PARAMILITARY FORCE RETIRED OFFICERS' ASSOCIATION (REG) CHANDIGARH

(Registration No 3089 of 2000)

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PMF MONTHLY BULLETIN- MARCH, 2014

ONE RANK ONE PENSION

(PMF, RETD OFFRS ASSN, CHANDIGARH SUBMITS MEMORANDUM JUSTIFYING GRANT OF ONE RANK ONE PENSION TO PMFs)

The Central Govt announced the grant of One Rank one Pension to the three wings of Defence services. PMF Retd Officers Association, Chandigarh prepared a detailed Memorandum justifying the grant of One Rank One Pension to the PMF Forces also on the same lines as the defence services. The memorandum has been uploaded on our website: pmfretiredofficers.com and can be viewed or downloaded.

The ex-servicemen settled in Chandigarh had arranged a rally on 24 Feb, 2014 in the Chandigarh Club, Chandigarh to express their 'thanks to Shri Rahul Gandhi, Congress Vice President for his efforts in this respect'. Some retired officers of PMFs were also present in this rally, and presented the Memorandum to Shri Rahul Gandhi, who acknowledged the same and indicated that this 'is next in his mind'.

In his address to the audience, Shri Rahul Gandhi referred to his 'recent visit' to Rajasthan border, where he met a jawan, standing under a tin shed carrying out round the clock vigil on the border. The dignitary asked him what he did in the scorching heat of the desert. The reply was: We get 'roasted', but we never leave the post. Obviously, this jawan could not be an army personnel, as in peace time, army cannot remain on the border, lest it would result in international tension.

The copy of our Memorandum presented to Shri Rahul Gandhi at the rally on 24 Feb, 2014, was sent by post also under a covering letter which is reproduced in this bulletin.

PMF letter No. PMFROA/2014/02/ 07 dated 27 February, 2014

ONE RANK ONE PENSION TO PARAMILITARY FORCE PERSONNEL

Dear Rahul ji,

The retired personnel of Paramilitary Forces are grateful to you for accepting our memorandum on 'One Rank One Pension to Paramilitary Force Personnel', during the function organised by defence ex-servicemen on 24 February, 2014, at Chandigarh, and giving us assurance that the case is 'next in your mind'. I take this opportunity to send an additional copy of the memorandum, which may kindly be looked into as and when you can spare time from your busy and tiring schedule.

2 The Memorandum is self explanatory, and brings out the plight of PMF personnel for not being given due recognition for their services. I would highlight only one point, regarding your visit to border areas of Rajasthan. Your good self had personally met the jawan manning the border out post under a tin shed, and facing the vagaries of the heat of the desert and 'getting roasted, but not leaving the post under any circumstances'. It gave an impression that you connected this, episode, to a jawan of the army manning the post. However, the ground reality is that during peace, army cannot be deployed on the borders, due to international ramifications and causing undue international tension. In fact the jawan you had met was a BSF jawan, who is manning such posts round the clock. Thus, we feel that with this visit to the border post, you have attained the first hand knowledge of the conditions under which the PMF personnel are serving. This is the case on all borders being manned by PMF personnel, under very adverse and severe extreme weather conditions ranging from sub-zero temperatures to sweltering heat.

3 The Paramilitary Force personnel, as in the case of army, have great hopes for getting justice under the energetic and dynamic leaders like you. It will be a yeoman service to the elderly, aged retired personnel of PMFs if they are also considered for 'One Rank One Pension', and connected incentives.

(Copy of the Memorandum has been forwarded to DsG BSF, CRPF, ITBP, SSB and others)

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DEARNESS ALLOWANCE / DEARNESS RELIEF

	Jun,13	Jul, 13	Aug,13	Sept,13	Oct,13	Nov,13	Dec,13	Jan,14
All India Gen Index	**231**	235	237	238	241	243	**239**	237
Total 12 months	**2648**	2671	2694	2717	2741	2766	**2786**	2802
monthly Average	**220.66**	222.58	224.5	226.41	228.41	230.50	**232.17**	233.50
%r of D A / D R	**90.62**	92.28	93.94	95.59	97.31	99.12	**100.56**	101.71
D A / D R w.e.f 01-01-2014 = 100%. (Cabinet approval accorded on 28 Feb,'14 ;Formal govt orders likely to be issued by March,2014)								

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Cabinet approved 10% Dearness Allowance to Central Government Employees and Dearness Relief to Pensioners, due from 1.1.2014

(February 28th, 2014)

The Union Cabinet today approved the proposal to release an additional installment of Dearness Allowance (DA) to Central Government employees and Dearness Relief (DR) to pensioners with effect from 01.01.2014, in cash, but not before the disbursement of the salary for the month of March 2014 at the rate of 10 percent increase over the existing rate of 90 percent.

Hence, Central Government employees as well as pensioners are entitled for DA/DR at the rate of 100 percent of the basic with effect from 01.01.2014. The increase is in accordance with the accepted formula based on the recommendations of the 6th Central Pay Commission.

The combined impact on the exchequer on account of both dearness allowance and dearness relief would be Rs. 11074.80 crore per annum and Rs. 12920.60 crore in the financial year 2014-15 (i.e. for a period of 14 months from January 2014 to February 2015). – PIB

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Composition of 7th CPC

1.	Justice Ashok Kumar Mathur (Retired Judge of the Supreme Court and Retired Chairman, Armed Forces Tribunal)	Chairman
2.	Shri Vivek Rae (Secretary, Petroleum & Natural Gas)	Member (Full Time)
3.	Dr. Rathin Roy (Director, NIPFP)	Member (Part Time)
4.	Smt. Meena Agarwal (OSD, Dept of Expenditure, Ministry of Finance)"	Secretary

Terms of Reference of 7th Central Pay Commission (CPC)

(February 28th, 2014)

a) To examine, review, evolve and recommend changes that are desirable and feasible regarding the principles that should govern the emoluments structure including pay, allowances and other facilities/benefits, in cash or kind, having regard to rationalization and simplification therein as well as the

specialized needs of various Departments, agencies and services, in respect of the following categories of employees:-

i. Central Government employees-industrial and non-industrial;

ii. Personnel belonging to the All India Services;

iii. Personnel of the Union Territories;

iv. Officers and employees of the Indian Audit and Accounts Department;

v. Members of regulatory bodies (excluding the Reserve Bank of India) set up under Acts of Parliament; and

vi. Officers and employees of the Supreme Court.

b) To examine, review, evolve and recommend changes that are desirable and feasible regarding principles that should govern the emoluments structure, concessions and facilities/benefits, in cash or kind, as well as retirement benefits of personnel belonging to the Defence Forces, having regard to historical and traditional parities, with due emphasis on aspects unique to these personnel.

c) To work out the framework for an emoluments structure linked with the need to attract the most suitable talent to Government service, promote efficiency, accountability and responsibility in the work culture, and foster excellence in the public governance system to respond to complex challenges of modern administration and rapid political, social, economic and technological changes, with due regard to expectations of stakeholders, and to recommend appropriate training and capacity building through a competency based framework.

d) To examine the existing schemes of payment of bonus, keeping in view, among other things, its bearing upon performance and productivity and make recommendations on the general principles, financial parameters and conditions for an appropriate incentive scheme to reward excellence in productivity, performance and integrity.

e) To review the variety of existing allowances presently available to employees in addition to pay and suggest their rationalization and simplification, with a view to ensuring that the pay structure is so designed as to take these into account.

f) To examine the principles which should govern the structure of pension and other retirement benefits, including revision of pension in the case of employees who have retired prior to the date of effect of these recommendations, keeping in view that retirement benefits of all Central Government employees appointed on and after 01.01.2004 are covered by the New Pension Scheme (NPS).

g) To make recommendations on the above, keeping in view:

i. the economic conditions in the country and need for fiscal prudence;

ii. the need to ensure that adequate resources are available for developmental expenditures and welfare measures;

iii. the likely impact of the recommendations on the finances of the State Governments, which usually adopt the recommendations with some modifications;

iv. the prevailing emolument structure and retirement benefits available to employees of Central Public Sector Undertakings; and

v. the best global practices and their adaptability and relevance in Indian conditions.

h) To recommend the date of effect of its recommendations on all the above.

The Commission will make its recommendations within 18 months of the date of its constitution. It may

consider, if necessary, sending interim reports on any of the matters as and when the recommendations are finalised.

The decision will result in the benefit of improved pay and allowances as well as rationalization of the pay structure in case of Central Government employees and other employees included in the scope of the 7th Central Pay Commission.

Background

Central Pay Commissions are periodically constituted to go into various issues of emoluments' structure, retirement benefits and other service conditions of Central Government employees and to make recommendations on the changes required **- PIB**

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CHALLENGES BEFORE THE SEVENTH PAY COMMISSION

SUMMARY

Growth has fallen in the last couple of years eroding revenue while inflation remains stubbornly high. The new pay commission will have to factor in both concerns

Why does the government appoint a pay commission every decade?

A pay panel is appointed every decade to review and recommend the pay structure for central government employees taking into account various factors such as cost of living, inflation rate, revenue growth and fiscal deficit of the government, growth in workforce, private sector job scenario and wages, and economic growth. The government has so far appointed six pay commissions. The demand for a permanent pay commission set up through an Act of Parliament has been raised once but it was not accepted by the government.

Earlier this month, Prime Minister Manmohan Singh approved the constitution of the Seventh Pay Commission—to be headed by retired Supreme Court judge Ashok Kumar Mathur—to suggest the extent of hike in salaries of the 7-million-plus central government staff and pensioners with effect from 2016. Petroleum secretary Vivek Rae has been appointed as a full-time member, NIPFP director Rathin Roy will be part-time member and Meena Agarwal will be member-secretary of the new pay panel.

How did the process of pay hikes evolved? How did the process of pay hikes evolved?

The pay panel recommendations have evolved with time. The first central pay commission (CPC) adopted the concept of "living wage" to determine the pay structure of the government staff. The third CPC adopted the concept of "need-based wage". The fourth CPC had recommended that the government constitute a permanent machinery to undertake periodical review of pay and allowances of its employees, but this was not accepted by the government. The sixth CPC suggested performance related incentive scheme (PRIS) to replace the ad hoc bonus and productivity-linked bonus schemes. The pay panel also suggested that the running pay band be extended to all grades of officers. Also, the sixth pay panel suggested slashing of the recommendations?

By and large, the salaries of central government staff have tripled every decade. The sixth CPC suggested 3 times increase in salaries from that of fifth CPC levels—it was 2.6 times for lower grade officials and slightly above 3 for higher grade staff. The increase in salary during fifth CPC was 3-3.5 times the fourth CPC levels.

What has been the fiscal implication of pay hikes?

Government finances have come under strain after implementations of each CPC. After the fourth CPC, the combined fiscal deficit of centre and states rose to 9.5% of GDP in FY87 from 7.7% in FY86. The impact was significantly harsh during the fifth CPC, especially for states—the combined fiscal deficit rose from 6.1% in FY97 to 7% in FY98 and then to 8.7% in FY99 with the aggregate deficit of states surging from 2.6% to over 4%.

In the case of the sixth CPC, the government expenditure increased by about Rs 22,000 crore during 2008-09—Rs 15,700 crore on the general budget and Rs 6,400 crore on the rail budget. The Rs 18,000

crore arrears were distributed in two years—40% in FY09 and 60% in FY10. The fiscal implication of sixth CPC coupled with fiscal stimulus in the form of higher spending and tax cuts after the Lehman crisis, increased Centre's fiscal deficit to 6% in FY09 and 6.5% in FY10 from less than 3% in FY08.

What are the challenges before seventh CPC?

The new pay panel faces many challenges when it starts the process of reviewing the pay structures of babus. First, the economic growth has slowed sharply in the last 10 years—from over 9% between FY06 and FY08 to 4.5% in FY13. This means slower revenue growth and little room for scaling up expenditure on salaries.
Second, the Fiscal Responsibility and Budget Management (FRBM) target has already been revised more than twice after the Lehman crisis and the new target for lowering the fiscal deficit target to 3% of GDP is FY17. This again binds the government to restrict spending on salaries and wages.
Third and the most important factor, inflation has stayed high in the past few years—the CPI inflation (CPI-Industrial Workers and the new CPI) has averaged over 9% in the past eight years, which means cost of living has gone up significantly and hence necessitates higher compensation for workers. The dearness allowance of government staff has already touched 100%, which along with the rise in other allowances have more than doubled salaries since 2006.
Analysts expect the seventh pay panel to suggest 3-3.5 times hike in salaries across various grades from sixth CPC levels apart from a further rationalisation of government staff. Already, direct or permanent jobs in public sector have been shrinking while engagement of contract labour and outsourcing is on the rise. This trend is likely to continue given the fiscal imperatives of the government.
There is a perception that government salaries should rise faster at the higher grades and slowly at the lower grades to keep pace with private sector. It needs to be seen whether the seventh CPC retains the minimum:maximum ratio at sixth CPC level of 1:12. A hike in the ratio should not impinge the fisc much as the top level officials—joint secretaries and above—comprise less than 5% of the overall public sector workforce. The performance related incentives could also be reviewed to retain talent within the public sector. More than the fiscal implication, what matters is the productivity of the public sector. For instance, sluggish clearances needed for large projects have ruined investment and halved the growth rate in last three years. The silver-lining of the next CPC could be that it may boost the services sector growth and help revive the faltering economy from 2016 as higher salaries boost spending on housing, automobiles and consumer electronics.
Source: **www.financialexpress.com**

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Sanction of Pension Simplified and Streamlined

(February 24th, 2014)

As a part of a larger mandate of streamlining and simplifying the sanction of pension and payment process, the Department of Pension and Pensioners' Welfare has taken steps towards minimizing delays in sanction and disbursement of pension, and making the process more transparent.
The objective is to simplify the forms as well as to do away with the requirement of submission of affidavit and to accept all information and documents on the basis of Self certification. 26 forms under CCS Pension Rules (1972) have been reviewed and modified where necessary. The revised forms have been posted on the website of the Department www.persmin.nic.in.

The Department proposes to dispense with the requirement of a number of nomination forms for various benefits like GPF, CGEGIS, arrear of Pension and commutation of Pension by the employees. Instead, an employee will be required to fill up only one Nomination Form during the service and another nomination Form at the time of retirement. Amendment to the Forms and relevant rules in this respect would be notified by the Department very soon.

Revision of Forms under General/Contributory Provident Fund Rules, Extraordinary Pension Rules and Commutation of Pension Rules is under process. The Department is also reviewing the Rules with a

view to reducing the time prescribed for sanction of pension from the current 24-30 months to a more reasonable 12 months.

An online pension sanction and payment tracking system 'Bhavishya' has been launched, initially in 15 Ministries. This will enable retiring government servants to themselves track progress of sanction of pension and other retirement dues against the time lines prescribed.

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Cashless Facility TO CGHS Beneficiaries

Central Government Health Scheme (CGHS) empanels private hospitals for providing inpatient medical treatment to its beneficiaries. They may avail the requisite treatment with prior permission for procedures advised by CGHS and other government specialists / CMO–in-charge. CGHS pensioner beneficiaries are entitled for cashless medical treatment in the CGHS empanelled private hospitals. The empanelled private hospitals under CGHS provide treatment to the pensioners on credit /cashless basis for the procedures for which they are empanelled. However, in case of emergency conditions empanelled hospitals are expected to provide treatment to pensioners on credit basis, even for conditions for which they are not empanelled and they are expected to shift the patient to another empanelled hospital after stabilization as per the Memorandum of Agreement (MoA) signed with government.

In case of violation of the terms of the Memorandum of Agreement, suitable action, including empanelment can be initiated against errant hospitals.

This was stated by Shri Ghulam Nabi Azad, Union Minister for Health and Family Welfare in a written reply to the Lok Sabha on 7th Feb, 2014.

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Treatment from CGHS Empanelled Hospitals

Government empanels private hospitals under CGHS for indoor treatment and treatment can be undertaken with prior permission or under emergency. OPD medicines are issued by CGHS Wellness Centres on the prescription by CGHS Medical officers / Government specialists only.

In case of cardiac surgery, cancer treatment, neuro-surgery, renal transplantation and hip/knee joint replacement surgery, there is provision for issue of permission for post-operative follow up treatment from the same empanelled hospitals, where the initial treatment was taken with prior permission. In such cases OPD medicines as per the available brand name / generic name are issued by CGHS Wellness Centres.

In respect of other post-operative cases, where permission was granted, there is provision for issue of OPD medicines on the prescriptions of empanelled hospital for up to one month.

This was stated by Shri Ghulam Nabi Azad, Union Minister for Health and Family Welfare in a written reply to the Lok Sabha on 7th Feb,2014

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Steps taken by the Government to fill up the Posts of Doctors and Paramedical Staff in CGHS dispensaries

CGHS is managing the shortage by deployment / relocation of staff as per requirements within the available manpower resources and by contractual appointments. Recruitment of Medical Officers in the Indian System of Medicines and Homeopathy is done through UPSC, which takes time in completing the process. Department of AYUSH which is the cadre controlling authority has placed their requirements to UPSC under Single Window System for selection of doctors in AYUSH.

CGHS has been engaging retired government doctors against vacant posts on contract to ensure uninterrupted services to its beneficiaries. Ministry has also delegated powers to the Additional Directors of CGHS cities to expedite the process of engaging contractual doctors. The upper age limit for such contractual appointment has also been enhanced to65 years to increase the availability of retired government doctors for the contractual assignment.

This was stated by Shri Ghulam Nabi Azad, Union Minister for Health and Family Welfare in a written reply to the Lok Sabha on 7th Feb,2014.

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No.1/44/2009-IR
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training

North Block, New Delhi
Dated the 13th February, 2014

OFFICE MEMORANDUM

Subject: - Electronic Indian Postal Order – extension of service to Indian Citizens residing in India.

In continuation to this Department's OM. of even number dated 22/03/2013, it is intimated that Department of Posts has extended the "eIPO" (electronic Indian Postal Order) service to Indian citizens residing in India also w.e.f. 13.02.2014, for purchasing Indian Postal Order electronically by paying a fee online through e-Post Office Portal i.e. http://www.epostoffice.gov.in. It can also be accessed through India Post websitewww.indiapost.gov.in

2. It is reiterated that:

i) This facility has been provided for Indian citizens to facilitate them to seek information from the Central Public Information Officers (CPIOs) under the RTI Act. 2005. Debit or Credit Cards of any Bank powered by Visa / Master can be used to purchase e-IPO.

ii) The user needs to get registered at the website. He has to select the Ministry / Department from whom he desires to seek the information under the RTI Act and the elPO so generated can be used to seek information from that Ministry / Department only. A printout of the elPO is required to be attached with the RTI application. If the RTI application is being flied electronically, elPO is required to be attached as an attachment.

iii) This facility is only for purchasing an Indian Postal Order electronically. All the requirements for filing an RTI application as well as other provisions regarding eligibility, time limit, exemptions etc. will continue to apply.

3. An eIPO so generated must be used only once with an RTI application. To check any multiple use of the same elPO, the Public Authority shall maintain a record of the elPOs so received. In case of any doubt, the details of elPO can be verified from the above mentioned site / portal of India Post.

sd/-
(Sandeep Jain)
Director(IR)

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Clarification regarding scope of additional income-tax on distributed Income under section 115R of the Income

Circular No. 6 /2014

Government of India, Ministry **of Finance Department of Revenue Central Board of Direct Taxes**

North Block, New Delhi
Dated the 11th of February, 2014.

Subject: – **Clarification regarding scope of additional income-tax on distributed Income under section 115R of the Income-tax Act -regarding.**

Section 115R of the Income-tax Act, 1961 ('Act') provides for levy of additional income-tax on distributed income to unit holders (hereinafter referred to as 'additional income-tax').

2. It has been reported that some field authorities are taking a view that mutual funds/specified companies are required to pay additional income tax under sub-section (2) to section 115R of he Act not only on income distributed by way of dividend but also on payments made at the time of redemption/repurchase of units as well as at the time of allotment of bonus units to existing investors.

3. The matter has been examined by the Board. Section 115R is placed under Chapter XII-E of the Act, which is titled as "SPECIFIC PROVISIONS RELATING TO TAX ON DISTRIBUTED INCOME" and prescribes special provisions for taxing 'distributed income', which is not taxed under any other provisions of the Act.

4. Sub-section (2) of section 115R of the Act provides that any amount of income distributed hy (i) a specified company, or (ii) a mutual fund to its unit holders shall be chargeable to tax and such entities shall be liable to pay additional income tax on such distributed income at the rates prescribed therein. The income so distributed by such entities is the dividend paid to the unit holders and is liable to tax under this section. However, redemption of units or repurchase of milks would not attract levy of tax under sub-section (2) to section 115R of the Act as such income is not of the nature of income ”distributed" to the unit holders and hence lies outside the purview of this section.
5. Further, the income so distributed by the mutual fund or specified company in the hands of the recipient unit holder is specifically exempt from tax under section 10(35) of the Act. Proviso to section 10(35) of the Act stipulates that exemption of income under this section is not applicable to those cases where transfer of units takes place. The recipient of such income is liable to pay capital gains tax, if applicable, on transfer of such units as per relevant provisions of the Act and shall not be subject to additional income tax under section 115R of the Act.
6. Similarly, bonus units at the time of issue would not be subjected to additional income tax under section 115R of the Act since issue of bonus units is not akin to distribution of income by way of dividend. This may be inferred from provisions of section 55 of the Act which prescribes that ‘cost of acquisition’ of bonus units shall be treated as nil for purposes of computation of capital gains tax.
7. In view of above position, Central Board of Direct Taxes, in exercise of its powers under section 119 of the Act hereby clarifies that additional income-tax under sub-section (2) of section 115R of the Act is to be levied on income distributed by way of dividend to unit-holders of mutual funds or specified companies and receipts from redemption/repurchase of units or allotment of additional units by way of bonus units would not be subjected to levy of additional income tax under that section.
8. This may be brought to the notice of all concerned.
9. Hindi version to follow.

sd/-
(Rohit Garg)
Deputy Secretary to the Government of India

Source: http://law.incometaxindia.gov.in/DIT/Circulars.aspx

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F.No.18/26/2011-Estt (Pay-I)
Government of India
Ministry of Personnel, PG and Pension
Department of Personnel and Training

North Block, New Delhi,
Dated the 6th February, 2014

OFFICE MEMORANDUM

Subject: Recovery of wrongful/excess payments made to Government servants.

The undersigned is directed to say that the issue of recovery of wrongful/excess payments made to Government servants has been examined in consultation with the Department of Expenditure and the Department of Legal Affairs in the light of the recent judgement of the Hon’ble Supreme Court in Chandi Prasad Uniyal And On vs State Of Uttarakhand And Ors, 2012 AIR SCW 4742, (2012) 8 ‘SCC 417, decided on 17th August, 2012. The Hon’ble Court has observed as under:

15. We are not convinced that this Court in various judgments referred to hereinbefore has laid down any proposition of law that only if the State or its officials establish that there was misrepresentation or fraud on the part of the recipients of the excess pay, then only the amount paid could be recovered. On the other hand, most of the cases referred to hereinbefore turned on the peculiar facts and circumstances of those cases either because the recipients had retired or on the verge of retirement or were occupying lower posts in the administrative hierarchy.

16. We are concerned with the excess payment of public money which is often described as “tax payers money” which belongs neither to the officers who have effected over-payment nor that of the recipients. We fail to see why the concept of fraud or misrepresentation is being brought in such situations. Question to be asked is whether excess money has

been paid or not may be due to a bona fide mistake. Possibly, effecting excess payment of public money by Government officers may be due to various reasons like negligence, carelessness, collusion, favouritism etc. because money in such situation does not belong to the payer or the payee. Situations may also arise where both the payer and the payee are at fault, then the mistake is mutual. Payments are being effected in many situations without any authority of law and payments have been receiyed by the recipients also without any authority of law. Any amount paid/received without authority of law can always be recovered barring few exceptions of extreme hardships but not as a matter of right, in such situations law implies an obligation on the payee to repay the money, otherwise it would amount to unjust enrichment.

2. Hon'ble Supreme Court also distinguished the cases like Shyam Babu Verma v UOI, 1994 SCR (1) 700, 1994 SCC (2) 52, Syed Abdul Qadir and Ors. v. State of Bihar and Ors,(2009) 3 SCC 475, Sahib Ram v. State of Haryana,1995 Supp (1) SCC 18 etc., where it had not allowed recovery of excess payment in view of the peculiar facts and circumstances of those cases so as to avoid extreme hardship to the concerned employees, for example, where the employees concerned were mostly junior employees, or they had retired or were on verge of retirement, the employees were not at fault, and recovery which was ordered after a gap of many years would have caused extreme hardship.

3. In view of the law declared by Courts and recently reiterated by the Hon'ble Supreme Court in the above cited case, Chandi Prasad Uniyal And Ors vs State Of Uttarakhand And Ors, 2012 AIR SCW 4742, (2012) 8 SCC 417, the Ministries/Departments are advised to deal with the issue of wrongful/excess payments as follows:

3. In view of the law declared by Courts and recently reiterated by the Hon'ble Supreme Court in the above cited case, Chandi Prasad Uniyal And Ors vs State Of Uttarakhand And Ors, 2012 AIR SCW 4742, (2012) 8 SCC 417, the Ministries/Departments are advised to deal with the issue of wrongful/excess payments as follows:

i. In all cases where the excess payments on account of wrong pay fixation, grant of scale without due approvals, promotions without following the procedure, or in excess of entitlements etc come to notice, immediate corrective action must be taken.

ii. In a case like this where the authorities decide to rectify an incorrect order, a show-cause notice may be issued to the concerned employee informing him of the decision to rectify the order which has resulted in the overpayment, and intention to recover such excess payments. Reasons for the decision should be clearly conveyed to enable the employee to represent against the same. Speaking orders may thereafter be passed after consideration of the representations, if any, made by the employee.

iii. Whenever any excess payment has been made on account of fraud, misrepresentation, collusion, favouritism, negligence or, carelessness, etc., roles of those responsible for over payments in such cases, and the employees who benefitted from such actions should be identified, and departmental/criminal action should be considered in appropriate cases.
iv. Recovery should be made in all cases of overpayment barring few exceptions of extreme hardships. No waiver of recovery may be allowed without the approval of Department of Expenditure.

v. While ordering recovery, all the circumstances of the case should be taken into account. In appropriate cases, the concerned employee may be allowed to refund the money in suitable installments with the approval of Secretary in the Ministry, in consultation with the FA.

vi. Wherever the relevant rules provide for payment of interest on amounts retained by the employee beyond the stipulated period etc as in the case of TA, interest would continue to be recovered from the employee as heretofore.

(Mukesh Chaturvedi)
Deputy Secretary to the Government of India

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Regulation of pay on imposition of a penalty under CCS (CCA) Rules, 1965
No.6/3/2013-Estt (Pay-I)
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training

North Block, New Delhi
Dated the 6th February, 2014

OFFICE MEMORANDUM

Subject: **Regulation of pay on imposition of a penalty under CCS (CCA) Rules, 1965.**

The undersigned is directed to say that the following penalties prescribed in the Rule 11 of CCS (CCA) Rules, 1965, have a bearing on the pay of the officer:

11. Penalties

Minor Penalties –

(iii a) reduction to a lower stage in the time-scale of pay by one stage for a period not exceeding three years, without cumulative effect and not adversely affecting his pension.

(iv) Withholding of increments of pay;

Major Penalties –

(v) save as provided for in clause (iii) (a), reduction to a lower stage in the time- scale of pay for a specified period, with further directions as to whether or not the Government servant will earn increments of pay during the period of such reduction and whether on the expiry of such period, the reduction will or will not have the effect of postponing the future increments of his pay

(vi) reduction to lower time-scale of pay, grade, post or Service for a period to be specified in the order of penalty, which shall be a bar to the promotion of the Government servant during such specified period to the time-scale of pay, grade, post or Service from which he was reduced, with direction as to whether or not, on promotion on the expiry of the said specified period –

(a) the period of reduction to time-scale of pay, grade, post or service shall operate to postpone future increments of his pay, and if so, to what extent; and

(b) the Govenment servant shall regain his original seniority in the higher time scale of pay , grade, post or service;

2. Consequent upon implementation of the recommendations of 6 th CPC under the CCS (RP) Rules, 2008 pay scale of a post/grade for below HAG level means the Pay Band and Grade Pay specified for that post. Under the CCS (RP) Rules, 2008 a Pay Band may cover Government servants in more than one Grade Pay or posts in the hierarchy. As per Rule 9 of the CCS (Revised Pay) Rules, 2008, the rate of increment in the revised pay structure is 3% of the sum of the pay in the Pay Band arid Grade Pay applicable, which is to be rounded off to the next multiple of 10. Further, as per Rule 10 of the CCS (Revised Pay) Rules, 2008, there is now a uniform date of increment, that is, 1st July of the year.

3. The mode of implementation of these penalties has been clarified to individual Ministries/Departments wherever references have been received. It is now proposed to issue detailed guidelines on the issue. The regulation of pay on imposition of these penalties is in the subsequent parts:

A. Reduction to a lower stage of pay by one stage {Rule 11(iii) }

On imposition of a penalty under this Rule, the pay would be fixed at the next lower stage in the Pay Band. In other words, in case of reduction by one stage, the revised pay would be the pay drawn in the Pay Band at the stage before the last increment. Grade Pay attached to the post would remain unchanged. The pay will be fixed by reversing the mode of allowing increments given in Rule 9 of the CCS (RP) Rules, 2008. The formula would be:-

Reduced Pay in Pay Band = {(Pay in Pay Band+ Grade Pay) x 100/103} less (Grade Pay) (rounded off to next 10)

Pay would be Pay in Pay Band as above + Grade Pay

B. Withholding of increment {Rule 11(iv)}

As the uniform date of increment now is 1st July, on imposition of a penalty of withholding of increment, the increment(s) due on the 1st of July falling after the date of imposition of the penalty would be withheld. In case where penalty of withholding of more than one increment is imposed, increments due on 1st of Juty in the subsequent years would similarly be withheld. The increment would be restored at the end of the period for which the penalty is imposed.

This also applies to cases where the penalty is imposed for part of a year. For instance, if the penalty of withholding of the increment for six months is imposed on a Government servant in April 2013, then the increment falling due on 1.7.2013 will be withheld for a period of six months, that is, till 31.12.2013. The increment would be released w.e.f. 1.1.2014. In this case the next increment falling due on 1.7.2014 will also be allowed.

C. Reduction to a lower stage in the time-scale of pay for a specified period of Rule 11(v)}

The process of imposition of penalty of reduction by one stage under Rule 11(iii a) explained above shall be repeated for every additional stage of reduction by taking the pay arrived at notionally as pay for the second reduction, and so on. Grade Pay shall remain unchanged.

NOTE 1: It is not permissible to impose a penalty under this rule if the pay after imposition of the penalty would fall below the minimum of the Pay Band attached to the post.

NOTE 2: A Pay Band may cover Government servants in different Grade Pays or holding posts at several levels in the hierarchy. It needs to be kept in mind that reduction to lower pay scale or grade is a distinct penalty, under Rule 11(vi).Therefore, while imposing a penalty of reduction to a lower stage in the time-scale of pay under Rule 11(v) of the CCS (CCA) Rules, 1965, Disciplinary Authorities should weigh all factors before deciding upon the quantum of penalty, i.e., the number of stages by which the pay is to be reduced.

D. Reduction to lower time-scale of pay under Rule 11(vi)

As a result of imposition of a penalty of reduction to lower time-scale of pay, the pay of the Government servant would be reduced to the stage of pay he /she would have drawn had he/she continued in the lower post for the period of penalty. The mode of fixation of pay in this case is similar to reversing the mode of fixation of pay on promotion. Therefore, both pay in Pay Band and Grade Pay would be reduced.

However, Disciplinary Authority has the power, in terms of FR 28, to indicate the pay which the Government servant on whom a penalty of reduction in rank has been imposed, would draw. The Government servant will be entitled to the Grade Pay of the post to which he has been reduced. Thus, the power of the Disciplinary Authority under FR 28 is limited to indicating the pay in the Pay Band applicable to the lower rank/post.

In some cases imposition of a penalty under Rule 11(vi) may also involve a change in Pay Band. For instance a Government servant holding a post in PB-2 with Grade pay of Rs.4200/- may be reduced to a post in PB-1 with Grade Pay of Rs.2800/-

It may also be noted that a Government servant cannot be reduced in rank to a post not held earlier by him in the cadre. For example, an LDC who qualifies as Assistant as a Direct Recruit and is later promoted as Section Officer cannot be reduced to the rank of LDC but only to that of an Assistant.

4. Some illustrations on pay fixation in above types of cases are annexed.

sd/-
(Mukesh Chaturvedi)
Deputy Secretary to the Government of India

Railways to give automatic SMS after confirmation of waitlisted tickets

Waitlisted passengers will soon get status messages in their mobile phones if their tickets get confirmed before journey.

A senior Railway Ministry official said the waitlisted passenger will get a SMS about the status of the ticket on the mobile phone number given at the time of ticket booking before the journey.

Currently, one has to either dial the enquiry number 139 or use the Internet to know the waitlisted ticket status.

Others get to know the status of their tickets only after reaching stations.

“Once the SMS-based service is operational, passengers will get the updated status of their waitlisted tickets automatically,” the official said, adding “only those passengers will get the message whose tickets get confirmed.”

CRIS, the technological arm of Railways, is making the software for the SMS-based service.

IRCTC has already launched a system for booking tickets using mobile phones.

Source: www.thehindu.com

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Online Transfer of Provident Fund

(10 Feb 2014)

A revised transfer claim settlement process has been started through an Online Transfer Claim Portal to smoothen the process of transfer of PF accounts. The revised process has following features:-

(i) The claim can be submitted by the member in the online mode in addition to physical mode.

(ii) The claim can be submitted through previous or present employer.

(iii) There would be no paper movement between any two offices.

(c): This facility has already been made operational with effect from 02.10.2013.

(d): This facility would benefit all such EPF members who wish to transfer their PF accounts on their change of job from one establishment to other.
This information was given by Minister of State for Labour & Employment Shri Kodikunnil Suresh in the Lok Sabha on 10 Feb,2014 in reply to a written question.

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Pension to Ex-Servicemen who retired before independence

(10 Feb 2014)

There is no mechanism to ascertain the number of ex-servicemen who retired before independence are still alive and not getting pensions. However, ex-servicemen with service of 15 years or more as Personnel Below Officer Rank (PBOR) and 20 years or more as Commissioned Officers are entitled to service pension. There is no proposal to reduce the minimum qualifying service for grant of pension.
Minimum qualifying service is an essential criterion for earning pension in the Armed Forces as per the existing Army, Navy and Air Force Pension Regulations.
This information was given by Minister of State for Defence Shri Jitendra Singh in a written reply to Shri Ram Singh Kaswan in Lok Sabha on 10th Feb, 2014.

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ESI Hospitals

Under the Employees' State Insurance Scheme (ESIS) administered by Employees' State Insurance Corporation (ESIC) and respective State Governments, there are 151 hospitals in different parts of the country of which 116 hospitals are run by State Governments and 35 run directly by the ESIC. ESIC provides for and bears full expenditure for annual Repair and Maintenance, Special Repairs and Capital Works. Provision has been made for constitution of Hospital Development Committee in each Hospital with requisite administrative and financial powers for taking up development works/Repair and Maintenance works for improvement of various facilities in the hospitals. ESIC is ensuring that these hospitals have required basic infrastructure to render satisfactory services to ESI beneficiaries. In ESI Hospital, Mangalore, the basic infrastructure i.e., the building and other facilities are mostly available. There is no hospital in Koppal, Karnataka.
Improvement in services is an on-going process. Representations regarding functioning of ESIC, as and when received, are sent to ESI Corporation to enable suitable corrective measures.
ESIC has inter-alia taken following steps to improve the condition of the ESI hospitals in the country:
(i) Ceiling on reimbursement of expenditure on medical care to the State Government has been increased from Rs. 1200/- to Rs. 1500/- per Insured Persons (IPs) per year with effect from 1.4.2012. In addition, it has also been decided to reimburse uptoRs. 200/- per IP per annum to the State Governments for the year in which the bed occupancy in all the State ESI Hospitals is more than 70% during the completed financial year. This additional amount is borne fully by the ESI Corporation.
(ii) Hospital Development Committees have been constituted in ESI Hospitals and given adequate administrative and financial powers for taking decisions for improvement in medical care facilities.
(iii) Modernisation and Up-gradation of hospitals by providing modern equipment for diagnostic and clinical services.
(iv) ESIC has formulated norms and standards for staff and equipment for smooth functioning of the hospitals and dispensaries.
(v) Super Specialty treatment is being provided through tie up hospitals and expenditure thereon is borne completely by the ESIC.
(vi) ESIC has decided to appoint part time specialists in State run hospitals on contract basis till the State Governments makes regular appointment.
This information was given by Minister of State for Labour & Employment Shri Kodikunnil Suresh in the Lok Sabha on 10 the Feb,2014 in reply to a written question.)