

**MEMORANDUM**

**SUBMITTED BY**

**INDIAN RAILWAYS PROMOTEE  
OFFICERS' FEDERATION  
(IRPOF)**

**TO**

**VII CENTRAL PAY COMMISSION  
2014**



# Indian Railways Promotee Officers' Federation

(Recognised by Govt. of India - Ministry of Railways)

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## INDEX

S.No	TOPIC	Page No.
1	Introduction	3
2	Historical background & Discriminatory promotion policy of Group 'B' officers	3-7
3	Two fold artificial classification of gazetted officers cadre on Indian Railways – IRPOF demand for unified gazetted officers cadre.	7-8
4	Removal of Discrimination in Pay Scales	9-11
5	Problems of Officers in Miscellaneous Cadre.	11-12
6	Restoring Pride in Indian Railways	13
7	Financial Indicators	13-14
8	Railways-the Cash Cow	14
9	Proposed Pay Structures	15-17
10	Date of Increment & Rate of Increment	17-18
11	MACP	18
12	Allowances	19-20
13	Bonus	20
14	JCM provision for Officers	20
15	CGEGIS	21
16	Advances	21
17	Fixation of Pay on Promotion	21-22
18	Pension & Other retirement benefits	23-27
19	Important Points for Consideration	27-28
20	Financial Impact	28
21	Suggestions on Pay Structures , Service Conditions & Reforms	29-31

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## Memorandum to 7<sup>th</sup> Central Pay Commission

### **1.0. Introduction:**

Indian Railway Promotee Officers' Federation (IRPOF) represents all Gazetted Officers who have been promoted from Group 'C' to Group 'B' including those promoted to Group-'A' from Group-'B'. IRPOF is the one and only organisation to represent the cause of around 8000 Promotee Gazetted Officers of Indian Railways who work along the length and breadth of this country and are the backbone of Railway management.

The category of Gp. 'B' gazetted officers were initially known as "**Lower Gazetted Service**". The cadre was created for attending to minor important issues, by the British. However, as time passed, a situation was created where in there was **no difference in duties, powers and responsibilities** (shouldered by the Gp. 'A' direct recruits - and the Gp. 'B') so the demand of parity in promotional avenues was raised by our stalwarts at that time before the Britishers, Hence, a decision was announced on the floor of Parliament in Feb. **1944 to do away the discrimination and merging both Gp. 'A' & Gp. 'B'**. However it is a sad part of history that it could not be implemented. And right from that day till today the battle for getting justice still continues.

Everybody accepts that there is no difference in duties, powers, responsibilities and posts being interchangeable and not intractable, but still not agreed to end this discrimination and merge the cadre of Group 'A' & Group 'B' into unified cadre. It is an irony that, it is accepted that non-provision of Gp. 'B' in Railway Protection Force can work, but not in other departments.

### **2.0. History of Apartheid:**

- As per recommendations of Islington committee (1912-15) Lower Gazetted Service "(LGS)" was introduced in between 'Superior Gazetted Service (SGS)' and the Sr. subordinates. Lower Gazetted Service "(LGS)" was created to reserve working posts of minor importance. (Rly. Bds. Letter No. 2520-E dtd. 02.03.1931). The discrimination was basically to distinguish between Britishers and Indian Officers.
- But, in actuality, Officers in LGS were performing same duties, shouldering same responsibilities, and exercising same powers, but they were being distinguished from SGS only in the matter of pay scales and promotions. **This is a kind of apartheid which continues even today.**
- There was a continuous thought to abolish this illogical and artificial discrimination. Railway Board vide their letter no. E-42-AE-343/2 dated 13-10.1943 stated that Government intended to abolish LGS before the end of 1944 Budget session of the Central Assembly. But, the promise was not honoured.
- Standing Finance Committee in its final report dated 18th July 1946 proposed -
  - (i) The share of promotees at Junior scale shall not exceed 35% of the total strength of the cadre.

(ii) The LGS shall be abolished.

(iii) The abolition of LGS will be made effective from 01.04.1947

But due to political developments and subsequent Independence of the country on 15<sup>th</sup> August, 1947 the proposal could not be implemented.

- **First Pay Commission (1946) in Para 24 to 29 of Part II of the Report raised the issue and provided solutions as under :**

"The class II officer holds charge not distinguishable from those held by Junior officers of Class I and they discharge similar duties even while remaining in class II."

"..... Rly. Bd. and the **Govt. were committed to amalgamation proposal** because it was not possible in the railway administration to differentiate the duties to be allotted to the officers to the Junior scale of the SGS, from those to be assigned to members of LGS"

".....where the differentiation between the two classes was not necessary or possible, either because of the mode of recruitment or because of the difficulty of distinguishing between the importance and responsibility of the duties respectively performed by Class-I and Class-II officers, **the two fold classification may be dispensed with and the two groups treated as one gazetted service**"

It is also pertinent to mention that Chief Commissioner of Railways deposing before First Pay commission mentioned that, "**Govt. is committed to abolish LGS and have only one class of officers**".

- **Extracts of speech given by Shri C.M. Poonacha, the then Railway Minister.**

Shri C.M. Poonacha, the then Minister of Railways while addressing the first all India Convention of our Federation on 14.9.1968 at Gorakhpur had endorsed the views of our Federation for the abolition of two-fold classification amongst the officers prevalent on Indian Railways.

- Again in 1969, Administrative Reform Committee recommended, "**Class-II posts where incumbents perform duties similar to those of Class-I officers may be abolished.**" (*Rec. No. 18 Page – 51*).
- Chairman Rly. Board gave assurance before Railway Convention Committee in May 93 that, "Board to recommend same grade as Gp.'A' junior scale to promote officers" and VII-th Report of Railway Convention Committee that was laid in Parliament on 23.08.94 read "**The Committee strongly recommends that this two-fold classification should be done away with**"
- Again in 1995, Prakash Tandon Committee on Railways stated- "It is strongly recommended that this distinction be removed and all those once selected to become officers should compete on equal footings for further promotion and responsibilities"
- Time and again some snob bureaucrats continued to throw spanner into the proposed changes and the apartheid continued without any rhyme and reason.

- On the other hand, in reply to Parliament Question No. 7567 dt. 26.04.89 (Lok Sabha), Ministry responded as "Junior scale Group 'A' and Group-'B' posts are operated interchangeably and it is not possible to segregate these in Group-'A' & Gp.'B'."
- Railway Board in its letter no. 91-E (GR)II/11/9 dt. 27.09.91 categorically said, " It is not possible to demarcate posts of assistant officers in Group-'A' & Group-'B'. It is Group-'A' when held by direct recruit otherwise Group-'B'." and in letter No. 94/E(GR)11/11/3 dt. 02.03.94 Railway Board mentioned "Posts in Junior scale and Group-'B' are operated interchangeably and they cannot be segregated. The posts are Group-'B' if the incumbent is Group-'B' officer and Group-'A' if incumbent is direct recruit." **These are the classic examples of apartheid in modern 21<sup>st</sup> Century.**
- The system of Lower Gazetted Service (LGS) and Superior Gazetted Services (SGS) existed in Pre-independence era when British Rulers treated Indians as second class citizens. But, two-fold discriminatory classification of same Gazetted Railway Officers continued in independent India with change in nomenclatures such as Class-I and Class-II services, Group-A and Group-B services, etc. due to hangover of colonial rule and feudal mind-set of a section of bureaucracy.
- The Railways, unlike other Central Government departments, have their own Codes, Rules and procedures with a separate budget. Therefore, the demand for merging one Group of Gazetted officers of Indian Railways will not in any way vitiate the service conditions of other Central Government departments".
- Our Federation strongly feels that the views expressed by the First Pay Commission, Administrative Committee should be implemented and two fold classification should be abolished and the entire work force of Central Government should be divided into two groups i.e. Non Gazetted and Gazetted. Change in nomenclature or amalgamation of Groups has no financial implication at all and can rather reduce frustration and neglect amongst various classes.

Strength to our demand is further provided by observation of Hon'ble Supreme Court in the case of State of U.P. Vs J.P. Chourasia JT-1988-SC-53;

**"In service matters, merit or experience could be the proper basis for classification to promote efficiency in administration. He or she learns by experience as much as by other means. It cannot be denied that the quality of work performed by persons of longer experience is superior than the work of new comers."**

The All India Service Act 1951 enacted in the year of 1963 in pursuance of the power conferred by article 312 of the Constitution of India, In railways, recruitment rules has been made for organised services. In addition to these, organized services recruitment rules have also been made for various miscellaneous categories. As per these recruitment rules, there are two mode of induction for post of Assistant Scale Officer, first is, direct recruitment through UPSC and second is, promotion through Zonal railways from Group 'C' to Group 'B'. In these rules, it is nowhere provided that there may be two different pay scales and grades (Pay band) for direct recruited and promotee officers separately.

The directly recruited officers are serving on the post of Assistant Officer as probationer and trainee officers till such time they have not cleared confirmation test. Whereas, the promotee officers are serving on the post of Assistant Scale officer after qualifying the departmental selection, written test and viva-voce and posted on the posts on regular basis. In this situation, paying Grade pay 5400 to trainee Group 'A' and lower Grade Pay 4800 to regular officers is in no way justified. In case, any classification is to be made, there must be some rationale nexus between the basis of classification and the object intended to be achieved which does not apparently exist in this case. Present different pay scales for same post are neither logical nor rational. In case, such practices is continued, it is not only discriminatory, but also violative of Article 14 & 16 of Constitution of India which makes provision of equality before law and equal protection of law for identically placed citizens.

- Presently Group 'B' Assistant Officers are in PB-2 GP 4800 and Group 'A' JTS officers are in PB-3 GP-5400. Group B officers of Accounts department have been given higher GP Rs.5400 in PB-2. In Railways 80% of Group 'B' officers have been provided GP 5400 in PB-3 but treated in Group 'B' Cadre. In such a situation if same pay scale of Group 'A' is given to 100% of Group 'B' officers it will have negligible financial implication as only 20% officers of GP 'B' are involved. Our main issue is abolition of Group 'B' Cadre because the posts on which Group 'B' and Group 'A' officers are working are interchangeable having same duties, powers, responsibilities and accountability then having different grades for Group 'B' and Group 'A' is not justified by any logic. Hence our demand of amalgamation of Group 'B' and Group 'A' officers should be considered as it has a strong reasoning and with no/little financial implication involved.

#### **SUGGESTION:**

**Equal pay for equal work principle needs to be ensured. There must not be any artificial discrimination but a unified Gazetted cadre should be introduced. All Officers shouldering same responsibilities, exercising same powers and having same duties must get same pay.**

#### **Discriminatory promotion policy of Group 'B' officers.**

- 2.1. **Recruitment of Group-B Officers :** The Group 'B' gazetted posts are filled from Group C staff, who are selected after written tests and viva-voce conducted by Selection Boards. These Selection Boards consist of 3-4 Principal Heads of Departments, whose pay scales are generally the same as those of the members of the Union Public Service Commission who conduct the selection of candidates in Group-'A' Junior Scale Officers. The whole procedure of this selection is based on the guidelines issued by UPSC. The Group 'B' officers selected have more than 12 to 15 years of work experience.

With effect from 1978, a scheme of recruitment of Group-'B' Officers called 'Limited Departmental Competitive Examination' (LDCE) was started. As per this Scheme, 70% of the vacancies in Group-'B' continued to be filled as hitherto as per the seniority by positive act of selection as mentioned above, whereas balance 30% of the vacancies are filled through L.D.C.E. In other words, a merit quota - in which open competition is arranged, wherein all the supervisors in Group-C having 5years or more non-fortuitous services are

eligible to appear. The examination consists of two papers consisting of professional subjects, General Knowledge, General English. Establishment matters and financial rules followed by a viva voce test conducted by a panel of three Principal Head of Departments.

The selection of Group 'B' officers is done in a truly professional manner and only extra-ordinary highly knowledgeable employees can be selected to Group 'B' cadre as the level of competition is very high. Group 'B' officers deserve same pay scale as of Group 'A' JTS as the posts occupied by both the direct and promote officers are same.

## **2.2. Discriminatory Promotion Policies of Group-'B' Officers :**

Some of the internal circulars in Railways are colonial in nature and are used as tool for deprivation of promotional prospects to Promotee Officers. Railway Board's circular no. E(GP)85/48 dated 31-12-1985 and E(GP)89/1/8 dated 17-4-1990 are heavily tilted towards Gr-'A' Officers. The circular says. "Vacancies in Senior Scale in the 8 organised services should be filled by regular promotion of Group-A (Junior Scale) Officer. If eligible Group 'A' (Junior Scale) officers with 4 years of service are not available, the vacancies in Senior Scale may be filled by Group 'B' officers who have rendered not less than 6 years of regular service in Group 'B'. It also mentions that, "While assessing the vacancies for which a panel is to be formed, it shall be ensured that adequate number of vacancies in Senior Scale is available for promotion of Group 'A' Junior Scale Officers to Senior Scale soon after they complete 4 years' of service .....". Apartheid here is clear and evident.

**Nowhere in the civilised society the source of recruitment, only source of recruitment, is the determinant of pay and promotion of its employees who are otherwise having same duties, responsibilities and powers. But, Railway Board's above circulars are some of the examples of apartheid and discrimination among same workforce of officers.**

## **3.0. Two fold artificial classification of gazetted officers cadre on Indian Railways – IRPOF demand for unified gazetted officers cadre :**

- 3.1.** 6<sup>th</sup> Central Pay Commission recommended amalgamation of Group-'C' and Group-'D' Cadres and that recommendation has been implemented by the Government where this broad spectrum includes Safaiwalas, peons on one end and Sr. Section Engineers/Officers and Chief Office Superintendents on the other. It comprises of 8<sup>th</sup> class staff and Graduate Engineers all of them under one and same Group-'C' Cadre. **This means all Non-Gazetted employees are amalgamated in only one Group-'C' Cadre.**
- 3.2.** On the other hand, Officers who **shoulder same responsibilities, exercise same powers, and have the same duties are treated differentially (Group-A and Group-B) only in Pay and Promotion. This illogical and artificial distinction only in Pay and Promotion is synonymous to apartheid. This artificial discrimination should be abolished and all the employees in**

Indian Railways may be classified in two cadres, viz., ‘Gazetted’ and ‘Non-Gazetted’.

- 3.3. Promotee Officers (Group-B) officers are knowledgeable and experienced workforce in complicated technical management like Railways. As rightly said, Promotee Officers are the ‘**Backbone**’ of **Railway Organisation**. Parity of pay and same career-path for promotions can be achieved only by amalgamating them in “**Unified Gazetted Cadre**”. The Railway Administration will be more benefitted by the enhanced contribution of this brilliant group of highly knowledgeable and highly experienced Promotee Officers in management of Railways **to increase productivity** which is highly needed for the Railways. Railway administration can utilise the productivity capability and management potentials by boosting the morale of Promotee Officers by granting parity in pay and promotion in amalgamated ‘Gazetted’ Cadre.
- 3.4. The case of Group ‘B’ officers of Indian Railways is altogether different from the Group ‘B’ officers of other Central Government Departments. In Indian Railways, the posts of Assistant Officers, the lowest rung in the gazetted cadre are held by both Group ‘A’ Junior Scale Officers and promotee Group ‘B’ officers with same duties, same responsibilities and same powers. The posts are also interchangeable. But in the matter of grant of scales, the Group ‘B’ officers are discriminated in as much as the directly recruited Jr. Scale Group ‘A’ officers are granted higher scale of GP 5400 in PB-3 and Group ‘B’ promotee officers are granted lower scale in GP 4800 in PB-2. Whereas the same Ministry of Railways are strictly following the cardinal principle of ‘Equal Pay for Equal work’ with equal opportunities in Group ‘C’. In fact, the Group C staff on promotion are not only granted the same scale of pay as that of direct recruits with higher educational qualifications but also are granted the equal opportunities for further promotion to Group ‘B’.
- 3.5. In Security department of Railways, i.e., in ‘Railway Protection Force’, there is only one Gazetted cadre. Inspectors in Group ‘C’ are promoted directly to Group-‘A’ service. **There is no Group-‘B’ service in RPF department of Railways.**
- 3.6. Unified Gazette Cadre will simplify rules, provide smooth career progression to all officers, drastically reduce HR related complications<sup>1</sup> and court cases.
- 3.7. Merger of Group-‘A’ and Group-‘B’ cadres (*just as done in case of Group-C and D cadres in 6<sup>th</sup> CPC*) will have no financial impact.

#### **SUGGESTIONS:**

**Federation, therefore, urges upon the Hon’ble VIIth Central Pay Commission to examine the matter denovo from where the 1<sup>st</sup> pay**

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<sup>1</sup> Such as, in recent past 900 Sr.Scale posts have been surrendered to accommodate additional posts in JAG that affected Promotee officers and Gr-A officers in different ways and also disturbed the overall pyramidal structure of Gazetted cadres.



**Commission had left and to recommend for the abolition of the two-fold artificial classification in the gazetted cadre of Indian Railways in the light of what is stated above after a detailed job evaluation and in-depth study of tasks performed by both the groups of officers who hold the same posts with same designations.**

#### **4.0. Removal of Discrimination in Pay Scales :**

Unlike other organized services of the government of India, the Railways have a unique cadre structure not existing in any other service viz, the post of Assistant Officer, a front-line Manager, who has the responsibilities of managing technical issues and developing human skills besides following various codes, manuals etc., viz Establishment Code-I, Code-II, way and Works Manual, AC traction manual, Operating manual etc. The duties pronounced in these codes and manuals are one and the same for all front-line managers (Group A & B) called as Assistant Officers. In the case of Group 'A' officers they have a 2-years training period for acquainting themselves to work culture whereas, a Group 'B' officer is posted directly on working post by virtue of his work experience. Thus, the entire Railway system is unique in its application and performance. The attention of the Hon'ble VII Pay Commission is, therefore, drawn to the structural-difference in service conditions on the Railways between Group 'A' and Group 'B' officers when compared to other Central Government officers who have a separate and distinct cadre for the promotee officers in Group 'B' and Group 'A' officers, with distinct designations; therefore, no such contradiction exists in other Ministries except in the Ministry of Railways which has continued to follow the British pattern of running the Railway services. Unfortunately, this distinction existing on Railways as a separate entity with its own structure was not appreciated by the various austere bodies to remove the anomaly. Administrative Reforms Commission, One man expert committee of Shri Prakash Tandon, Railway Convention Committee (1991) States that the distinction as pronounced above be appreciated before going into the logistics of maintaining 2 separate grades for the same work done and for the same tasks and for the same job orientation.

Technically there should not be any difficulty in giving same grade to the two categories of officers irrespective of the channels of promotion because the job description and job evaluation are same.

It is obvious that Article 39 (c) of the Constitution of India provides for Directive Principles of State Policy. One such principle is 'Equal Pay for Equal Work.' As the name itself suggests, its purpose is to ensure that individuals who are doing an equal amount of work having similar nature shall be entitled to equal remuneration. The term 'equal pay' includes basic salary, and also other benefits, such as bonuses and allowances.

In a landmark case, *Randhir Singh v. Union of India*, AIR 1982 SC 879, the court held that although equal pay for equal work is not regarded as a fundamental right, it is a constitutional goal as per the provisions of Articles 14, 16 and 39(c). Article 14 of the Constitution of India provides citizens with the right to equality before law. Under

Article 16, a person is entitled to equality of opportunity in matters of public employment. In the abovementioned case, the court held that the principle of equal pay for equal work can be enforced by courts in cases of **unequal pay scales based on unreasonable classifications**.

But, this principle has been institutionally violated by Railway administration.

On completion of training/probation period by Group-‘A’ officers, both the directly recruited officers as well as Group-‘B’ Officers are put to work as Assistant Officers. But, the direct recruit Assistant Officers gets Grade Pay of Rs. 5400 in PB-3 Pay band 15600-39100 against which a Group-‘B’ Officers holding the same post, shouldering the same responsibility, doing the same job gets lower Grade pay of Rs. 4800 in PB-2 pay band 9300-34800. It may not be out of place to mention that Promotee Officers are the only Officers in Railways who share this PB-2 Pay Band 9300-34800 along with other Group-C employees. All other officers are placed in PB-3 (Pay band 15600-39100) Grade pay Rs.5400.

The posts of Assistant Officers - lowest rung of gazetted services on Indian Railways - though consist of 2 grades as mentioned above, have no distinction what-so-ever and are totally interchangeable, they cannot be segregated/bifurcated as admitted by the Government of India on the floor of Parliament - **shoulder same responsibilities, exercise same powers, and have the same duties, and therefore are totally identical**, as much as that any post of assistant officer is some time held by direct recruit Group ‘A’ and sometimes by Group-‘B’ (promotee) Officer, without any distinction. It has repeatedly been stated by the Government that earmarking of any post either for Group-‘A’ or Group-‘B’ is not possible.

The above shows that most experienced Promotee Officers are treated as ‘untouchables’ in Gazetted Officers community in Railways but they are the backbone of Railway Management, be it in Accounts and Finance, or in Operations, or in Civil Engineering, Mechanical Engineering, Signal & Telecommunication, in Commercial Management, or in Public Relations etc--- virtually across the length and breadth of railway system from HQ to remotest corner of the country.

6<sup>th</sup> Central Pay Commission in Para 6.1.17 of the Report had recommended “Promotion channels are not very attractive for many posts in Groups B & C. Many times, highly qualified persons join these posts but get demoralized on account of prevailing stagnation. While running pay bands and Modified ACPS will address the problem of stagnation, the Commission is of the view that these employees need to be allowed a fast track promotion mechanism wherein the brighter employees will be able to get promoted faster, irrespective of their seniority, subject to their selection in the prescribed examination. **The Commission recommends that 10% of the vacancies hitherto filled by direct recruitment for all posts in Group B and C (apart from those in pay band PB-1 with grade pay of Rs.1800) will now be filled by Limited Departmental Competitive Examination (LDCE). All employees possessing minimum qualifications prescribed for direct recruitment shall be eligible for this examination irrespective of their present grade and the period of incumbency therein.** Thus, even an employee in pay band PB-1 with grade pay of Rs.1800 will be eligible to appear in LDCE for a post in PB-2 with grade pay of

Rs.4800 provided he/she possesses the necessary qualifications. **This will be over and above any existing scheme of LDCE for filling up posts in various grades.**

The above recommendation of Hon'ble 6<sup>th</sup> CPC was commendable. On one hand 6<sup>th</sup> CPC tried to ensure faster career progression even for an employee at PB-1, but, on the other hand experienced and qualified Promotee Officers were allowed to languish as a victim of severe discrimination in pay and promotional avenues.

*Therefore, IRPOF demand that there should not be any artificial discrimination in the pay scales of officers shouldering same responsibilities exercising same powers and having same duties with inter changeable posts. Federation demand that same pay scales should be granted to Assistant officers promoted from Group'C' and directly recruited'.*

#### **5.0. Officers and staff in Miscellaneous Cadre – Problems and Suggested Solutions**

There are 20 different Miscellaneous categories in Indian Railways, like:

S.No	Misc. Category	Administrative Control
1	<b>Cash and Pay Cadre</b>	Accounts department
2	<b>Electronic Data Processing (EDP) Cadre</b>	Accounts department
3	<b>Statistical Cadre &amp; Traffic Costing Cadre</b>	Accounts department
4	<b>Printing &amp; Stationery Cadre</b>	Stores department
5	<b>Railway Schools &amp; Education Cadre</b>	Personnel department
6	<b>Library Cadre</b>	Personnel department
7	<b>Private Secretaries Cadre</b>	Personnel department
8	<b>Hindi (Rajbhasha) Cadre</b>	Personnel department
9	<b>Chemist &amp; Metallurgist Cadre</b>	Mechanical department
10	<b>Law Cadre</b>	General Administration
11	<b>Sports Office Cadre</b>	General Administration
12	<b>Public Relation Cadre</b>	General Administration
13	<b>Asst Health Officer Cadre</b>	Health department
14	<b>Asst Pharmacy Officer Cadre</b>	Health department
15	<b>Asst Health Education Officer Cadre</b>	Health department
16	<b>Physiotherapy Cadre</b>	Health department
17	<b>Asst Nursing Officer Cadre</b>	Health department
18	<b>Dietician Cadre</b>	Health department
19	<b>Psycho Tech Cadre</b>	Traffic department
20	<b>Mining Cadre</b>	

All these miscellaneous cadres are like small pools with very restricted career progression opportunities; sometimes there is no promotion throughout the service life after rendering more than 15 to 20 years of service in Group B officer's cadre that results in frustration and lack of motivation which has direct effect on productivity. Total approx. less than 1000 officers are working in these 20 Miscellaneous categories and their plight is unbearable for eg;

- Group B Librarians are placed in PB-2 Grade Pay 4600 which is a Group C scale whereas all other Group B officers working in eight Organised services

and other miscellaneous cadres are placed in GP4800. Group 'B' officers in Accounts department are placed in PB-2 with grade Pay 5400. **All Group 'B' officers should be given equivalent pay structure of JTS Group 'A' as the duties and responsibilities are same and the posts are interchangeable.**

- 80% financial upgradation after completion of 3 years of Group B service should also be given to officers of Miscellaneous cadres as provided to Group 'B' officers of other departments.
- Minimum posts upto the level of JAG should be made available for all miscellaneous cadres to provide better promotional prospects and career progression. Concept of grant of financial upgradation/NFSG scale should be introduced with maximum residency period of 6 years of service in one pay scale.
- Recommendations of special committees constituted to examine the cadres of EDP, Law etc should be implemented to provide better opportunities to them.
- Principals are the most sufferers though doing a pious job of imparting education. No DPCs have been conducted for last more than 32 years thus ruining their career and they are the most neglected lot of Group B officers. Benefit of LAP and parity with structure of Kendriya Vidyalaya Sangathan should be given to them.
- Miscellaneous cadres should be abolished and merged with organised services for promotional prospects. This will provide all facilities and opportunities to these officers for promotional prospects and other service conditions.
- The structure being followed in other Ministries having identical posts should be implemented without any differentiation in Railways as the educational and Professional qualifications for recruitment are same and they are performing identical duties. The cadre of LAW, EDP, ANO, Asstt. Phsiotherapy etc are such examples.
- The officers working in PS cadre should be given parity in pay scales with Ministries as this has been upheld by Supreme Court and Railways has only allowed parity to 4 officers on Southern Railway and multiple litigations have been filed in CAT for extending this benefit.

#### **SUGGESTION:**

**Indian Railway Promotee Officers' Federation is of the opinion that amalgamation of each Misc. Cadre with respective related organised cadre is the only one of the best viable solutions to the stagnated Misc. cadres facing lots of problems.**

## 6.0. Restoring pride in Indian Railways :

6<sup>th</sup> CPC in Para 6.3.4 of its recommendation had rightly said that, “Government employees are generally demotivated, with poor self-perception reflected in low morale and low performance. This is notwithstanding the fact that at the recruitment stage, through competitive procedures, the best quality is available to the Central Government at all levels. The problem, therefore, lies in retaining this excellence through designing motivating jobs with greater responsibility, accountability and recognition of merit.”

Indian Railway Promotee Officers Federation analysed the whole gamut of the issues and found that root cause of the ailment is detachment of bureaucracy from the ground realities and negligence to the backbone of the system, i.e., huge workforce of Promotee Officers who not only rose to gazetted rank with excellence of knowledge, dedication and diligence at grass-root levels, but also is the vital link between top management and the workforce at the ground level.

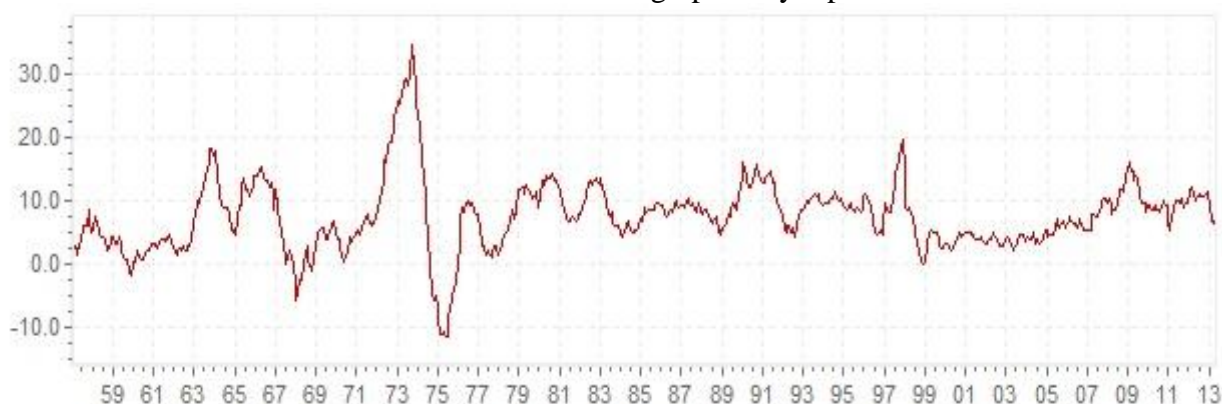
### **SUGGESTION:**

**The public perception about Indian Railways can only be augmented by enhanced productivity and by ensuring effective and responsive delivery systems. This can only be achieved by more responsive and interactive management by removal of apartheid in Gazetted cadre. Pro-active recommendations for fast track promotions of sincere, dedicated and highly qualified work force at all levels needs to be introduced. It will provide competitive environment and also help to boost the morale of the workforce by providing them an opportunity to show their capabilities and seek promotion without standing in long queue of seniority.**

## 7.0. Financial Indicators in Determining Pay and Allowances :

### 7.1. *Trends in Prices - CPI based Inflation: -*

The historical data of inflation in India is graphically represented below:



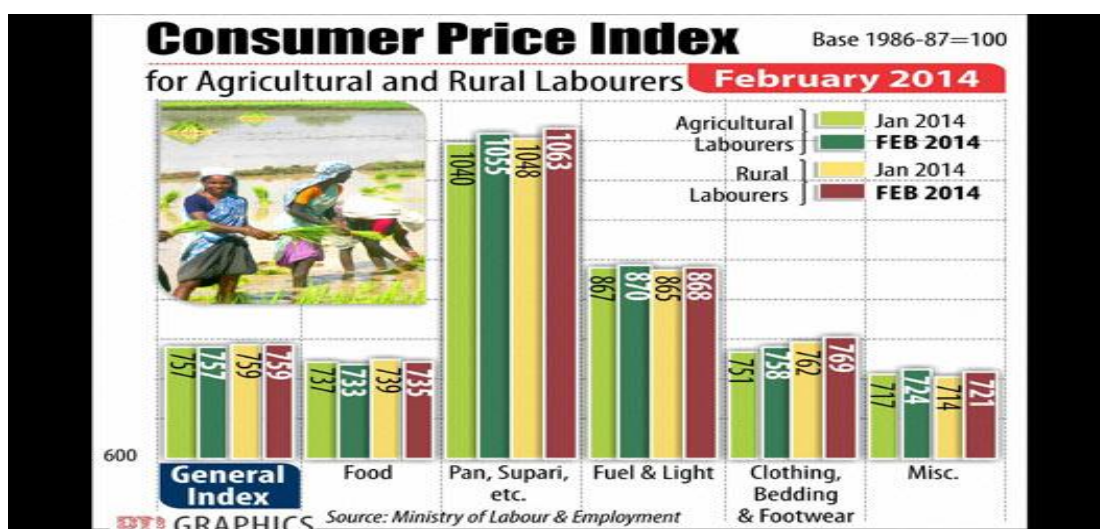
Source: [www. Inflation.eu](http://www.Inflation.eu)

Analysis of CPI commodity-wise is as follows:

Major group / Item	Weight	Impact of a 5% change (bp)	FY12	FY13	Current (Sep'13)	FY14E
Consumer Price Index (CPI)	100		9.4	10.4	9.8	8.4
<b>Food, Beverages &amp; Tobacco</b>	<b>50</b>	<b>250</b>	<b>8.3</b>	<b>12.3</b>	<b>11.3</b>	<b>9.1</b>
Cereals & Products	15	70	2.6	17.6	12.8	10.0
Milk & Milk Product	8	40	15.0	7.7	8.0	8.0
Vegetables	5	30	9.5	12.2	34.9	11.0
<b>Fuel &amp; Light</b>	<b>9</b>	<b>50</b>	<b>11.8</b>	<b>8.3</b>	<b>7.7</b>	<b>9.5</b>
Clothing, Bedding & Footwear	5	30	12.4	10.6	9.3	5.0
Housing	10	50	14.4	10.5	10.4	10.0
Miscellaneous	26	130	8.6	7.4	7.4	6.7
Medical Care	6	30	6.9	6.2	6.1	5.0
Transport & Communication	8	40	8.2	8.1	9.1	10.0

Source: Govt, BofA Merrill Lynch Global Research estimates.

If we look at the latest data of January & February 2014, we feel the pinch -



The Consumer Price Index (CPI) based average inflation of India in 2013 was **10.92 %** and average in first four months in 2014 was **8.43%** against **5.79 %** in 2006 (at the time of 6<sup>th</sup> CPC Report).

#### 8.0. RAILWAYS – The Cash Cow of Govt. of India :

Among the Government departments Railways is the only mass earning entity that earns huge surplus by its operation and is a source of lion's share of revenue earnings for Government of India. Net Revenue of Indian Railways before dividend to Government of India was Rs 19,655 crore with operating ratio of 89.8% at the end of FY 2013-14 and that can be compared with one of the Nav-Ratna PSU, i.e., ONGC whose Net profit at the end of FY 2013-14 was Rs. 4,889 crore only.

As profit making PSU, ONGC employees enjoy special pay package. Similarly, Railways, as a profit making business entity, should have separate pay structures. **Indian Railway Promote Officers Federation draws special attention of Seventh Central Pay Commission on this aspect and request special consideration for Railways as has been done for defence personnel's by Sixth CPC.**

## 9.0. Proposed Pay Structures :

Central Pay Commissions consider and recommend pay structures and other service conditions at an interval of 10 years which is a pretty long time in the fast moving economic scenario. Though recommended pay structures not always meet with the changed socio-economic environment, even then, analysis of Pay Structures of Asst. and Senior Scale Gazetted Officers proposed by previous Central Pay Commissions reveal that multiplication factors were historically always around 3 (three):

### A) Comparison of 3<sup>rd</sup> and 4<sup>th</sup> CPC -

3rd CPC Pay Structures	4th CPC Pay Structures	Increase Factor (Times)
650-30-740-35-810-EB-880-40-1000-EB-40-1200	2000-60-2300-EB-75-3200-100-3500	3
840-40-1040	2375-75-3200-EB-100-3500	2.8
840-40-1000-EB-40-1200		

### B) Comparison of 4<sup>th</sup> and 5<sup>th</sup> CPC -

4th CPC Pay Structures	5th CPC Pay Structures		Increase Factor (Times)
2375-75-3200-100-3500 2375-75-3200-100-3500-125-3750	S-13	7450-225-11500	3.13
2500-4000 (proposed new pre-revised scale)	S-14	7500-250-12000	3
2200-75-2800-100-4000 2300-100-2800	S-15	8000-275-13500	3.5
2630 - FIXED	S-16	9000/- FIXED	3.42
2630-75-2780	S-17	9000-275-9550	3.42
3150-100-3350	S-18	10325-325-10975	3.2
3000-125-3625 3000-100-3500-125-4500 3000-100-3500-125-5000	S-19	10000-325-15200	3.3
3200-100-3700-125-4700	S-20	10650-325-15850	3.32

### C) Comparison of 5<sup>th</sup> and 6<sup>th</sup> CPC -

5 <sup>th</sup> CPC Pay Structures		6 <sup>th</sup> CPC Pay Structures				Increase Factor (Times)
Post/Grade	Scale of Pay	Name of Pay Band /Scale	Corresponding Pay Bands	Corresponding Grade Pay	Entry Grade +band pay	

S-14	7500-250-12000	PB-2	9300-34800	4800	18150	2.42
S-15	8000-275-13500	PB-2	9300-34800	5400	21000	2.62
New Scale	8000-275-13500 (Group A Entry)	PB-3	15600-39100	5400		
S-16	9000	PB-3	15600-39100	5400		
S-17	9000-275-9550	PB-3	15600-39100	5400		
S-18	10325-325- 10975	PB-3	15600-39100	6600	25530	2.47

The concept of Pay Band and Grade Pay introduced by VI CPC was an innovative idea but it was full of anomalies and contradictions which had been a cause of concern and dissatisfaction amongst the staff and officers. The concept of Pay Band and Grade Pay should be done away with and only open ended time scale with minimum pay on recruitment or promotion in the time scale should be granted with an exception on promotion if their fitment is higher than the minimum of the time scale.

We are of the opinion that a uniform multiplication factor should be applied to the entire cadre as the cost of inflation and other factors taken into consideration are same from Grade pay 1800 to the apex level.

The subsequent Pay Commissions have reduced the number of pay scales and further reduction is required. Only 14 different time scales with two cadres i.e. non gazetted and gazetted should be considered. The difference between the minimum pay for each time scale should be more or less equal which will motivate staff and officers for next promotion. The recommendations of VI CPC implemented over Indian Railways provided multiple promotions in the same grade pay in many categories which has caused disenchantment amongst the staff and officers who were due promotion and also hampered filling up of vacancies in safety categories.

- Accounts officers in Group 'B' in GP 5400 promoted to Group 'A' 5400 in PB-3 with no benefit of difference in Grade pay.
- Group 'C' staff enjoying GP 4800 under MACP are promoted to Gazetted Group 'B' cadre in GP 4800 without any benefit of fixation of pay.

The above examples are illustration only and there are many other situations where staff is promoted in same Grade pay in non-gazetted cadre.

**Keeping the above logic and trends in WPI and CPI based rates of inflation, the following pay structure is proposed for active consideration of Hon'ble Seventh Central Pay Commission:**

V CPC	VI CPC Recommendations			Proposed	
Pay Scale	Name of Pay Band	Pay Band	Grade Pay	Min. Pay	Grade
S-1	-1S	4400-7440	1300	26000	NG1
S-2	-1S	4400-7440	1400		
S-2A	-1S	4400-7440	1600		
S-3	-1S	4400-7440	1650		



S-4	PB-1	5200-20200	1800		
S-5	PB-1	5200-20200	1900	33000	NG 2
S-6	PB-1	5200-20200	2000		
S-7	PB-1	5200-20200	2400	46000	NG 3
S-8	PB-1	5200-20200	2800		
S-9	PB-2	9300-34800	4200	56000	NG 4
S-10	PB-2	9300-34800	4200		
S-10A	PB-2	9300-34800	4200		
S-12	PB-2	9300-34800	4200		
S-13	PB-2	9300-34800	4600	66000	NG 5
S-14	PB-2	9300-34800	4800	74000	NG 6
S-15	PB-2	9300-34800	5400	88000	G1
NEW SCALE	PB-3	15600-39100	5400		
S-19	PB-3	15600-39100	6600	1,02,000	G 2
S-21	PB-3	15600-39100	7600	1,20,000	G 3
S-24	PB-4	37400-67000	8700	1,48,000	G 4
S-26	PB-4	37400-67000	8900		
S-27	PB-4	37400-67000	8900		
S-29	PB-4	37400-67000	10000	1,62,000	G5
S-30	PB-4	37400-67000	12000	1,93,000	G6
S-31	HAG+	75000-80000	NIL		
S-32	HAG+	75000-80000	NIL		
S-33		80000Fixed	NIL	2,13,000	G7
		90000 Fixed	NIL	2,40,000	G8

**NOTE:**

1. NG-1 to NG-6 should be treated as Non-Gazetted support staff. But benefit of overlapping grades should be provided to Group 'C' staff upto G-3 for giving promotional benefit based upon maximum residency period instead of MACP while keeping them in non-gazetted cadre.
2. G-1 to G-8 should be provided to Gazetted officers. Officers should be given overlapping grades upto G-5 for giving promotional benefit based upon maximum residency period without insisting for Group 'A' induction being unified cadre of Gazetted officers as demanded by the Federation.
3. G-6 to G-8 should be given after screening of Officers for Higher Management services based on high integrity, exceptional capabilities irrespective of Services to which they belong. The role of seniority should not have weightage of more than 25%. Only these officers should be considered for posting on higher managerial posts and elevated to Board Members.

**10.0. DATE OF INCREMENT & RATE OF INCREMENT**

The recommendations of VI CPC regarding single date of increment on 1<sup>st</sup> July of each year have created problems for the staff and officers who were promoted during 2<sup>nd</sup> January to 30<sup>th</sup> June. Persons promoted in January gets next increment after 17 months i.e. on 1<sup>st</sup> July of next year as he had not completed six months in the promotional post in the year of promotion. Further the staff retiring on 30<sup>th</sup> June does not get any increment even

after rendering services of complete 12 months (one year) as the date of increment is fixed for 1<sup>st</sup> July each year.

Keeping in view the above discrepancy it is suggested that instead of single date of increment at least **increment should be granted twice in a year i.e. on 1<sup>st</sup> January and 1<sup>st</sup> July to all the staff who have completed six months in the time scale.** This will ensure grant of increment within a year as this facility is already in existence for the staff promoted from 1<sup>st</sup> July to 31<sup>st</sup> December.

3% annual increment is insufficient in the present circumstances as it takes more than 33 years to complete 100% whereas the concept of 33 years of service for grant of pension has been reduced to 20 years thus **5% annual increment should be fixed for all employees** so that he can achieve 100% rise in his pay during the span of 20 years which is a time limit fixed for grant of full pension.

The concept of variable increments as proposed by VI CPC is not conducive to healthy working as instead of introducing cut throat competition amongst the staff and officers it will lead to favouritism and vitiate the healthy working environment. The entire work force will devote their time in pleasing their bosses which will hamper achieving set targets and decline in work culture is apprehended. Moreover the functioning of Indian Railways is co-related within the departments and no transparent system can be prepared for quantifiable performance of each individual hence, the concept of variable increment at higher rate than the normal increment is not desirable.

#### **11.0. MACP**

The concept of ACP granting two financial upgradations after completion of 12 and 24 years service was replaced by MACP scheme ensuring 3 financial upgradations after completion of 10, 20 & 30 years service. The financial upgradations under ACP were given as per promotional hierarchy whereas in MACP it was changed to next Grade Pay which proved to be inadequate. Further the existing MACP scheme is not applicable to officers in organized services. This has created an anomaly as the person not promoted to gazetted cadre can get the GP of Rs. 6600 but a person who gets promoted in gazetted cadre may not get GP of Rs. 6600.

The under noted illustration will give a clear view of the follies in MACP scheme recommended by VI CPC:-

<b>POST</b>	<b>GRADE PAY</b>	<b>BENEFIT UNDER ACP</b>	<b>BENEFIT UNDER MACP</b>
Clerk	1900/-	2800 after 12 years	2000 after 10 years
		4200 after 24 years	2400 after 20 years
			2800 after 30 years

Similarly many more examples exist over Indian Railways thus, the scheme of MACP in its present form is not workable and moreover it is not applicable to promotee officers who languish in same scale for 10-15 years.

Thus it is proposed that after completion of 5/6 years of residency period in one grade pay/time scale financial upgradation to next promotional hierarchy grade should be granted which can assure six promotions of financial upgradation to all employees and officers in their service career. This will also help in combating exodus of staff and officers to public/private sector. **The scheme of financial upgradation with maximum residency period in a time scale should be uniformly applicable to all the employees and officers.**

**12.0. ALLOWANCES :**

**DEARNESS ALLOWANCE** - The existing pattern of granting DA based on index price twice in a year i.e. 1<sup>st</sup> January and 1<sup>st</sup> July is workable and should be continued. The basis of calculation of price index should be more practical rather than academic. Cost of education, medical health care etc should also be taken into consideration.

**HOUSE RENT ALLOWANCE** :The existing criteria of categorization of cities and towns into X, Y, Z classification based on population needs to be reviewed and proper study based on actual rent prevailing in the cities should be the criteria of classification of the cities. The House Rent Allowance should compensate the rent payable in real terms because it is only paid to those employees and officers who are not allotted Government accommodation. Dearness allowance should also be paid on HRA because fixed HRA do not meet with the rising trend of rent due to inflation. Further HRA shall be fully exempted from income tax as this is the actual expenditure incurred by employee and the employee and officers who avail government accommodation facility are not required to pay any income tax on free accommodation facility provided to them.

**COMPENSATORY CITY ALLOWANCE** – The recommendation of VI CPC to stop City Compensatory Allowance was based on mixed and hypothetical understanding that only cost of transportation is more in bigger cities and thus CCA was merged in the single component of Transport Allowance. In bigger cities besides transportation there are many other factors which contribute in increased expenses of the employees and their families such as higher cost of education, high cost of food and vegetables and other items of day to day needs, costly medical expenses etc.

The concept of Compensatory City Allowance needs to reintroduced for all employees and officers who have to work on different stations leaving their native place.

**TRANSPORT ALLOWANCE** : The VI CPC had recommended three rates of Transport allowance with two classification as under :

<b><u>EMPLOYEES DRAWING GRADE PAY</u></b>	<b><u>13 CLASSIFIED CITIES</u></b>	<b><u>OTHER PLACES</u></b>
GP 5400 & ABOVE	3200 + DA	1600 + DA
GP 4200,4600 & 4800	1600 + DA	800 + DA
GP below 4200	600 + DA	400 + DA

The concept of granting Transport allowance based on Grade Pay is totally irrelevant because the cost of fuel i.e. Petrol, Diesel etc is same for all the employees. Similarly auto fare, Metro fare, Bus tickets or rickshaw charges are not related to Grade Pay and they are same for employees working in GP 1800 and those working in apex grade, hence, for any

class of city the transportation incurred by the employees and their families is same thus any further classification or differentiation based on Grade pay or pay drawn is unwarranted.

The cost of Petrol which is commonly used in Scooters, Bikes and Cars has risen by 94% as on 1<sup>st</sup> July, 2014 when compared to the rates equivalent on 1.1.2006 i.e. the date of effect of VI CPC.

<b>COST OF PETROL IN DELHI</b>	<b>RATE PER LITRE</b>
1.1.2006	37.99
1.7.2014	73.60

In order to meet with the expenditure incurred on transportation in true sense it is proposed that uniform rate of transport allowance with two fold classification of cities should be considered as proposed below:

	<b><u>CLASSIFIED CITIES</u></b>	<b><u>OTHER CITIES</u></b>
Non Gazetted Cadre	7500 + DA	3750 + DA
Gazetted Cadre	10,000+DA	5000 + DA

**The transport allowance should be granted without any stipulation to all employees & entire amount should be exempted from Income tax** as it is not an earning but it is utilized to meet with transportation cost.

### **13.0. BONUS**

The railway officers on deputation to PSUs avail the benefit of Bonus at par with the employees of that unit as per their policy.

In Railways Productivity linked bonus is paid only to Group 'C' staff. Officers working in Group 'B' & 'A' are deprived of this benefit. The role and contribution of officers over Indian Railways in increased productivity is never the less than the Group 'C' employees. The sincere and dedicated services rendered by the officers in achieving the targets and increased productivity should be given due cognizance and they should be made entitled for payment of Bonus. **Pay commission to consider this aspect and recommend Bonus to all employees and officers on the same pattern as applicable to employees over Indian Railways.**

### **14.0. JOINT CONSULTATION MACHINERY**

JCM scheme presently in existence covers Group 'C' staff of the Central Government but officers in Group 'B' & 'A' are not covered by this scheme.

There are many issues which needs to be discussed and resolved related to salary, service conditions and various anomalies which could not be redressed by Ministry of Railways as they are not within their purview. There should be some forum where promotee officers working in Group 'B' or promoted to Group 'A' can raise their problems and seek intervention at the apex level. This will provide an opportunity to Gazetted officers to get their grievances redressed or atleast heard of which linger on for years together without any solution.

We, therefore, propose that either officer should be **provided the facility of JCM** or some suitable mechanism in the form of grievance redressal machinery should be recommended so that our legitimate issues could be negotiated upon.

## **15.0. CENTRAL GOVERNMENT EMPLOYEES GROUP INSURANCE SCHEME**

The benefit of Insurance under CGEGIS as per existing pattern is as under:-

<b><u>SERVICE</u></b>	<b><u>SUBSCRIPTION</u></b>	<b><u>INSURANCE BENEFIT</u></b>
GROUP 'C'	30 per month	30,000/-
GROUP 'B'	60 per month	60,000/-
GROUP 'A'	120 per month	1,20,000/-

The existing Group Insurance Scheme, unfortunately, is inadequate to meet with the liabilities left by the deceased employee. The present system of bifurcating the insurance subscription into Insurance Fund and Saving Fund is not required in the present scenario and it is suggested that subscription be raised in accordance with the prevalent market conditions with no contribution towards saving fund.

**The amount of Insurance should be minimum 5 lakhs and maximum 15 lakhs which can provide some relief to the family in distress.**

## **16.0. ADAVANCES**

Various advances are being paid to Central Government employees and officers to meet with their requirements. The quantum of advance many times does not fulfill the actual requirement and the employees have to run here and there to arrange the difference amount either from the bank or some other financial institutions. The advances being dealt by Railways and other Ministries should be shifted to Nationalized Banks. **The banks should be authorized to disburse advances to Central Government employees and officers at subsidized rates as per terms and conditions fixed by the Government. This will save the man power utilized by the government machinery to deal with the advances and they can be usefully utilized to some other productive work.**

## **17.0. FIXATION OF PAY ON PROMOTION**

The recommendations of VI CPC regarding fixation of pay has created anomalies and dissatisfaction amongst the staff. As per recommendations of VI CPC pay on promotion is being fixed by granting 3% (1 increment) + difference in Grade Pay but there is no minimum assured pay fixation on promotion which used to exist prior to VI CPC. This system has resulted in lesser fixation of pay on promotion to a post in comparison to directly recruited person to the same post. Though some efforts were made to rectify this anomaly but they are applicable only when direct recruit is promoted after the date of promotion in the cadre.

In the case of Group 'B' officers the situation is worst. As prior to VI CPC recommendations on promotion to Group 'B' the pay of Group 'C' employees was fixed at Rs.7500 i.e. minimum of the pay scale 7500-12,000 irrespective of pay drawn by them. The staff drawing pay more than 7500 before promotion was fixed accordingly at the next stage arrived at after adding notional increment. Since there is no direct recruitment in Group 'B' post over Indian Railways hence, the Group 'C' employees promoted to Group 'B' are fixed much below than the equivalent pay of Rs.7500 which they were entitled to prior to VI CPC.

(a) Pay commission should consider the issue of fixation of pay on promotion and recommend **that pay on promotion should in no reason be lesser than the pay guaranteed on direct recruitment.** The reason being that the duties and responsibilities of

both promotee and direct recruit are same hence, lesser pay on entry to the promotional post is wholly unjustified as it has no motivational factor for promotion.

(b) The rules regarding fixation of pay from the date of increment have become obsolete with the introduction of single date of increment. To avoid complexity of rules and minimize harassment of staff and officers recommendations should be made that **beneficial pay fixation should invariably be done for all the staff and officers without calling for the option** this will ensure speedy fixation besides curbing corruption to a great extent.

(c) Promotions are normally delayed which have deterrent impact both on financial account and career progression of the employees. The staff and officers have to **MANAGE** their promotion to avoid this loss which is not acceptable.

The panel and select list for promotion should be available before occurrence of vacancy and all promotions should be effective from the next date of occurrence of vacancy. **In case promotions are delayed due to administrative reasons then the promotions should be made effective from the date of vacancy with notional fixation of pay and benefit of seniority from the date of occurrence of vacancy.** This will help to curtail high handedness of the bureaucracy who is habitual of keeping the posts vacant despite availability of eligible staff.

**18.0. SUGGESTIONS FOR PENSION AND FAMILY PENSION TO BE INCORPORATED IN MEMORANDUM TO BE SUBMITTED TO VII CPC**

1. New Pension Scheme introduced w.e.f. 1.1.2004 should be scrapped and all Government employees should be covered under existing Pension Scheme. The scheme introduced w.e.f.1.1.2004 is not practically viable as it does not ensure minimum pension in any eventuality and will also detract good aspirants from joining Central Government jobs.

2. On retirement the undernoted benefits are admissible which also needs to be considered and modified keeping in view the current situation:

(i) The existing pattern of Payment of Gratuity for 16.5 months should continue but the **maximum limit of Rs.10 lakhs fixed should be removed**. Actual payment based on calculation of pay + Grade Pay + DA should be given to the employees on retirement.

The maximum limit of Rs.10 lakhs virtually reduces the calculation of gratuity to less than 10-12 months which is not justified for the employees who have rendered more than 33 years of satisfactory service.

(ii) Commutation of Pension : The existing instructions of commutation of pension to the maximum limit of 40% should be **enhanced to 50%**.The factor of commutation based on age on next birthday also need revision and a detailed study should be conducted to rationalize the multiplying factor keeping in view the responsibilities and liabilities to be incurred by the pensioners and their family in the era of developing society.

Restoration of commutation of pension after 15 years is on high side and leads to financial hardships. The commuted value is normally used by the pensioners to meet with their emergent housing need, resettling process and marriage of their wards hence; they are in dire need of early restoration of pension to lead a respectable retired life in the society. **Restoration of commuted pension to the tune of 50% of the commuted value should be allowed after 8 years and remaining 50% on completion of 12 years.**

(iii) Insurance Benefit : The Insurance companies available in the market do not provide insurance cover to the citizen above 60 years of age and if any company is ready to provide a policy at the age of 60 or above then the premium is too high which is beyond the reach of the pensioner. The comprehensive scheme of insurance for pensioners covering health insurance should be introduced to provide a sense of security to the pensioner in the old age. Minimum insurance of Rs.5.0 lakhs for the pensioner should be done which can be utilized by the pensioner for critical illness etc under the health scheme or paid to the survivor of the pensioner to meet with the unaccomplished liabilities left by the pensioner and this will also facilitate the survivor to meet with the various rituals etc.

(iv) Fixed Medical Allowance: As per extant instructions and recommendations of VI CPC fixed medical allowance @ Rs.300/-p.m. is paid to the pensioner with restrictions of OPD and distance etc making it quite difficult for the pensioner to obtain. A meager amount of Rs.300/- is not even sufficient for the pensioner to meet with the cost of conveyance incurred to reach hospital etc. **Minimum Fixed Medical allowance should be increased to Rs.2000/-** and payable to all the pensioners and even to family pensioners to meet with day to day medical requirement involving minor ailments. Admissibility of fixed medical allowance

should be incorporated in the PPO so that pensioner should not run from pillar to post to avail this benefit. Banks should pay FMA based on endorsement on PPO.

(v) Leave Encashment: As per extant instructions there is no limit on accumulation of LHAP for the serving employees and LAP can be accumulated only for 300 + 15 days. Once the balance of 300+15 LAP is reached, the additional LAP earned lapses and no benefit accrues to the employee. On retirement entire LHAP balance lapses and only encashment of 300 days of LAP is admissible.

The necessity to avail LAP during last two years increases as the employee has to make plans for his settlement and has to frequently visit his native place for making all necessary arrangements for post retired life. The existing rules permit only availability of 15 days of LAP at the fag end of service otherwise the Leave encashment of 300 days is reduced to the extent of leave availed on retirement. The accumulation of LAP for 400 + 100 should be allowed with leave encashment of 400 days on retirement and providing opportunity of availing 100 days LAP during last years of service.

### 3. REIMBURSEMENT OF FEE & ADMISSIBILITY OF SCHOOL PASS

Reimbursement of tuition fee of two children @Rs.1500/- p.m. upto the level of 10+2 is admissible to the employees. In the changed social scenario late marriages are taking place and instances have come to our notice where the employees on the eve of retirement have their wards studying in class 8 to 11. They were entitled for reimbursement of tuition fee during service. The education of ward continues even after retirement but the facility of reimbursement of tuition fee of such wards is not permissible as the employee has retired. Reimbursement of tuition fees of the wards of pensioners within the set parameter for employees should be also be allowed to pensioners as they have to face difficulty in payment of tuition fee with reduced income. Similarly school passes should also be allowed to pensioners.

### 4. PENSION

The whole concept of granting pension to the employees needs to be revisited and some new thinking out of box is required due to the following reasons:

- (i) On retirement pension is payable @ 50% of last pay drawn with applicable rate of DA whereas the needs, expenditure and liability of employee do not get reduced to 50% merely on reaching the age of 60 years.
- (ii) On retirement HRA is stopped whereas the requirement of accommodation do not end with retirement and a pensioner has to incur some expenditure on this account and even if residing in his own house he has to take care of repairs and renovation of his house which is an ongoing process. The employees residing in government accommodation are worst affected on retirement as they have to leave accommodation allotted to them and no allowance is payable after retirement for incurring expenditure on this account. Either HRA should also be treated as part of emoluments for calculation of pension or some quantum of HRA as %age of pension is allowed.



- (iii) Educational expenditure of wards under various courses remains same even after retirement, which a pensioner has to fulfill and meet even after his retirement. 50% of pension is not sufficient to meet with this liability.
- (iv) The social responsibilities of a pensioner increases and it becomes very difficult for him to meet with the ends in a limited amount of pension. He is left with no other option rather than to curtail his social engagements and limit to himself which results in aloofness and with the passage of time when he is in dire need of friends and relatives he finds himself alone. This causes depression amongst the old age pensioners. A sufficient pension should be provided so that pensioner can remain in contact and mingle within the society to lead a happy and active life.
- (v) In the old age the pensioners often require help of attendant during sickness or movement to offices and banks for their day to day problems. While in service officers enjoy the facility of TADK and employees manage their work by utilizing their wards, friends and relatives. On retirement due to concept of nuclear family pensioner has to face lots of problems hence, provision of attendant allowance should be considered which can take care of the problems being faced and also compensate the quantum of transport allowance which is not paid to the pensioners.

#### **EXISTING PENSION STRUCTURE**

<b>AGE OF PENSIONER</b>	<b>% OF PENSION OF LAST PAY DRAWN</b>	<b>ADDITIONAL QUANTUM OF PENSION</b>
From 60-79 years	50%	Nil
From 80 years to less than 85 years	60%	20% of basic pension
From 85 years of less than 90 years	65%	30% of basic pension
From 90 years to less than 95 years	70%	40% of basic pension
From 95 years to less than 100 years	75%	50% of basic pension
100 years or more	100%	100% of basic pension

The number of pensioners in the age group of 100+ is almost negligible and the pensioners of 90+ ages are even less than 3% of total pensioners. A critical analysis of the existing pension pattern reveal that majority of pensioners only get additional quantum of pension of 20% or 30% of basic pension and the other enhancements from 40% to 100% are only meant for academic and statistical purposes which provide no relief to the pensioners. **The pension structure should be revised providing concept of incremental increase in pension akin to increment earned during service to meet with the cost of inflation and also provide an opportunity to pensioners to reach 100% of the quantum of pension at the age of 80+.** This concept is proposed and based on the logic that 50% of pension is admissible on 20 years of service hence 50% additional quantum of pension making it 100% should also be provided in 20 years of pensionable life.

A pension structure proposed as under can take care of above issues to some extent and instill sense of confidence amongst the pensioners:

<b>AGE OF PENSIONER</b>	<b>% OF PENSION OF LAST PAY DRAWN</b>
From 60 years to less than 62 years	50%
From 62 years to less than 64 years	55%
From 64 years to less than 66 years	60%
From 66 years to less than 68 years	65%
From 68 years to less than 70 years	70%
From 70 years to less than 72 years	75%
From 72 years to less than 74 years	80%
From 74 years to less than 76 years	85%
From 76 years to less than 78 years	90%
From 78 years to less than 80 years	95%
From 80+	100%

### **FAMILY PENSION**

Family pension @ 40% of basic pay subject to minimum Rs.15000/- Plus DR at the rate applicable should be payable per month. **The enhanced family pension should be payable @ 50% of last pay drawn for 10 years or till the age of superannuation of deceased employee whichever is more.** After the age of 60 the concept of incremental increase of family pension as mentioned above for pensioners should be equally applicable in the case of family pension.

### **EX-GRATIA TO SURVIVING STATE RAILWAY PROVIDENT FUND (CONTRIBUTORY) SRPF(C) RETIREES.**

Ex. Gratia payment to SRPF(C) survivors or their families should be **equivalent to minimum pension** so that they can lead a respectable life. The above payment is made to the beneficiaries retired between 1.4.1957 to 31.12.1985. It is evident from the above dates that all SRPF(C) beneficiaries are above 85 years of age and the number of such beneficiaries is reducing day by day and there is no eventuality of increase in the number of beneficiaries of Ex. Gratia payment. The existing rates w. e. f. 1.11.2006 are as under:-

Group of service to which SRPF(C) retiree belonged at the time of retirement	Enhanced amount of basic ex-gratia
(i) Group 'A' Service	Rs.3000/-
(ii) Group 'B' Service	Rs.1000/-
(iii) Group 'C' Service	Rs.750/-
(iv) Group 'D' Service	Rs.650/-

As per recommendations of VI CPC the cadre of Group 'D' has been abolished w. e. f. 1.1.2006 and all staff have been nomenclated as Group 'C' staff. All the SRPF (C) beneficiaries are senior most retired employees who deserve special consideration and the proposed benefit to be given to them is as under:

Group of service to which SRPF(C) retiree belonged at the time of retirement	Enhanced amount of basic ex-gratia
(i) Group 'A' Service	Minimum pension plus Rs.3000/-
(ii) Group 'B' Service	Minimum pension plus Rs.2000/-
(iii) Group 'C' Service	Minimum pension as recommended by VII CPC

### **OLD AGE HOMES**

The society has transformed radically and due to financial crunch, shortage of residential space and depleting moral values the elderly retired employees need helping hand which can provide happier and healthier days during the last lap of their life. Some special provisions should be considered for arranging old age homes for the pensioners especially in metro cities and other cities where pensioners are living in good numbers.

Old age homes should have all facilities like

- Single room dwelling units fully furnished having healthy environment. Attached bathroom with open Kitchen space (not meant for cooking purposes).
- Open space for morning walk and other activities.
- Fully secured gated complex. Intercom facilities with emergency bell in each unit.
- In campus primary health facilities with standby ambulance for emergency.
- Community hall, gymnasium, library, Wi-Fi campus and departmental store for basic needs. Bank ATM and other facilities on payment of nominal charges such as laundry service, excursions etc.
- Base kitchen to provide healthy food as per need and requirement.

Since it is a pilot project and will involve initial expenditure on developing infrastructure. Moreover recurring funds will be required for proper maintenance and upkeep of the complex hence, a non refundable allotment fees may be charged from the pensioners. The allotted unit/accommodation will be only for the period till pensioner or spouse is alive. The unit will be allotted to another pensioner who applies for it and is on waiting list. The proposed amount for allotment and upkeep should be as under:

Group of service to which Pensioner belongs	Lump sum amount to be paid on allotment (non-refundable)	Maintenance charge inclusive of Food, Electricity, Health, Transport facilities etc.
(i) Group 'A' Service	Rs.6.0 lakh	20% of pension drawn.
(ii) Group 'B' Service	Rs.4.0 lakh	
(iii) Group 'C' Service	Rs.3.0 lakh	

## **19.0. IMPORTANT POINTS FOR CONSIDERATION FOR PENSIONERS**

19.1. The concept of one rank one pension should be introduced. In absence of this there is vast difference between the pensioners who have retired earlier from the same post and subsequent pay commissions have widened the gap instead of reducing it.

19.2. Minimum pension should be calculated based on the midpoint of lowest recommended pay scale instead of the Minimum of scale as no employee retires at the initial stage of the pay scale.

19.3. Web portal for pensioners information system should be launched wherein pensioners should be able to access all the policy guidelines related to pension and also able to access their pension calculation, probable date of restoration of commutation of pension and other related pension details by simply logging in their PPO number and password. A provision for making online representation should also be developed and reply to the pensioners should also be given through portal itself.

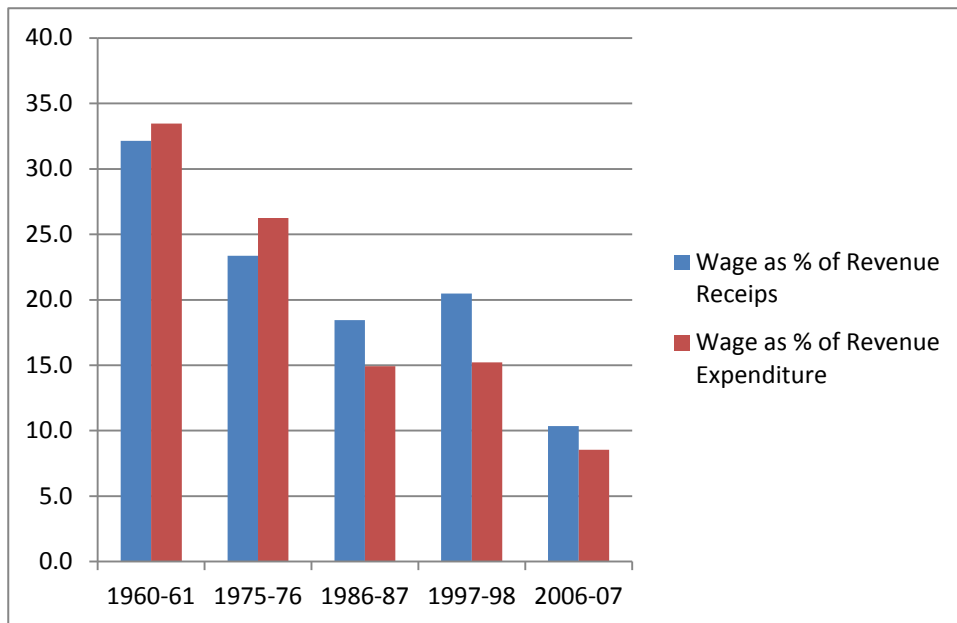
19.4. Revision of pension subsequent to recommendations of VII CPC should be done suo-moto by the banks disbursing the pension based on the concordance table provided by VII CPC. The concept of revision of pension by the Ministries concerned had not been effective and numbers of pensioners are still roaming to get their pensions revised who retired prior to 1.1.2006. VII CPC should provide concordance table for all retirees prior to **1.1.1973**, 1.1.1986, 1.1.1996 & 1.1.2006 so that disbursing banks need not approach ministries for revision in those cases where pension has not been revised till date. This will facilitate revision of all pensions by pension disbursing banks within a fixed time frame.

## **20.0. Financial Impact of Suggested Pay Structures :**

There will be virtually no perceptible impact on Railway finances with revised pay scales and increment models proposed. On the other hand, Indian Railways will become a Huge Profitable Business Entity in near future with the Introduction of Premium Trains with Auction-Fare Model, Recent Rationalisation of Fare and Freight Structure and with outsourcing and PPP models. With financial independence Indian Railways can even afford to provide separate higher pay structures and can extend more financial cushion to its employees.

Following chart shows the diminishing impact of salary on Revenue:

Year	Revenue Budget		Wage Bill	Wage Bill as % of	
	Total Revenue Receipts	Total Revenue Expenditure		Revenue Receipts	Revenue Expenditure
1960-61	1297	1246	417	32.2	33.5
1975-76	8075	7189	1887	23.4	26.2
1986-87	33083	40860	6100	18.4	14.9
1997-98	133901	180350	27430	20.5	15.2
2006-07	403465	488192	41770	10.4	8.6



## 21.0. GENERAL POINTS

YEAR	<u>Number of staff as on 31<sup>st</sup> March</u> <u>(in thousands)</u>				<u>Expenditure</u> <u>on staff</u> <u>(Rs. In crores)</u>
	Group A & B	Group C	Group D	Total	
2005-06	15.4	883.9	513.1	1,412.4	23,920.0
2006-07	15.8	898.5	483.3	1,397.6	24,159.1
2007-08	16.1	907.4	470.4	1,394.4	25,892.3
2008-09	16.4	913.3	456.3	1,386.0	39,940.9
2009-10	16.8	926.5	418.8	1,362.1	51,719.4
2010-11	16.9	1,079.2	235.9	1,332.0	51,776.6
2011-12	17.3	1,161.8	126.6	1,305.7	58,680.6
2012-13	17.0	1,196.7	93.4	1,307.1	67,004.6

- Management personnel (Group A & B) constitute of 1.3% of the total strength.
- Group 'C' employees (including GP-1800) comprises of 98.7% of the total strength.
- The ratio of officers and employees needs to be enhanced to minimum 2.5% of the total strength which will provide effective management and also give ample opportunity to employees for their career progression.
- The ratio distribution of posts between Group 'A' & 'B' for all services should be same. The present system of having variable percentage has no logic. The ratio of Junior Time Scale (JTS) and Senior Scale is different for all organised services which are factually wrong and do not provide equal promotional prospects to officers in different departments.
- 50% vacancies in Junior time Scale Group 'A' should be filled by promotion from Group 'B' officers as per existing Recruitment Rules. Arbitrary fixation of quota for promotion to Group 'A' is in contravention to the Recruitment Rules. Unified Gazetted cadre as demanded will resolve this problem.
- **The pyramid of distribution of posts from JTS Group 'A' to HAG + should be uniform for all services on a fixed percentage basis.** A smooth pyramid with heavy base should be thought of and the present system of having inverse pyramid (as

proposed in cadre restructuring of Group 'A') is not justified. The criteria of fixation of percentage of all cadres should be same and based on the cadre strength of that service.

- Selection Grade posts on Indian Railways is a segment of JAG and non-functional in character. Since NFSG is a part of JAG, the strength in NFSG cannot increase the number of posts available in JAG.

As per the recommendation of VI CPC NFSG was placed in PB-4 whereas functional posts of JAG were kept in PB-3. As explained above, both JAG and NFSG belong to one segment hence, they should be kept in same pay band i.e. PB-4.

- Simplification of rules, promotional policies, pay fixation rules etc needs to be thought of which can help in tackling delays and high handedness. This will also help in minimizing staff grievances and Court cases.
- Abolition of redundant activities and posts which are of no use as far as train operations or achieving targets is concerned. The categories/posts which are not contributing towards productivity or core activity of the Indian Railways need to be abolished. Utilising these surpluses in train operations and creating posts for new assets will help in effective functioning of Railways.
- Minimum 250 working days per annum should be fixed for Government departments.
- Concept of Flexi-working hours and work from home need to be introduced for hassle free functioning of offices.
- All allowances should be in terms of percentage of Basic pay and should have relevance to the prevalent market rates and conditions. Factors having influence of high living cost in Metros should be suitably taken care of by giving higher percentage.
- Office Peons/Khallasi should be utilized in clubbing for 3-4 officers and approximately 50% posts can be surrendered straight away.
- Multiple trades and categories in artisan cadre should be merged by introducing multi-skilling and single seniority system for technical categories should be introduced which will be beneficial both for the system and the employees concerned. It will also be cost-effective and save revenue.
- The concept of miscellaneous category in officer's cadre should be abolished and they should be provided similar benefits and promotional prospects as admissible to officers of organised services. Pay structure and rules for promotion should be same for all Officers working on Indian Railways.

## **22.0. Some Suggestions on Pay Structure & other Service Conditions :**

**22.1.** As a result of MACP as recommended by Hon'ble 6<sup>th</sup> CPC and accepted by Government, the Group-C staff had got Rs 5400 GP in PB-3, whereas their controlling Officer was in PB-2. That resulted in resentment among officers and legal complications. IRPOF requests Hon'ble 7<sup>th</sup> CPC to avoid such pitfalls while recommending Pay structures and to see that the pay and allowances of Controlling Officer may not be lower than the staff under his/her control. It may be kept in mind that in Indian Railways 17000 Junior Scale Officers are available in a total strength of 13 lakh which is equivalent to

1.32%. The dignity of an Officer may be got reflected in pay structure by giving proper pay structure.

- 22.2. The postings of Officers in Railway system vary widely, from Metropolitan Cities to remote corner of the country. Thus, their pay fluctuates widely as the HRA component drastically varies (7.5% to 30% of basic Pay) with the place of posting. This wide fluctuation in Pay needs to be evened out.
- 22.3. In-service Leave encashment may be allowed for 30 days every alternate year instead of 10 days so as to rejuvenate an employee in real terms. 10 days is not sufficient for a tour in a vast country like India.

### **23.0. Suggested Reforms :**

- 23.1. All redundant activities and posts which are of no use with present train operation need to be abolished to enhance the fiscal health of Railways. Redundant categories and the posts having no link with Productivity should be abolished.
- 23.2. Uneconomic train operations should either be discontinued or they should run on direct state/central government fiscal support with no loss for Railways.
- 23.3. Since 2011-12 till today, every year in each zonal railway thousands of staff in Grade Pay 1800 (erstwhile Group-D Staff) are recruited where minimum qualification is Class-X. On the other hand, there is almost NIL recruitment in Clerical Cadres since 1991 where minimum required qualification is High School/ Graduate. The average age of those Office staff is now 48+ years as there was no fresh recruitments in these cadres after 1991. These Office Staff Include, Commercial Clerks who work at Railway Stations, Office Clerks doing Personnel related jobs, Accounts Assistant, Section Officers, Office Superintendents, and so on. The workforce with minimum academic qualification of Graduation is now retiring in huge numbers every year and the vacancies are increasing every year as there is no direct recruitment of Graduate qualified candidates since 1991. Recruitment rules need to be revised to plug such gaps. This will also help in improving quality of workforce for future.
- 23.4. Cost-effective measures like multi-skilling of staff and its effective utilization is required. This will ensure better promotional prospects to the staff clubbed together.
- 23.5. To create corporate atmosphere and to build image dress codes for employees and officers may be introduced. Working conditions need a major upliftment .