Dated: 20 -12-15

आर.डी.एस.ओ. मनदूर संघ

भारतीय मजदूर संघ की औद्योगिक ईकाई संबद्ध भारतीय मजदूर संघ तथा सरकारी कर्मचारी राष्ट्रीय परिसंघ

(पंजीकरण संख्या : 9807)



No.RMS/7thCPC/Comments

Shri Arun Jaitley, Hon'ble Finance Minister, 134 North Block, New Delhi-110 001.

Respected Sir,

Sub: Seventh Central Pay Commission's Report – grave resentment amongst the government employees against the retrograde recommendations.

#####

The Seventh Central Pay Commission have submitted its report to the Government of India on 19th November, 2015 and now the report is available for the public. There is widespread resentment and anger amongst the Central Government Employees, across the various sections/categories, against the retrograde recommendations of the 7th Central Pay Commission. Contrary to all the wild speculations, a raise of only 14.29 percent was finally given to the Central Government employees. This increment is akin to two installments of the Dearness Allowance.

- 2. RDSO Mazdoor Sangh (hereinafter referred to as RMS) is an Industrial Unit of Bharatiya Mazdoor Sangh, located at Research Designs and Standards Oranisation (RDSO), Ministry of Railways, Lucknow. RMS is a registered Union, representing RDSO employees.
- 3. We have studied the report containing the recommendations of Seventh Central Pay Commission and observed certain omissions leading to the unrest and anguish among the central Government employees in general and Railway employees in particular which are reproduced below for sympathetic consideration and redressal of the grievances to boost up the morale and restore the confidence so that they can serve the Nation in a better way for achieving the goal of the fastest growing economy and youngest Nation of the world:

I. Minimum Pay:

The Pay Commission has recommended the minimum salary of Rs.18,000/-. Minimum salary has been intentionally calculated to be lower to keep common fitment factor low. It is nothing but mockery of the pay. This calculation of minimum pay is not appropriate due to following reasons:

i. To calculate the minimum pay on the basis of Dr. Aykroyad formula, the prices of the items are based on the average prices prevailing in each month from July, 2014-June, 2015; not on the basis of the estimated price as on 01.01.2016. In this connection, it is pertinent to mention that the current prices of food items, fruits, milk, cloths, etc. have gone up significantly. Although, the Commission have tried to compassionate by increasing it by 3%, assuming that DA to be 125% as on 01.01.2016, but it is not sufficient. For example, the rate of 'Dal' is taken as Rs.97.84 per Kg, whereas current rate of 'Dal' (Toor/Urad/Moong) is much higher.

Anyway, the price of the items considered by the Commission, to calculate the minimum pay is based at the wholesale rate; whereas the employees bought these items at retail price.

ii. The Commission have taken three (03) consumption units: Male – 1 unit, Female – 0.8 unit and 02 children below 14 years – 0.6 units each for calculating the Minimum pay on the basis of the 15th ILC norms. But, this norm needs to be revised and old & dependant parents should also be included as additional consumption unit.

The female family member has been taken as 0.80 unit, which indicates the gender biased mind set, as female is no more inferior to males in any field of responsibility. They are the best managers of the family affairs. The calorie need of female is no lesser than any male member.

Further the children are the future of any nation and expenditure incurred towards their looking after viz. nutritious food, education, dresses, etc., till they started earning for their livelihood is very high these days. Therefore, it is not proper to take 0.6 unit for children.

Hence, the commission should have considered atleast 06 consumption units for calculating the minimum pay.

In view of above, we demand that *Minimum Pay* should not be less than Rs.26,000/- at all.

II. Uniform Fitment Factor:

Uniform fitment factor taken as 2.57 is much below the demand of 3.85. The 6th CPC has taken into account the merger of 50% DA. However, the same was not taken by the 7th Pay Commission. If we go by the minimum pay formula adopted by the Commission and the merger of 50% DA taken into consideration, the factor would have been 3.11%.

The rise in estimated share of Pay, Allowance and Pension (excluding Railways), as a consequence of recommendations of the 7th CPC will be 4.25% of GDP; against the rise of 4.32% due to implementation of 6th CPC. It is evident from the above analogy that 7th CPC recommendations are at lower side. As per the statistics the sanctioned strength in Indian Railways as on 01.01.2014 is 15.5 lakhs; however, only 13.16 lakhs employees are on rolls with vacancies of 2.35 lakhs. The strength of the Railways is further reduced over the two year period (i.e from January, 2014 to January, 2016). Similar is the case of all other central government departments – during the period of two years the number of central government employees has come down from 40 lakhs to 37 lakhs (approximately). It shows the burden on the Government is further reduced on revenue expenditure. Whereas on the other hand, the revenue receipts of the Government of Indian has increased three fold in the recent times.

Beside above, it is worth to mention that the real increase in pay works out to 14.29% only; whereas the previous Central Pay Commissions have given higher increase over the previously set minimum pay:

II CPC	14.2%
III CPC	20.6%
IV CPC	27.6%

V CPC	31.0%
VI CPC	54.0%
VII CPC	14.3%

From above, it is clear that the 7th CPC have given perverse recommendation on "Minimum Wage" and "fitment formula", which has led to all-round dissatisfaction amongst the Central Government employees.

Hence, we demand that the Uniform Fitment Factor should be more than 3.71, so that the Minimum Pay could be fixed more than Rs.26000/-.

Further, the Commission has recommended varying multiplication factors to determine the minimum entry pay for various levels in the pay matrix viz. varying from 2.57 to 2.81. This is not acceptable, as this will widen the gap of differences in pays between officers and employees. We demand that there should uniform multiplication factor for determining the entry pay for various levels in the pay matrix.

III. Ratio between Minimum Pay to Maximum Pay (Compression Ratio):

The thrust of all the previous Pay Commissions has been to reduce the ratio between Minimum Pay to Maximum Pay (Compression Ratio), with intention to reduce the disparity of pays in the Government sector. The Compression ratios, as per previous Pay Commissions, are as under:

ICPC	1:36.4
II CPC	1:37.5
III CPC	1:17.9
IV CPC	1:10.7
V CPC	1:10.2
VICPC	1:11.4

However, the 7th CPC has recommended the compression ratio as 1:13.9 (Rs.2,50,000/Rs.18,000), which is much higher than the same of IV CPC, V CPC and VI CPC and widen the gap between Minimum and Maximum Pay; hence it is not acceptable.

We demand that the **compression ratio should be less than 1:10.** In other words, the minimum pay should be fixed more than Rs.26,000/- to reduce the disparity between Minimum pay and Maximum pay (i.e. Rs.2,50,000).

IV. Increment

The rate of Annual Increment was retained at 3%, as per the recommendations of the 7th CPC; whereas various stakeholders have demanded that annual increment should be 5%, as annual increment at the rate of 3% is very meager. Further, on promotion (or on financial upgradation under MACP scheme), two increments should be given, instead of only one, as recommended by the Commission, and pay should be fixed accordingly in the next higher grade pay (or level).

The Commission's recommendation for withholding of annual increments for the employees beyond 20 years of service in the case of employees, who are not able to

meet the benchmark either for MACP or for regular promotion, is a retrograde step. This will only increase 'slavery' and not genuine one to get the increment.

Also, it was submitted by the stakeholders to the commission that employees who are **retiring** between January and June were deprived of the benefit though they are fulfilling the criteria of 6 months service or more for annual increment. However, this issue has not been considered by the Commission at all. Hence this issue needs to be addressed by the Government before accepting the commission report.

We demand that (i) annual increment should be 5% of the basic pay in the respective grade pay (or level); (ii) on promotion (or MACP), two increments (@ 5% each) should be provided; and (iii) pension of those employees, retiring between January and June, should be fixed by giving the benefit of one increment.

V. MACP Scheme

The various stakeholders have demanded that the MACP scheme should be designed in such a way that an employee can get at least 4 promotions/financial upgradations in his/her entire service and the financial upgradation should be on departmental hierarchy. However, the commission has not addressed these anomalies. Instead of removing the existing anomalies in the MACP scheme, the Commission have introduced departmental examination or mandatory training for granting the benefits of financial upgradation; and also change the benchmark in MACP scheme from 'Good' to 'Very Good'. This is a retrograde step and will only hamper the motivational level of the employees. present scenario, in most of the cases, the 'grading' given by most of the Reporting/Reviewing Officers in the Appraisal Report/Annual Confidential Report (ACR) is based on the personal 'rapport' of the employees with him and not on the performance. In other words, the 'grading' provided by the Reporting/Reviewing Officers on the ACRs of an employee cannot be considered as the true reflection of the one's performance and hence cannot be considered as 'genuine'. Therefore, there is a need to review the Appraisal System of the Indian Railways, before making any recommendation to change the benchmark for getting financial upgradation from 'Good' to 'Very Good'.

We demand that such recommendations should be not accepted by the Government and the *atleast 04 financial upgradations within 30 years of service on the promotional hierarchy* may be ensured during the service period of an employee.

VI. Merging of the Grade Pays:

The thrust of all the previous Pay Commissions has been to propose an improvement in the pay structure by way of 'simplification and rationalisation.' The most visible results of this exercise are evident in terms of reduction in number of pay scales. As per the recommendations of the 5th CPC, pay scales were reduced from 51 to 34 and 6th CPC reduced 35 pay scales into 19 grade pays/pay scales. However, the 7th CPC do not recommend any such reduction in the grade pay (or Levels), despite the fact, the various stockholders have demanded for merging of Grade Pay Rs.1900 (i.e. level 2) with Grade Pay Rs.2000 (i.e. Level 3) and Grade Pay Rs.4600 (i.e. Level 7) with Grade Pay Rs.4800 (i.e. Level 8). Although, the Commission has recommended for merging of Grade Pay Rs.1900 with Grade Pay Rs.2000 in respect of the Commercial Department of Indian Railways, but not for other department.

Hence, we demand for *merging of GP Rs.1900 with GP Rs.2000 and GP Rs.4600* with GP Rs.4800, as the difference between these grade pay is very modest.

VII. Abolition of various Allowances:

The 7th CPC have recommended for abolition of as many as 52, which is not justified at all. The Commission should have left it to the respective departments/Ministry depending upon its utility. For example, Special Compensatory (Hill Area) Allowance is given to the employees working in the hill areas having altitude more than 1000 mts. Normally employees will not prefer to work in the hill areas, unless some incentive is given. After abolition this allowance, the employees will not come forward to work in these areas. Hence abolition of such allowances are not in good taste. Similar is the case of ASV Allowance for Accounts Stock Verifiers in Accounts department of Indian Railways. Unless an incentive in the form of allowance is not given, the employees will not opt to come to the cadre. Similarly, Family Planning Allowance, which is granted to Central Government Employees as an encouragement to adhere to small family norms, has been abolished, as if Government of India has changed his policy regarding the small family norms.

Hence, we demand that recommendations for abolition of these 52 allowances should be reviewed and it should be continued as before with enhanced appropriate rate.

Various stakeholders demanded that the National Holiday Allowance (NHA) should be one-day's wage of the employee as he has to sacrifice the company of his/her family members, relatives, near and dear while performing the duties on such National and cultural functions/events. Therefore the rate of NHA needs to be reviewed and enhanced.

Further, all these allowances should be kept out the purview of income-tax.

VIII. House Rent Allowance

The Commission has recommended reduction of HRA from the present rate of 30%, 20% & 10% to 24%, 16% & 8% for X, Y & Z class cities, respectively; it is not justified. There is a steep hike in the rent of houses in Metropolitan as well as in other cities.

We demand that HRA should be enhanced to 35%, 25% and 15% for X, Y & Z class cities.

IX. Pay and status of Sr. Supervisors:

Prior to advent of 5th CPC, Apex scale in Group 'C' cadre of Rs.2375-3750 existed for the Sr. Supervisors in the Technical as well as in the Ministerial Cadre. This scale of pay was higher than the initial recruitment scale of a Group A officer. It is a testimony that the Government had recognised the importance of granting such scale of pay to the Sr. Supervisors reaching that stage in their career with a wealth of knowledge and experience. However, this scale was downgraded in 5th CPC to the scale of Rs.7450-11500 and further downgraded in 6th CPC to GP Rs.4600 in PB2. Due to the above, the employees at the highest supervisory cadre are demoralised. This **injustice with them is continued even in 7th CPC. Hence there is a need to rectify the same at par with**

the cadre of Accounts Department and should be granted grade pay of Rs.4800/-(Level 8) accordingly.

X. Technical Cadre (viz. JEs and SSEs):

Although, the Commission has accept the fact in para 11.40.113 of the report that *there* is some element of stagnation at the GP Rs.4600 stage in the cadre of JE and SSE, but unfortunately nothing has recommended by the Commission to remove this stagnation for the betterment of the career progression of the JEs and SSEs of Indian Railways. As a matter of fact, the promotional avenue in this cadre is inferior to that is available of in other Departments of Central and State Governments.

The Degree and Diploma engineers of Indian Railways are core employees who are directly responsible for safely related work of IR. They have to complete the work within target time and for which they work round-the-clock in adverse environmental conditions i.e. during rain, cold and hot weathers. But, they have been demoralized due to step motherly approach by the Railway Administration towards them. In the successive Central Pay Commissions, the Pay Scales/Grade Pays of JEs and SSEs have been downgraded as comparable to other cadres namely, Nurses/Chief Matron, Teachers, etc. Also, the promotional avenue is almost negligible. In fact, many of the Direct Recruited SSEs have to retired without getting any promotion. Many of these experienced and qualified engineers are forced to leave Indian Railways to join other organizations, PSUs, Private sectors, state governments, etc. Young talented engineers do not prefer to join Railways – it is seriously affecting the quality and safety of Indian Railways. Railway Administration have to take appropriate steps to minimize the high rate of attrition in this cadre.

Keeping in view the importance of the JEs and SSEs for the development of Indian Railways and to motivate them, we demand that they should be granted higher grade pay than Chief Matron, Teachers and Accounts staff – Grade Pay Rs.5400/-(PB-3) to Junior Engineers & Grade Pay Rs.6600/- (PB-3) to Senior Section Engineers, with 'Gazetted' status to do justice with this cadre by removing the discrimination.

XI. Technician Cadre:

There are two intermittent Grade Pays in the Technical cadre between Grade Pay Rs.1900 and Grade Pay Rs.4200 i.e. Rs.2400 and Rs.2800. Also, the promotional channel in this cadre is also very marginal and very few technicians in this cadre get a chance to be promoted upto the Grade Pay Rs.4200; whereas a Clerical staff appointed with the qualification of 10+2 has the opportunity to be promoted upto the level of Grade Pay Rs.4600 – this is a case of discrimination.

Hence, we demand for the merger of Grade Pay Rs.2400 into Grade Pay Rs.2800 in this cadre and providing promotional avenue upto the level of Grade Pay Rs.4600.

XII. Stenographers' Cadre:

The Stenographers in Zonal Railways are entitled for the same pay scale as being provided to the Stenographers and Private Secretaries in the Central Secretariat, Railway Board and offices of other Central Ministries. It is worth to mention here that, Railway Board itself emphasize that while 'restructuring' of the various cadres of the

Zonal Railways, Stenographers' Cadre is not considered, as the justification of posts of Stenographers is linked with the number as well as the level of officers. Further, Railway officers are in identical/similar capacity either at Railway Board Office or Zonal Railways, and also they are inter-changeable; hence, duties and responsibilities, functions, nature of job etc. of Secretarial Assistance cannot be different at Railway Board Office or Zonal Railways and hence are identical. However, the Commission has not given due weightage to this.

Hence, we demand that the Stenographers' cadre in the Zonal Railways should be brought at par with their counter parts posted in Central Secretariat, Railway Board and offices of the other Central Ministries.

XIII. Running Allowance:

The commission has not made any observation regarding Running allowance. This allowance is given to the Railway employees performing duties out of station away from the family members, irrespective of any of the compelling circumstances of his/her family members. Running Allowance is the only incentive to compensate their sacrifice and mental agony. This allowance should be reviewed and enhanced appropriately in view of the present scenario. However, Goods Guard has been excluded from the Special running staff allowance. This category should also be included for such allowance. Further there is a need to enhance the special running allowance recommended by the Commission to a respectable level.

XIV. Lesser amount of in-hand salary for lower Grade Pay Employees:

The recommendations are not satisfactory for the employees in lower Grade Pay. Their in-hand pay after implementation of the 7th CPC recommendations will become lesser due to enhancement of subscription towards PF and CGEIS. It is evident from the table as under:

As 6 th CPC		As per recommenda	As per recommendations of 7 th CPC	
Minimum Basic	7000	Minimum Basic	18000	
DA @ 125%	8750	DA @ 0%	0	
NPS @10%	(-)700	NPS @ 10%	(-)1800	
CGIES	(-) 30	CGIES	(-)1500	
NET Payment	15020	Net Payment	14700	

Therefore, as it is against the objectives of the Pay Commission, the Government of Indian must review the recommendation, so that justice can be done with the lower income employees.

Although, it is a welcome step to enhance the insurance amount Central Government Employees' Group Insurance Scheme (CGEGIS), but the contribution towards CGEGIS has been increased significantly – due to this increase, in-hand salary has been reduced. Hence, we demand that 50% of the contribution towards the CGEGIS should be borne by the Government in respect of Group 'C' Employees.

XV. Abolition of several Interest Free Advances:

The commission has recommended for abolishing the various Interest free Advances such as Festival Advance, Cycle advance, etc., with the plea that the amount of most of the advances is quite low and with the increased salary packages provided after successive Pay Commissions, these advances have lost their relevance. In this connection, we demand that these advances should be restored and enhanced to 3 times to make is more relevant.

XVI. Pension (Old Pension Scheme):

With regard to the pensionary benefits under the Old Pension Scheme, we **demand the followings**:

Pension to be 60% of the last pay drawn;

ii. The family pension to be 50% of the last pay drawn;

iii. Commuted value of the pension to be restored after 10 years or attaining the age of 70, whichever is earlier;

iv. Fixed medical allowance for those pensioners not covered under RELHS to be increased to Rs.2000 per month.

XVII. New Pension Scheme (NPS):

Despite the demand from the various stakeholders for the abolition of NPS and continuation of old pension scheme (OPS), the Commission has preferred to keep mum on this demand in its recommendations; but suggested for its improvements. However, there is no word about the family pension in the recommendations in case of any eventuality of the subscriber.

Though NPS was introduced more than a decade back, Government could not firm up rules in this regard till now. With the result over 3,00,000 employee recruited after 2004 may not have enough funds in their accounts at retirement to ensure financial security. Center and State Government's share towards the contribution is insufficient and also the government is not depositing their contribution in time. Besides, investments are subjected to service tax & withdrawals are taxable under Income Tax Act. Due to ever rising inflation, this situation will worsen in future and there will financial insecurity at the there will financial insecurity at the retirement. These are sufficient reasons for scraping NPS and restoring pre-2004 defined benefit under Old Pension Scheme.

Hence we once again reiterated our demand that the NPS need to be scrapped and old pension scheme is to be restored. However, till the issue is resolved, we demand the pension @ 50% of the last basic pay to the employee and family pension to the depend in case of any eventuality.

XVIII. (RDSO Specific Demands):

A. Overtime Allowance

In RDSO, the payment of over-time allowance is made as per the provisions of the Railway Board's letter No.E91/OT1/1/RB3 dated 29.05.1991, on the basis of pay slabs for which maximum ceiling limit is Rs.16.50 per hour. These rates of overtime allowance is more than 20 years old and meagre in present scenario. Even after the implementation of the recommendations of two Central Pay Commissions thereafter, i.e. Vth CPC and VIthe CPC, rates of Overtime allowance have not been revised yet. Further, as per Railway Board's orders, now provision of HOER is also applicable in

RDSO; therefore, this is violation of labour laws, as the Overtime allowance is not being paid in RDSO as per provisions of HOER.

Hence, we demand that the payment of overtime allowance in RDSO should be provisions of HOER.

B. Research Allowance:

In RDSO, there are categories involved with research work and they develop designs for the various rolling stocks. This work requires higher competency & knowledge. This activity is the basic input for production work in various Production Units all over the Zonal Railways.

The staffs of Production Units are getting the incentive/production allowance in lieu of the production work. Further, the faculty members, both gazetted and non-gazetted, drawn on deputation from the field for the purpose of imparting training in the Indian Railways Centralised Training Institutes/Zonal Training schools are granted 'Teaching Allowance' at the rate of 30% of the basic pay. However, no such allowance is being granted to the personnel the employees of RSDO involved with Research & Design work.

On the pattern of the Production Units and Centralised Training Institutes/Zonal Training Schools, a 'Research Allowance', at the rate of 30% of the basic pay, is required to be granted to all category of employees involved with research and design work in RDSO, as research and designing of new technologies requires greater degree of involvement at all level of staff. This allowance will help in creating a conducive atmosphere for research work and will be helpful in attracting the better manpower required for research work in RDSO.

C. Knowledge Update Allowance

In other scientific departments viz. Deptt. of Atomic energy, ISRO, DRDO, etc., Professional Update Allowance has been recommended by Commission to encourage the employees to obtain latest information and keep themselves update to widen their horizon of knowledge in their area work; however, no such allowance has been recommended for RDSO, despite the fact that RDSO is a sole R&D organization of Indian Railways.

In this fiercely competitive world it is most imperative that to stay relevant everyone has to be up to date with the latest in technology and expertise in his/her chosen field so that he continues to be an asset to the organisation where he is posted/employed.

Taking into consideration the above, it is suggested to introduce a "Knowledge Update Allowance" wherein every employee irrespective of his/her Rank and Grade Pay, should be provided Allowance per month at the rate of One Annual Increment for purchase of Newspaper, Magazine, Broadband/Internet connection etc.

D. <u>Grievance of erstwhile Assistants and Personal Assistants (Group 'B' Non-Gazetted) of RDSO:</u>

After change of status of RDSO from an Attached Office to that of a Zonal Railway w.e.f. 01.01.2003, the staffing pattern of the Ministerial and the Stenographer cadres was brought at par with that of Zonal Railways and the erstwhile Assistants & PAs were *arbitrarily* placed on the lower Group 'C' posts of OS-II & Steno Gr-I respectively, as

against their recruitment status of Group 'B' Non-gazetted, on the basis of scale parity; although their status of Group 'B' Non-Gazetted was retained 'in person' to them. They were not allowed even to opt for retaining their old service conditions despite the fact Group 'B' Non-gazetted post is not available in hierarchy of any cadre of Zonal Railways.

Due to above, these erstwhile Assistants and Personal Assistants (Group B Non-Gazetted) are now seeking their further promotion on Group 'C' post of Chief Office Superintendent and PS(NG) respectively in the grade pay of Rs.4600/-; whereas, before the change of status they were seeking their promotion on Group 'B' Gazetted posts of Section Officers and Pvt. Secretary, respectively, in Grade pay Rs.4800/-.

This is first such instance in the history of service jurisprudence, where the employees were arbitrarily & unjustifiably placed on posts lower in status in the guise of restructuring at par with Zonal Railways and further they are seeking their next promotions on a post which is lower in service and status (i.e. 'promotion' from Group 'B' post to Group 'C').

Beside above, the pay scale/grade pay of Assistants/Personal Assistants of CSS, RBSS and other Central Ministries was upgraded to Rs.4600/- w.e.f. 01.01.2006; however, Assistants/PAs of RDSO in spite of having the status of Group B Non-gazetted and service length in excess of two decades are still working in lower entry grade pay of Rs.4200/- while the newly recruited Assistants/PAs along with batchmates of RDSO's Assistants and PAs are drawing higher grade pay of Rs.4600/- since 01.01.2006.

We demand that above anomalies should be addressed properly by granting the status of Group 'B' gazetted to erstwhile Assistants and Personal Assistants in the staffing pattern of Zonal Railway.

3. In short, the recommendations of the 7th Central Pay Commission is on the receiving end and facing a lots of criticism, as these recommendations are far below than the expectations of the Central Government Employees, particularly Railway employees. Central Government employees are now hoping that the Centre would intervene and do something positive for them. In view of the above RDSO Mazdoor Sangh demands for upward revision of the multiplication factor and other aspects given in the above paras in the larger interest of the Central Government employees, Railway Industry and ultimately the Nation.

Jai Hind,

Yours truly,

(Ajay Kumar Singh) General Secretary

Assing

Copy to: 1. Prime Minister's Office, South Block, Raisina Hill, New Delhi-110011.

The Secretary, Railway Board, Rail Bhawan, New Delhi-110001.
The Secretary, Deptt. of Personnel & Training, North Block, New Delhi.

4. The Jt. Secretary (Pers), Deptt. of Expenditure, North Block, New Delhi.

For kind information and favourable action please.