee No: .....
3. Designation: .....
4. Date of Birth: .....
5. Age as on Date (Last date of the Scheme): .....
6. Date of Joining (Excluding the temporary period, if any): .....
7. No. of completed years of service as on (last date of the scheme): .....
8. Has the employee executed any bond? Give details thereof.
  
9. Has the employee undergone any specialized intensive training within the country or outside? If so, give details thereof.
  
10. Has the employee taken loans from the bank? If yes, give thereof head- wise  
**Loan Approved Limit Outstanding**
  1. Home Loan .....
  2. Vehicle Loan .....
  3. Salary Advance .....
  4. Other Loan .....
  
11. Whether the employee has been imposed any major or minor punishment during the preceding 5 years. If yes, give details.
  
12. Whether any disciplinary action is pending?

**PART II**

**13.I hereby certify:**

- a) That the information given above is complete and true.
- b) That I hereby opt to seek Voluntary Retirement from the services of the Bank in accordance with the terms and conditions stipulated in the **Prabhu Bank Employee Re-engineering & Voluntary Retirement Service (VRS) – 2023**, which I accept unconditionally and irrevocably as circulated vide **Circular No. .... Dated .....**
- c) That I hereby authorize the bank to recover and adjust all loans/ dues etc. payable by me whatever kind or nature.
- d) That I agree that in case any of the aforesaid statements is found to be untrue, the payment made to me by the Bank will be recoverable from me without prejudice to any other action that may be taken against me by the Bank.

.....  
Name:  
Employee Code:  
Corporate Title:  
Functional Title: