

# RAILWAYS SENIOR CITIZENS WELFARE SOCIETY

(Estd. 1991, Regd. No. 1881 – Under Registration of Societies Act), Website <http://rscws.com>

IDENTIFIED & RECOGNISED BY MINISTRY OF PENSION & PENSIONERS' WELFARE (DOP&PW)

<b>N.P. MOHAN, EX CE</b> President RSCWS 1023-Sector 15 B Chandigarh -160015 (Ph: 2772875, 9417870544) Email: <a href="mailto:npmohan34@gmail.com">npmohan34@gmail.com</a>		<b>Harchandan Singh,</b> Secretary General, RSCWS 32, Phase- 6, Mohali-160055 (Ph. 0172 2228306, 09316131598) Email : <a href="mailto:harchandan_chd32@yahoo.co.in">harchandan_chd32@yahoo.co.in</a>
No. RSCWS/ 7 <sup>th</sup> CPC Questionnaire/2014-1	Dated: 7-5-2014	

Chairman,  
7th Central Pay Commission,  
New Delhi.

(Through –Secretary, Seventh CPC by Email to [secy-7cpc@nic.in](mailto:secy-7cpc@nic.in))

Sir,

Subject:- Reply to Seventh CPC Questionnaire.

Reference:- Secretary 7<sup>th</sup> Pay Commission, DO No. 7CPC/15/Questionnaire, dated 9<sup>th</sup> April 2014.

We submit, here below, the Reply to Seventh CPC Questionnaire, for the kind consideration of the Seventh Pay Commission with reference to Secretary Pay Commission, letter cited above.

Railway Senior Citizens Welfare Society (RSCWS) is an identified and Recognised Association by the Department of Pension & Pensioners Welfare (DOP&PW) under the Pensioners' Portal - for the welfare and redressal of grievance of Pensioners. RSCWS is, as such, a stake holder on the issues before the 7<sup>th</sup> Pay Commission.

We, therefore, urge upon the Pay Commission to consider our views favourably – as submitted here below and in our Memorandum to the Pay Commission – which we shall submit soon. We also request the Pay Commission to grant us a personal hearing.

## REPLY TO SEVENTH CPC QUESTIONNAIRE

### 1. SALARIES

1.1 THE CONSIDERATIONS ON WHICH THE MINIMUM SALARY IN CASE OF THE LOWEST GROUP 'C' FUNCTIONARY AND THE MAXIMUM SALARY IN CASE OF A SECRETARY LEVEL OFFICER MAY BE DETERMINED AND WHAT SHOULD BE THE REASONABLE RATIO BETWEEN THE TWO.

1.1.1 Instead of determining the Minimum Salary, the Maximum Salary should be determined first.

1.1.2 Minimum salary should be 1:9 or at least 1:10 of the Maximum Salary.

1.1.3 Maximum Salary should be first determined based on either of the following criteria and then the Minimum should be determined as per ratio stated above:

MAXIMUM SALARY should be fixed either:

i) As per %age rise of the NNP since last Pay Commission on Constant Prices (as adopted by 5<sup>th</sup> CPC for determining Minimum Pay).

OR ii) By merging 100% DA with Maximum Basic Pay + Projected DA from 1-1-2014 to 31-12-2015 + 50% Fixation Benefit for reducing the disparity with PSUs & Others.

= BP+100% DP +40% Projected DA up to 1-1-2016 + 40% Fixation

= 100% BP + 150% + 40% + 40% = 330% or 3.3 times = 90000 X 3.3 = 3 Lakhs

## **1.2 WHAT SHOULD BE THE CONSIDERATIONS FOR DETERMINING SALARY FOR VARIOUS LEVELS OF FUNCTIONS FALLING BETWEEN THE HIGHEST LEVEL AND THE LOWEST LEVEL FUNCTIONARIES?**

- 1.2 i) Salaries at various levels should be based on Classification Method for Job evaluation (as adopted by several Countries – including the USA for all jobs under the Federal Government).**
- ii) Job Difficulties & requirements at each level should be predefined (*separately for Technical, Non-Technical, Supervisory, Managerial and Scientific Staff*).**
- iii) Job descriptions for each post should be compiled and placed at the respective level as per the said predefined Job Difficulties and Requirements.**

## **4. PAY SCALES**

### **4.1 THE 6TH CENTRAL PAY COMMISSION INTRODUCED THE SYSTEM OF PAY BANDS AND GRADE PAY AS AGAINST THE SYSTEM OF SPECIFIC PAY SCALES ATTACHED TO VARIOUS POSTS.**

#### **WHAT HAS BEEN THE IMPACT OF RUNNING PAY BANDS POST IMPLEMENTATION OF 6TH CPC RECOMMENDATIONS?**

- 4.1 i) System of running Pay Bands has reduced stagnation. But adoption of dual system of Pay Band and Grade Pay at lower & middle levels and Pay Scales at top level (S 30 to S 32) has caused serious misgivings about the whole matter – creating doubts about the purpose behind it – instead of having a uniform system from top to bottom.**
- ii) Grade Pay from one level to the next did not have a uniform rise nor appropriately determined by the Sixth Pay Commission.**
- iii) Even the Formula used for determining the Grade Pay at 40% of maximum of the merged scale was arbitrarily adopted by the 6<sup>th</sup> CPC without disclosing the reason for the same.**
- iv) All this had caused maximum resentment at various levels – instead of promoting job satisfaction – which is the basic purpose of a Pay Commission.**

#### **4.2 IS THERE ANY NEED TO BRING ABOUT ANY CHANGE?**

**4.2 Yes, following changes are suggested:**

- i) There should be one system from top to bottom;**
- ii) Grade Pay at each level should be rationally and scientifically determined with a well defined uniform system of (pyramidal) rise from one Grade pay to the next.**

#### **4.3 DID THE PAY BANDS RECOMMENDED BY THE SIXTH CPC HELP IN ARRESTING EXODUS AND ATTRACT TALENT TOWARDS THE GOVERNMENT?**

**4.3 No, it did not help in arresting the exodus or to attract talent to the Government jobs – due to the inherent defects mentioned in earlier points here-to-fore.**

#### **4.4 SUCCESSIVE PAY COMMISSIONS HAVE REDUCED THE NUMBER OF PAY SCALES BY MERGING ONE OR TWO PAY SCALES TOGETHER. IS THERE A CASE FOR THE NUMBER OF PAY SCALES/ PAY BAND TO BE RATIONALIZED AND IF SO IN WHAT MANNER?**

**4.4 Yes, there is a strong case for rationalising the Pay Bands and Grade Pay. Following are some of the examples wherein Grade Pay of Rs.1800 & Rs.1900 should be merged:**

- i) Grade Pay of Rs.4800 PB 2 and Rs.5400 PB 2 need to be merged and upgraded.**
- ii) Erstwhile S 23 Scale should be merged & upgraded to S 24 – as both are for the same Post.**

#### **4.5 IS THE “GRADE PAY” CONCEPT WORKING? IF NOT, WHAT ARE YOUR ALTERNATIVE SUGGESTIONS?**

4.5 There should be one uniform system from top to bottom – either of Grade Pay and Pay Band or of Pay Scales. Dual system reflects a bias in favour of top brass.

## 10. PENSION

10.1 THE RETIREMENT BENEFITS OF ALL CENTRAL GOVERNMENT EMPLOYEES APPOINTED ON OR AFTER 1.1.2004 ARE COVERED BY THE NEW PENSION SCHEME (NPS). WHAT HAS BEEN THE EXPERIENCE OF THE NPS IN THE LAST DECADE?

10.1.1 NPS has led to extreme discontentment and resentment amongst the concerned employees as it tantamount to the following anomalies and disparities:

i) Withdrawal of an existing benefit.

ii) NPS is a Contributory Pension Scheme which is against the spirit of Supreme Court's judgement in D. S. Nakara case, which had defined Pension as a Deferred Wage for the Past services rendered during active years of service.

ii) Lesser net wages to Post 2004 appointees by 8.33% of Pay thus discriminating between the similarly placed employees working at the same place/ on the same job/same post.

iii) NPS is subject to market forces thus depriving the would be Pensioners/Family Pensioners of an assured amount of Pension – which is essentially required as a social security.

iii) The service conditions on the Railways are very hazardous, involving higher responsibilities which are totally different from other Central Government Employees. As such the Railways should in any case be exempted from NPS, as rightly recommended by the Minister For Railways to Minister of Finance (vide letter No. No. 2012/F(E)III/1/4-Part dated 29 MAR 2014 - copy attached).

10.2 AS FAR AS PRE-1.1.2004 APPOINTEES ARE CONCERNED, WHAT SHOULD BE THE PRINCIPLES THAT GOVERN THE STRUCTURE OF PENSION AND OTHER RETIREMENT BENEFITS?

10.2 Following principles should govern the structure of pension and other retirement benefits of all Pensioners:

i) Full Parity between Pre and Post (7<sup>th</sup>) Pay Commission Pensioners – including parity between Pre-1986, Pre-1996 and Pre-2006 & Pre 2016 Pensioners with Post 2016 Pensioners.

ii) Effective Implementation of “One Rank one Pension” – both for Defence Forces, Civilians in Defence Forces and other Central Government Pensioners.

iii) Dearness relief: 100% neutralization with automatic Merger with Pension whenever DA reaches 50% - to offset the impact of long gap in periodicity of revision of Pay and Pension.

iv) Increase in the Retirement age to 65 years (instead of 60 years) in view of major increase in the longevity of life over the years.

v) Restoration of commuted value of Pension in 12 years – as recommended by Fifth Pay Commission and as the amount gets recovered in less than 12 years – with interest thereon, on reducing balance.

vi) Additional Pension / Family Pension: 10% additional Pension/Family Pension after 65 years of age, 20% Additional Pension/Family Pension after 70 years of age and 30 % additional Pension/Family Pension after 75 years of age, 40% after 80 years of age, 50% after 85 years and 100% after 90 years, Pension/Family Pension – to meet with additional expanses on Medicines, health care and other exigencies. *Additional Pension of 100% after 100 years of age is illusionary as chances of reaching that age and surviving thereafter are very remote and in rare of the rarest cases.*

vii) Pension exempted from Income Tax – as recommended by Fifth Pay Commission and as available to Foreign Services.

vi) Restoration of commuted value of Pension in 12 years – as recommended by Fifth Pay Commission and as the amount gets recovered in less than 12 years – with interest thereon, on reducing balance.

viii) Hassle free health care facility to Pensioners/family pensioners and their dependents.


viii) "Smart Card" for Health Care to all Pensioners – with cashless medical facilities across the country – in Government, CGHS, Railway and more of Empanelled Specialised Hospitals – spread all over the country.

ix) Fixed Medical Allowance (FMA) of at least Rs.2500 per month) – linked to inflation / DA to meet with the ever rising cost of Medicines & consultation Fees of Doctors for day to day Medical Treatment in old age to Pensioners residing in Non-CGHS areas who do not join / opt out of CGHS / RELHS or from the OPD facilities there under – since residing at long distances from CGHS / Railway Hospitals.

x) Grievances Redressal Mechanism for Pensioners / Family Pensioners at all levels – with JCM like machinery from National, Departmental, Zonal and Local levels to deal with Pensioners issues in real time frame.

Requesting once again for a favourable consideration and for grant of a personal hearing to the representatives of RSCWS, thanking you,

Yours faithfully,



(Harchandan Singh),  
Secretary General, RSCWS.

*"Pension is not a bounty -- a grace – or an Ex-gratia payment, but a payment for past services rendered" Supreme Court*

Please visit our Website [www.rscws.com](http://www.rscws.com) regularly - for up to date information of our activities & other information

**MINISTER FOR RAILWAYS  
GOVERNMENT OF INDIA  
NEW DELHI**

No. 2012/F(E)III/1/4-Part

29 MAR 2014

Dear **Shri P. Chidambaram ji**,

Through this letter, I wish to draw your attention to a long standing demand raised by both Staff Federations of Railways on National Pension Scheme (NPS) for employees of Indian Railways. The Federations have been expressing resentment over operation in the Railways of the National Pension Scheme, which is perceived as a lower social security cover for Railway employees. Their contention is that there are enough grounds for Railway employees to be treated differently from other civil employees of the Government, and that Indian Railways should operate the traditional defined benefit pension scheme available to pre-01-01-2004 appointees.

You will recall that a few organizations/categories of Government employees were specifically exempted from the purview of NPS on consideration of special, riskier and more onerous nature of duties. The Federations have been drawing parallel with of nature of duties performed by most categories of Railway employees with those in the Armed Forces. They contend that during British period, Railways was conceived and operated as an auxiliary wing of the Army. It was also realized that by virtue of its complex nature, Railways required a high level of discipline and efficiency to be able to perform its role as the prime transport mode. Railways is an operational organization required to be run round the clock through the year. Railway employees have to work in inhospitable conditions, braving extreme weather, unfriendly law and order scenario, and inherent risks associated with the Railway operations itself. As in the Armed Forces, many have to stay away from their families for long periods while performing duties in areas where adequate facilities are lacking.

I feel that there is considerable merit in the contention of the Staff Federations. Besides the critical and complex nature of duties of Railway employees, the hazards involved are also high. Despite best efforts for enhanced safety measures, a large number of Railway employees lose their lives or meet with serious injuries in the course of performance of their duties each year.

During the period 2007-08 to October 2011, the number of Railway employees killed during the course of their duty has been more than number of passengers/other members of public killed in Rail related accidents including accidents at unmanned level crossings. While the nature of duties of Railway employees is inherently high risk during peace time, they also perform functions of critical importance during war time and times of natural calamities, in moving men and materials across the country to maintain supply of essential commodities and safeguard integrity of the nation.

In my view, there are adequate grounds for the Government to consider exemption for Railway employees from the purview of NPS. The Implications of this would be that Government expenditure would reduce over the next few years through discontinuance of Government Contribution under the NPS, but the long term liabilities would increase, as financial commitments in the defined benefit pension scheme would be higher. Since Railways are required to meet the pensionary outgo

from their internal resources, switchover to defined benefit pension scheme would call for a more systematic provisioning under the Pension Fund through appropriate revenue generating measures. With Rail Tariff Authority on the horizon, I believe that this would be possible.

In the light of the above, I suggest that our request for exemption from operation of the NPS be considered sympathetically and necessary approvals communicated.

A copy of each demands raised by the two Federations is enclosed.

With regards,

**Yours sincerely,  
sd/  
(Mallikarjun Kharge)**