

RAILWAYS SENIOR CITIZENS WELFARE SOCIETY

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No. RSCWS/ HO / 7th CPC/ FMA/ 2016-17

Dated: 6-9-2016

Additional Secretary (Expenditure),
Government of India,
North Block, New Delhi-110001

For kind consideration of the Committee of Secretaries
: On Minimum Pay & Multiplying Factor

Subject: MINIMUM PAY & MULTIPLE FACTOR AFTER 7TH CPC

Reference: i) Para 10.1.67 of Report of 7th Pay Commission

ii) Para 3 & 4 of Resolution No. 1-2/2016-IC dated 25-7-2016 of Govt of India on 7th CPC Report

We have to make the following submissions for the kind consideration of the Committee for regarding Minimum Pay and Fitment / Multiplication Factor:

1. MINIMUM PAY BY DR. AYKROYED FORMULA AS MODIFIED BY SUPREME COURT BUT APEX COURTS ORDERS IGNORED BY 7TH CPC

- a) The Minimum Pay Fixed at Rs.18000 :by the 7th CPC is very much unjust and meagre and ignores the accepted norms in this regard.
- b) The Minimum wage of Rs.18000 proposed by 7th Pay Commission is based on Dr Aykroyed formula for Minimum Need Based Wage. But the calculation of the CPC is not in conformity with the present day needs and not in conformity with the directions of the Supreme Court of India.
- c) Supreme Court had directed to provide for the additional component of 25% of wages to meet with the present day needs of Social obligations etc. while calculating the Minimum Need Based wage as per Dr. Aykroyed formula.
- d) As the Apex Court had modified the said formula by adding appropriate weightage for the factors of Social obligations; it would be fair and just that additional factor of 25% may be considered for fixing the Minimum Pay.
- e) Minimum Pay works out to be (Rs.18000+25%) = Rs,22500 (instead of Rs.18000 recommended by the 7th CPC)

2.) MINIMUM PAY BY MERGER OF DA EVERY TIME THE DA RISES BY 50%

- i) Merger of DA with Pay / Pension was always done every time the DA crossed 50%, except after the Sixth Pay Commission and that norm justifiably needs to be restored.
- ii) Minimum Pay as on 1-1-2016 would be Rs.19687 if DA was merged with Pay when the DA crossed 50% (from 1-1-2011) and crossed 100% without any relief or fixation benefit of 7th CPC and Rs. 22483 or say 22500 with 14.29% of total emoluments Fixation benefit given by the 7th CPC (which itself was the lowest ever after any CPC) - as per detailed calculations submitted below:
 - a) Minimum Pay after DA Merger at 50% & 100% and with 14.29% rise.

$7000 \times 1.5 = 10500 \times 1.5 = 15750 \times 1.25 = \text{Rs.}19687 \times 1.1429 = \underline{22500.272}$ or say **Rs.22500**

b) Multiple Factor after DA Merger at 50% & 100% and with 14.29% rise

= $22500 / 7000 = 3.21$ times of BP

ii) Even if the Merger of DAY was done only once after it crossed 50% (on 1-1-2011), Minimum Pay as on 1-1-2016 would have been Rs.18375 (without any relief or fixation benefit of CPC) and Rs.20984 or say Rs.21000 with 14.2% Fixation benefit given by the 7th CPC as per details below:

a) Minimum Pay after DA Merger at 50% & 100% and 14.2% rise:

$7000 \times 1.5 = 10500 \times 1.75 = 18375 \times 1.1429 = \text{Rs.}21000.7875$ or say **Rs.21000.**

b) Multiple Factor after DA Merger at 50% and 14.2% rise

$21000 / 7000 = 3$ times of BP

3) All the foregoing calculations of Minimum Pay and Multiple Factor are linked to only 14.2% rise of wages as inherent in the recommendations of 7th CPC – which is the lowest ever rise after a Pay Commission in recent years.

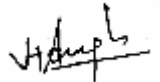
4) It is, therefore, requested that, in view of above submissions:

i) The minimum Pay may please be fixed as Rs.22500 or at least as Rs.21000.

ii) The multiple factor for revision of Pay and Pension may please be fixed as 3.21 or at least as 3 times the Basic Pay / Pension.

Thanking you in anticipation,

Yours faithfully,



(Harchandan Singh)
Secretary General, RSCW