

ANSWERS TO THE QUESTIONNAIRE OF 7TH CPC

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.

Answer 1.1:- We are of the opinion that the consideration on which the minimum salary in case of lowest Group 'C' functionary should be based on the norms set by the 15th International Labour Conference (ILC) with certain amendments. Earlier Central Pay Commissions have kept in the mind that the minimum salary is applicable at the time a person joins the Government which will usually be at a young age when a person may be married and may not have responsibility of parents or many children and accordingly, the family unit for minimum salary can only be taken as three.

Contrary to this, Indian family is considered strong, stable, flexible and enduring and normally it consist of three to four living generations, including brothers, sisters, uncles, aunts, nieces, nephews and grandparents living together in the same home. The official statistics reveal that large segments of the elderly in India are illiterate, out of work force, partially or totally dependent on others and suffering from health problems or physical disabilities. Hence, a person when joins the Government he has to look after his parents, wife, children, brothers and grandparents also. The Maintenance and Welfare of Parents and Senior Citizens Act, 2007 also compels him to take care of his/her parents.

In such circumstances, the family unit for minimum salary should be taken as **Six (06)**, i.e., 01 Unit = Govt Employee, 01 Unit = Spouse, 02 Unit = 2 Children & 02 Unit = Parents. **Total 06 Unit**

SL	Item	Consumption per Unit of 3 per Family	Consumption per Unit of 6 per Family	Present Market Rate**	Total Cost Rs.
01	Wheat/Rice	470 gms/day = 15 Kg/Month	30 Kg/Month	40/Kg	1200
02	Dal/Pulses	7.2 Kg/Mth	14.4 Kg/Mth	90/Kg	1296
03	Raw Veg.	9 Kg/Mth	18 Kg/Mth	40/Kg	720
04	Veg Green Leaf	11.25 Kg/M	22.5 Kg/Mth	30/Kg	675
05	Other Veg	6.75 Kg/Mth	13.5 Kg/Mth	30/Kg	405
06	Fruits	10.8 Kg/Mth	21.6 Kg/Mth	100/Kg	2160
07	Milk	18 Ltr/Mth	36 Ltr/Mth	45/Ltr	1620
08	Sugar	5 Kg/Mth	10 Kg/Mth	35/Kg	350
09	Edible Oil	3.6 Kg/Mth	7.2 Kg/Mth	120/Kg	864
10	Fish	2.5 Kg/Mth	5 Kg/Mth	300/Kg	1500
11	Meat	5 Kg/Mth	10 Kg/Mth	400/Kg	4000

12	Egg	90 Nos/Mth	180 Nos/Mth	5/No.	900
13	Clothing	5.5 Mtr/Mth	11 Mtr/Mth	400/Mtr	4400
TOTAL					20090
Add 20% as Fuel Charges					4018
Add 25% towards Medical, Housing Maint etc.					6027
GRAND TOTAL					30135

** Rates of some of the article mentioned in the table are based on the Average Monthly Consumer Prices of Selected Articles for Industrial Workers, February-2014 issued by Labour Bureau, Govt of India.

It has also been observed that the prices given above are present day prices and are likely to increase by atleast 40% by 01-01-2016 (i.e., inflation @ 10% per semester from 01.01.2014 to 31.12.2015) when the 7th CPC will be implemented and hence it would be proper if a boosting of 40% can be given on the above Grand Total to make it realistic as on 01-01-2016.

Therefore, if 40% boosting is given the minimum pay as on 01-01-2016 shall be **Rs.42189/-**.

Further, considering the importance of disparity ratio between the minimum and maximum pay the Fourth Central Pay Commission opined (Para 7.58) that an effort should be made not only to reduce the number of pay scales, but also to reduce the disparity between minimum and maximum scales of pay. The Fifth CPC had retained the minimum: maximum salary ratio of 1:10.7 inherent in the Fourth CPC pay scales even though the ratio had become 1:8 in 1996 on account of unequal rates of Dearness Allowance neutralization where the highest category was allowed neutralization at 65%.

Hence, the ratio between the minimum & maximum Salary should be of **1:7**. In case of Cabinet Secretary the maximum salary should be 07 times than a lowest paid employee. The Secretary/ Cabinet Secretary have to take the policy decision and his accountability is much more than anyone else.

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?

Answer 1.2:- The Figure of maximum and minimum salaries would give an arithmetical relationship between the new basic pay and the unrevised basic pay. Normally, the application of such a broad arithmetical ratio may be used for all the existing scales but due to merger of some grade pays or rationalization of pre-revised grade pay this may be re-looked by keeping in the mind the vertical and horizontal relativities of the cadre. It has to be kept in the mind that Pay Band & Grade Pay may not always be enough to fit in every kind or category of employment so a suitable system of 'Special pay' or allowances can take care of such cases.

2. COMPARISON

2.1 Should there be any comparison/parity between pay scales and perquisites between Government and the private sector? If so, why? If not, why not?

Answer 2.1:- Total comparison /parity between the pay scales and perquisites between the Govt. and Private Sector is not possible. The 6th CPC had already compared between Govt. Sector and private sector and found that the mere comparison of the pay or pay scale without taking cognizance of the total package of allowances and benefits available within the Government may not be appropriate especially as the value of pension granted by the Government and the value of job security provided cannot be undermined since they form major components of the total package. In private Sector the new concept of performance oriented salary has been accepted by a few Private Sector Companies which is no way possible for Govt. Employees. In Govt. Sector we do see better security and permanency whereas in private sectors this fact is missing. Govt. being a model employer there cannot be such comparison. So many factors have to be taken together for comparison, which may not be possible for the Pay Commission also.

1.2 Should there at all be any comparison/parity between pay scales and perquisites between Government and the public sector? If so, why? If not, why not?

Answer 2.2:- A comparison of salaries between the public sector and the Government may not be appropriate as it would not be a comparison between similarly placed entities. The Fourth Pay Commission, while addressing this term of reference, found that the public sector itself was not a homogenous unit or group for comparison of emoluments. They observed that there were several differences in the packet of total benefits and emoluments of employees in the Central Government and PSUs and it was, therefore, difficult to compare the emoluments of Central Government employees and those in PSUs. Fourth Pay Commission concluded that the pay structure of the employees of such a vast and complex organization like the Central Government cannot be based on a simple comparison of the pay scales of posts at the lowest level in the Public Sector Undertakings. The Public Sector Undertakings were created by Government for specified purposes and had adopted their own pay structure. The nature of work and conditions of service were different. The Fifth CPC, making similar observations in regard to the heterogeneity in the pay scales across the public sector, did not concede the principle of parity between the Government and the Public Sector. It also observed that PSUs were established with a multiplicity of objectives, the commercial objective being most prominent and similar commercial criteria could not be applied to Government which provides services on a different criterion. 6th CPC also noted that as the position which obtains now is no different from the past, the issue of comparison with the public sector has necessarily to be examined in the context of PSUs being commercial undertakings which are required to function in a competitive environment and have the commercial objective as the predominant objective. The public sector undertakings largely follow the Industrial Dearness Allowance (IDA) pattern and related scales of pay and, in some cases, Central Dearness Allowance (CDA) pattern and pay scales. The pay revision for board members, executives and nonunionized supervisors under the IDA pattern is done based on recommendations of Committees set up for the purpose by the Government. The periodicity of such revision was 5 years before 1997 and has thereafter been modified to 10 years. In respect of workmen following IDA pattern scales of pay, the managements of Central PSEs have the freedom to negotiate revision of pay scales with the workmen within certain limited conditions. Government has allowed the PSUs to opt for either a 10 year periodicity of pay revision with 100% neutralization of DA or a 5 year periodicity on the basis of graded neutralization.

There cannot be any comparison /parity between the pay scales and perquisites between the Govt. Sector and Private Sector. It is also not good to have large gap among the two in the same type of jobs. Comparison should not merely on the basis of monetary benefits, other concessions privileges powers given to the post for decision making should be considered while availing this factors.

1.3 The concept of variable pay has been introduced in Central Public Sector Enterprises by the Second Pay Revision Committee. In the case of the Government is there merit in introducing a variable component of pay? Can such variable pay be linked to performance?

Answer 2.3:- In case of Govt. there is no merit in introducing a variable component of pay as has been introduced by the second Pay Revision Committee in Central Public Sector.

3. ATTRACTING TALENT

3.1 Does the present compensation package attract suitable talent in the All India Services & Group A Services? What are your observations and suggestions in this regard?

Answer 3.1:- Yes. Due to periodical revision of wages by Central Pay Commissions and after introduction of graceful salary in All India Services and group 'A' Officers by 6th Central Pay Commission , we observe that the new talents are attracted to have Govt. jobs and therefore the present system is to be continued. Following data establishes the above content:-

(a) The Civil Services (Preliminary) Examination, 2011 was conducted on 12th June, 2011. A record number of 4,72,290 candidates applied for this examination, out of which 2,43,003 candidates have actually appeared. 11984 candidates were declared qualified for the Main written examination held in October-November, 2011 out of which 2417 candidates were selected for the Personality Test conducted in March-April, 2012. Finally, 910 candidates (715 male & 195 female) have been recommended for appointment to the IAS, IFS, IPS and other Central Services against 1001 reported vacancies.

(b) The Civil Services (Preliminary) Examination, 2010 was conducted on 23rd May, 2010. A total number of 5,47,698 candidates applied for this examination out of which 12,491 candidates qualified for the Main written examination held in October-November, 2010 and 2589 candidates were short listed for the Personality Test conducted in March-April, 2011. Finally, 920 candidates (717 male and 203 female) have been recommended for appointment to the IAS, IFS, IPS and other Central Services.

(c) A total of 4,09,110 candidates applied for the Civil Services (Preliminary) Examination, 2009 and 1,93,091 candidates appeared for the Preliminary Examination and 12,026 candidates qualified for the main Written Examination and 2432 candidates were short listed for the Personality Test conducted In March-April,

2010 and 875 candidates (680 Male And 195 Female) have been recommended for appointment to the IAS, IFS, IPS and other Central Services.

However, the present pay package (Pay Band plus Grade Pay) are not decisive of what the officers receive as their real emoluments. The sum total of all benefits received by the employee should therefore be added up to work out what he gets. Thus direct and indirect benefits like allowances, housing facility or allowance in lieu thereof, educational facilities, terminal benefits and other welfare measures should go to make emoluments a comprehensive packet. The efforts should be to generate in the employees a pervading feeling that he is serving an employer which has a genuine desire to look after him not only during the tenure of his employment but thereafter also.

3.2 To what extent should government compensation be structured to attract special talent?

Answer 3.2:- The salary structure should be coherent and should adequately reflect the substantial differences in the nature and responsibilities of various posts. The pay should be sufficient and satisfactory enough to motivate the employee for the efficient performance of his duties and responsibilities with a sense of rectitude. But the pay structure of employees cannot be determined by a rule of thumb, or by a formula of universal application. It has to be co-related to the nature and culture of the employment, the degree of satisfaction it generates – both to the employees and to the others, the totality of what it takes and what it gives to the employees, the resources of employer, the public assessment and the satisfaction with the service rendered. Special Talent is required in certain areas only for which the Govt. should introduce a Package for certain period, where the services of Special Talent is required. But in our opinion such offer may not work and therefore the personals of All India Services / Group 'A' Services should be trained accordingly.

Further, it has been observed that Medical Officers are not showing keen interest for Government service due to service conditions imposed upon them. They may be attracted by giving them proper opportunity to enhance their qualification. Young graduates (MBBS) may prefer to join Government service if some percentage of seats is being reserved for lateral admission in Medical Colleges for acquiring higher qualification like Post Graduation, Super Specialty etc. for medical officers of Central Government. Apart from above, a Commission of Inquiry may be constituted to find out whether Medical Officers may be permitted for private practice or Non-Practicing Allowance plus odd hours visit allowance in lieu of private practice.

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?

Answer 4.1:- The 6th CPC introduced the system of Pay Bands and Grade Pays to address the anomalies aroused due to merger of pay scales whereby promotion and

feeder cadres being placed in an identical pay scales. But the aim could not be achieved without merger of posts as the merger of promotion - feeder cadre and merger of pay scales have different meanings.

Further, Rule 8 of CCS (RP) Rules, 2008 on fixation of pay in the revised pay structure of employees appointed as fresh recruits on or after 01.01.2006 stipulates that the pay of direct recruits to a particular post carrying a specific grade pay will be fixed as mentioned in Section II of Part A of the First Schedule of these Rules for entry level pay in pay band. Whereas Rule 13 of CCS (RP) Rules, 2008 deals with fixation of pay on promotion on or after 01.01.2006 which stipulates that in case of promotion from one grade pay to another in revised pay structure, the fixation will be done by granting one increment equal to 3% of the sum of the pay in the pay band and the existing grade pay and this will be added to the existing pay in band and the grade pay corresponding to the promotion post will thereafter be granted in addition to this pay in pay band.

Due to above rules, an employee may draw less pay on promotion in the same pay band but next/higher grade pay in comparison to a direct recruit who joins later in the same grade pay and pay band. For example, if a person 'A' drawing the grade pay Rs. 1800/- and promoted to G.P. 1900 or 2000 or 2400 or 2800 may draw less pay in pay band in comparison to a person 'B' who directly recruited in G.P. 1900 or 2000 or 2400 or 2800 even after 02-04 yrs of promotion of 'A'.

4.2 Is there any need to bring about any change?

Answer 4.2:- Yes. To remove the anomaly aroused due to introduction of Grade Pay, Rule 13 of CCS (RP) Rules, 2008 may be amended as under:-

..... in case of promotion from one grade pay to another in revised pay structure, the fixation will be done by granting one increment equal to 3% of the sum of the pay in the pay band and the existing grade pay and this will be added to the existing pay in band and the grade pay corresponding to the promotion post will thereafter be granted in addition to this pay in pay band. However, if the pay in the pay band after adding the increment is less than the entry level pay in the pay band mentioned in Section II of Part A of the First Schedule of CCS (RP) Rules for particular grade pay to which promotion is taking place, pay in pay band will be stepped to such entry level pay.

4.3 Did the pay bands recommended by the Sixth CPC help in arresting exodus and attract talent towards the Government?

Answer 4.3:- Yes to some extent the pay bands recommended by the 6th CPC helped in arresting exodus and attract talent towards the Govt. services however in certain areas where the job satisfaction is not there, the incumbent choose his own way for getting the job.

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?

Answer 4.4:- Yes. On the recommendation of Sixth CPC various pay scales of erstwhile Group 'D' & Group 'B' employees were merged and upgraded but none of the pay scales of Group 'C' were merged and upgraded. Hence, we demand that there should be only 03 grade pay each in PB-1 & PB-2 by merging/upgrading as under:-

Rs. 1900	} Merged & Upgraded	-	Rs. 2400
Rs. 2000			
Rs. 2400	} Merged	-	Rs. 2800
Rs. 2800			
Rs. 4600	} Merged	-	Rs. 4800
Rs. 4800			

1.5 Is the "grade pay" concept working? If not, what are your alternative suggestions?

Answer 4.5:- Grade pay system is working but at the lower level of functionaries, this requires a change as we have submitted in Answer 4.4.

5. INCREMENT

5.1 Whether the present system of annual increment on 1st July of every year uniformly in case of all employees has served its purpose or not? Whether any changes are required?

Answer 5.1:- Granting the annual increment to all on the 1st day of July uniformly has not served the purpose because Rule 10 of CCS (RP) Rules, 2008 reads as under:-
" ... Employees completing 06 months and above in the revised pay structure as on 1st July will be eligible to be granted the next increment. The first increment after fixation of pay on 01.01.2006 in the revised pay structure will be granted on 01.07.2006 for those employees for whom the date of next increment was between 1st July, 2006 to 1st January, 2007."

This has violated the provisions of F.R. 26 which confers the right to be granted next increment on completion of 12 months and as per FR 24 an increment shall ordinarily be drawn as a matter of course unless it is withheld. We propose to have two dates of increment i.e. 1st Jan and 1st July. Those recruited or promoted between 1st January and 30th June will have their increment date on 1st January of next year and those recruited or promoted between 1st July and 31 December may be granted the increment on 1st July next year.

Apart from above, one Notional Increment should be granted to the employee on his superannuation for calculating retirement benefits.

1.2 What should be the reasonable quantum of annual increment?

Answer 5.2:- The reasonable quantum of annual increment should be 5% to protect social status, family and religion obligations and responsibilities. The annual increment should bear the uniform relationship with minimum of pay scale.

5.3 Whether there should be a provision of variable increments at a rate higher than the normal annual increment in case of high achievers? If so, what should be transparent and objective parameters to assess high achievement, which could be uniformly applied across Central Government?

Answer 5.3:- There should not be any provision for variable increment at a rate higher than the normal annual increment in case of high achievers. However the special achievers can be satisfied with some awards.

5.4 Under the MACP scheme three financial up-gradations are allowed on completion of 10, 20, 30 years of regular service, counted from the direct entry grade. What are the strengths and weaknesses of the scheme? Is there a perception that a scheme of this nature, in some Departments, actually incentivizes people who do not wish to take the more arduous route of qualifying departmental examinations/ or those obtaining professional degrees?

Answer 5.4:- Govt. of India had introduced the ACP Scheme vide OM No. 35034/1/97 – Estt(D) Dated 09.08.1999 on the recommendation of Fifth Central Pay Commission to provide 'Safety Net' to deal with the problem of genuine stagnation and hardship faced by the employees due to lack of adequate promotional avenues. As per instructions, the mobility under ACPS is to be allowed in the '**existing hierarchy**'. Since the benefits of upgradation under ACPS are to be allowed in the existing hierarchy, the mobility under ACPS shall be in the hierarchy existing after merger of pay scales by ignoring promotions. For granting financial upgradation, if such cadre/hierarchy exists in the Ministry / Department concerned, the upgradation may be allowed in keeping with the pay scale of an analogous grade of a cadre/post in the same Ministry/ Department. However, if no such grade exists in the Ministry/Department concerned, comparison may be made with an analogous grade available in other Ministries/Departments.

Subsequently, on the recommendations of Sixth Central Pay Commission, the Assured Career Progression Scheme was modified as under:-

“(2) The MACPS envisages merely placement in the immediate next higher grade pay in the hierarchy of the recommended revised pay bands and grade pay as given in Section 1, Part-A of the first schedule of the CCS (Revised Pay) Rules, 2008. Thus, the grade pay at the time of financial upgradation under MACPS can, in certain cases where regular promotion is not between two successive grades, be different than what is available at the time of regular promotion. In such case, the higher grade pay attached to the next promotion post in the hierarchy of the concerned cadre/organization will be given only at the time of regular promotion.”

In such circumstances, the wish of the Govt. of India to grant 03 Financial Upgradation for betterment of its employees in thirty years service span could not be culminated through MACP Scheme as it is disadvantageous in comparison to erstwhile ACP Scheme particularly for the employees in Pay Band –1.

MACP scheme introduced after ACP scheme may satisfy most of the people in central Govt. services if the financial upgradation under MACP Scheme is granted in promotional hierarchy instead of Grade pay hierarchy on completion of every 06 years of regular service. Qualifying departmental examination should have no link with this scheme. Any deferment in granting of financial upgradation under MACP should not have consequential/cascading effect. However, the professional degree obtained from a recognized institute/university is beneficial for appearing in Limited Departmental Competitive Examinations. Further, the Government is already granting lump sum incentive on acquiring higher qualification but this amount should be enhanced.

6 PERFORMANCE

Que: What kind of incentives would you suggest to recognize and reward good performance?

Answer:- There cannot be any specific proposal on this aspect for recognizing and rewarding good performances there cannot be a single footing. It depends upon the nature of work involved. It should be left to the department to give extra incentive to recognize and reward good performance.

7 IMPACT ON OTHER ORGANIZATIONS

Que:- Salary structures in the Central and State Governments are broadly similar. The recommendations of the Pay Commission are likely to lead to similar demands from employees of State Governments, municipal bodies, panchayati raj institutions & autonomous institutions. To what extent should their paying capacity be considered in devising a reasonable remuneration package for Central Govt. employees?

Answer:- There is no National wage/pay policy and unambiguous guidance in the matter. A Central Govt. employee has to bear the tax burden charged by the state, where he is posted but these taxes are not reimbursable by Govt. of India.

Every State Govt. has to formulate policies for payment to their employees and therefore impact of pay rise in one area will also be there in other areas, The services of state Govt. an autonomous institution are limited to the state, district, where as the Central Govt. employee can be transferred anywhere in India. Therefore there cannot be comparison between the employees of state Govt. municipal bodies etc. and the Central Govt. employees.

8 DEFENCE FORCES

8.1 What should be the considerations for fixing salary in case of Defence personnel and in what manner does the parity with civil services need to be evolved, keeping in view their respective job profiles?

Answer 8.1:- Considering special and hazardous duties, changed obligations short career span and restricted rights Defence Forces personnel should not be compared with civil services. Considering their services for the nation Defence forces should be paid extra. However personnel of forces working in peace / civil areas should be given less weightage than personnel posted in Border areas.

8.2 In what manner should the concessions and facilities, both in cash and kind, be taken into account for determining salary structure in case of Defence Forces personnel.

Answer 8.2:- The salary structure of defence personnel and facilities both in cash and kind should be considered separately.

8.3 As per the November 2008 orders of the Ministry of Defence, there are a total of 45 types of allowances for Personnel Below Officer Rank and 39 types of allowances for Officers. Does a case exist for rationalization/ streamlining of the current variety of allowances?

Answer 8.3:- As stated above the 45 types of allowances for personnel below officer rank and 39 types of allowances for officers should not be disturbed but there can be separate thought for the defence personnel working / posted in peace / civil areas. As such there is no need for rationalization / streamlining of current variety of allowances for the defence forces personnel.

8.4 What are the options available for addressing the increasing expenditure on defence pensions?

Answer 8.4:- Considering the threat at Borders and the hazardous nature of duties of our forces personnel the expenditure on defence pensions should continue. As on today we do not find any viable suggestion for addressing this issue.

8.5 As a measure of special recognition, is there a case to review the present benefits provided to war widows?

Answer 8.5:- The war widows and other forces personnel died elsewhere while in service for the cause of nation, employment to such widow's should be provided liberalizing the normal norms for compassionate appointments in the civil sector.

8.6 As a measure of special recognition, is there a case to review the present benefits provided to disabled soldiers, commensurate to the nature of their disability?

Answer 8.6:- The present benefits provided to disable soldiers should continue.

9 ALLOWANCES

9.1 Whether the existing allowances need to be retained or rationalized in such a manner as to ensure that salary structure takes care not only of the job profile but the situational factors as well, so that the number of allowances could be at a realistic level?

Answer 9.1:- The existing allowances are to be retained and increased 3 times. Technical Allowance is being given to combatants in Army, Navy, Air Force but denied to defence civilians deployed on similar type of jobs, this discrimination should be scrapped.. Besides that, the Central Government employees should be exempted from Professional Tax imposed by State Governments. However, details in this regard (Allowances) will be submitted in our Memorandum.

9.2 What should be the principles to determine payment of House Rent Allowance?

Answer 9.2:- The principles to determine payment of House rent allowance should be based on the population of city for this purpose. We suggest the classification of cities as under-

Population	City	HRA % to be paid
50 Lakhs and above	A-1	35%
25 Lakhs and above	A	30%
15 Lakhs and above	B	25%
Below 15 Lakhs	Unclassified	15%

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?

Answer 10.1:- It has always been expected from a Government to play an ideal role model and assure social security to its employees as well as citizens. Every employee dedicate his skilled, power and energy to the employer till superannuation or until he lost his capacity to do so and gets remuneration to fulfill his requirements. But after superannuation or being incapacitated by what so ever reasons he becomes unable to serve to get remuneration and his requirement does not end, then the onus is on the employer to mitigate the hardship faced by employee. This social security cannot be measured by solely market related factors.

This responsibility was borne by the Govt. as it complied the C.C.S.(Pension) Rules-1972. Later, Govt. introduced Employees Pension Scheme-1995 for change over from Contributory Provident Fund to Pension Scheme. Now market related factors have

compelled the Govt. to deviate to bear its responsibility of social security. Government succumbed to this pressure and introduced New Pension Scheme (Defined Contributory Pension Scheme) applicable to Central Govt. servants who join on or after 01.01.2004.

As per this New Pension Scheme 10 % of Basic Pay + Dearness Pay + D.A. is being recovered from the employees as a compulsory deduction and government is also contributing equal amount. A government servant can exit at or after the age of 60 years and it would be mandatory for him to invest 40 per cent of pension wealth to purchase an annuity which will provide for pension for life time of the employee and his dependent parents/spouse. Each contributor will choose a fund manager, and opt for one of the three types of pension portfolio – pure equity, pure debt or a balanced fund. It is not possible for a Group 'C' employee to have the competency in the field of Share Market.

From above it is established that the new entrants will not be eligible for Superannuation Pension, Compensation Pension, Compulsory Retirement pension, Compassionate Allowance, and Retirement. Any scheme not containing the above benefits is not accepted to employees.

Introduction of New Pension Scheme / National Pension Scheme (NPS) for Central Government employees w.e.f. 01.01.2004 has adversely affected the concept of social security provided by Government. Hence, NPS should be scrapped.

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?

Answer 10.2:- Pre 1-1-2004 appointees should continue to get the pension with certain following amendments:-

- a) Pension shall not be less than 60% of last pay drawn;
- b) Family pension shall not be less than 40% of last pay drawn;
- c) Concept of one rank one pension should be implemented in letter and spirit;
- d) Commutation restoration after 12 years instead of 15 years;
- e) Fixed Medical Allowance for all pensioners @ Rs. 1500 per month for OPD treatment and this amount should be automatically raised by 100% every time the Dearness Allowance increases.;
- f) Those totally depend on pension should be exempted from Income Tax payment as well as submission of IT return;
- g) Retirement / Death Gratuity should be paid @ one month for every completed year service without limit of maximum 33 yrs and without ceiling of Maximum Rs.10.00 lakh
- h) Hon'ble Supreme Court of India pronounced the judgment in the case of *Jeewan Lal vs. Appellate Authority* { 1984 SCC (L&S) 753} that for the payment of gratuity in the case of a monthly rated employee, the fifteen days wages shall be calculated by dividing the monthly rate of wages last drawn by him by twenty-six and multiplying the quotient by fifteen. Subsequent to the above decision of the Supreme Court an explanation has been added after second proviso to Section 4(2) of the Payment of Gratuity Act, by Act of 1987 (w.e.f. 01.10.1987), which reads as under:

“Explanation – In the case of a monthly rated employee, the fifteen days wages shall be calculated by dividing the monthly rate of wages last drawn by him by twenty-six and multiplying the quotient by fifteen.”

Whereas, Rule 50 of CCS (Pension) Rules, 1972 states that retirement gratuity equal to one – fourth of his emoluments for each completed six monthly period of qualifying service subject to a maximum of 16½ times the emoluments will be paid and emoluments means basic pay as defined in Rule 9(21)(a)(i) of the Fundamental Rules which a Govt servant was receiving immediately before his retirement or on the date of his death; and in addition DA admissible on the date of retirement/ death of the Govt. employee shall also be treated as emoluments. Hence, we demand that CCS (Pension) Rules, 1972 should be amended as under:-

“Emoluments- Fifteen days wages shall be calculated by dividing the pay in pay band plus grade pay last drawn by him by twenty six and multiplying the quotient by fifteen and in addition DA admissible on the date of retirement/death of Govt employee.’

11. STRENGTHENING THE PUBLIC GRIEVANCE SYSTEM

11.1 The 6th CPC recommended upgrading the skills of the Group D employees and placing them in Group C over a period of time. What has been the experience in this regard?

Answer 11.1:- As recommended by 6th CPC the Gr. D (erstwhile) employees have been placed in Gr. 'C', except a few we experienced that bringing Gr. D in Gr. C cover are performing well. However the nature of job performed by them required to be changed.

11.2 In what way can Central Government organizations functioning be improved to make them more efficient, accountable and responsible? Please give specific suggestions with respect to:

- a) Rationalization of staff strength and more productive deployment of available staff;
- b) Rationalization of processes and reduction of paper work; and
- c) Economy in expenditure.

Answer 11.2:- Transparency in every field is required for improving the functioning of Central Government Organization for making them more professional, citizen friendly and delivery oriented. Bureaucracy oriented system may not work in future. Every Central Govt. organization must evolve with a process on to work which work will take what time. Such process must be published for general information. However departments like atomic energy, space, Defence should be kept out of this sphere.

- a) In every department of Central Govt. the strength of staff is going down which is adversely affecting the functioning of Govt machinery. For example, Group-Wise & Status-Wise estimated number of Central Govt. Civilian Regular employees in major Ministries/Departments (excluding UTs) are as under:-

Ministry	Number of Sanctioned Posts					Number in Position				
	A	B(G)	B(NG)	C(NG)	Total	A	B(G)	B(NG)	C(NG)	Total
Railways	8748	7652	0	1560388	1576788	9228	8072	0	1288400	1305700
Home Affairs	18953	2390	42776	864815	928934	14817	1763	32921	780755	830276
Defence (Civilians)	13773	12213	14518	443233	483737	13185	11847	11174	332388	368594
Posts	610	1155	5639	203703	211107	610	1155	5639	203703	211107
Revenue	8255	24144	31355	74569	138323	5881	20885	23353	48668	98787
Others	50530	39286	50166	205672	345654	44239	33002	40390	152435	270066
Total	100869	86840	144454	3352380	3684543	87960	76724	113477	2806369	3084530

- b) All old procedures require to reformulate for reduction of paper work. In this computer era this is required but the same is not happening. Most of the Government Department we use computers for fast process but having the soft copy along with hard copy requires more paper and carbon paper. This should be curtailed.
- c) Economy in expenditure is such a topic which is debated at every level. But it is observed that Govt. officials, ministers, high officials, parliamentarian are going on foreign tours and never think of economy.

Apart from above, following should also be considered as important features which may affect the functioning of Central Government:-

- i) **Extending judicial decisions in matters of a general nature to all similarly placed employees to avoid litigations in service matters** – On the subject matter the 5th CPC already stated as under:-
We have observed that frequently, in cases of service litigation involving many similarly placed employees, the benefit of judgment is only extended to those employees who had agitated the matter before the Tribunal/Court. This generates a lot of needless litigation. It also runs contrary to the judgment given by the Full Bench of Central Administrative Tribunal, Bangalore in the case of C.S. Elias Ahmed and others v. UOI & others (O.A. Nos. 451 and 541 of 1991), wherein it was held that the entire class of employees who are similarly situated are required to be given the benefit of the decision whether or not they were parties to the original writ. Incidentally, this principle has been upheld by the Supreme Court in this case as well as in numerous other judgments like G.C. Ghosh v. UOI, [(1992) 19 ATC 94 (SC)], dated 20-7-1998; K.I. Shepherd etc. **Accordingly, we recommend that decisions taken in one specific case either by the judiciary or the Govt. should be applied to all other identical cases without forcing the other employees**

to approach the court of law for an identical remedy or relief. We clarify that this decision will apply only in cases where a principle or common issue of general nature applicable to a group or category of Government employees is concerned and not to matters relating to a specific grievance or anomaly of an individual employee.

Contrary to above, all the Legal Advisors or Standing Councils of the Establishment/Department/Ministry find that almost each and every case fit for appeal in the service matters and the concerned authorities comply the advice which creates a lot of financial burden on the Department as well as on employee and diverts the attention of departmental authorities and litigant employee from their/his regular work. This must be avoided by imposing heavy penalty upon the Legal Advisors or Standing Councils if the case is defeated in Appellate Forum.

- ii) **Extension of Social Security and Welfare by review and removal of 5% limit for making Compassionate Appointment:-** The appointment on compassionate ground is an exception to the equality clause under Article 14 and if an employee dies while in service then according to rule framed by the Central Government or the State Government to appoint one of the dependants shall not be violative of Articles 14 and 16 of the Constitution because it is to mitigate the hardship due to the death of the bread earner of the family and sudden misery faced by the members of the family of such employee who had served the Central Government or the State Government. Hon'ble Supreme Court of India has held that while framing any rule in respect of appointment on compassionate ground the authorities have to be conscious of the fact that this right which is being extended to the citizen under Articles 14 and 16 of the Constitution. As such there should be a proper check and balance. Further, though the compassionate appointment is the exclusive domain of the State which extends it to a family member of the deceased Government Servant to come out of the penurious situation and the crippling crisis that had arisen due to the sudden demise of the employee, the exercise to make such appointments is not routine in all cases and only in exceptional cases where the situation is such that grant of appointment is absolutely warranted, as otherwise, the family would sink down and collapse due to penury.

The Apex Court held that the very concept of giving a compassionate appointment is to tide over the financial difficulties that are faced by the family of the deceased. It has been held by the Hon'ble Supreme Court in the case of Umesh Kumar Nagpal vs. State of Haryana and others reported in (1994) 4 SCC 138, which read as under:-

“2. The question relates to the considerations which should guide while giving appointment in public services on compassionate ground. It appears that there has been a good deal of obfuscation on the issue. As a rule, appointments in the public services should be made strictly on the

basis of open invitation of applications and merit. No other mode of appointment or any other consideration is permissible. Neither the Governments nor the public authorities are at liberty to follow any other procedure or relax the qualifications laid down by the rules for the post. However, to this general rule which is to be followed strictly in every case, there are some exceptions carved out in the interests of justice and to meet certain contingencies. One such exception is in favour of the dependants of an employee dying in harness and leaving his family in penury and without any means of livelihood. In such cases, out of pure humanitarian consideration taking into consideration the fact that unless some source of livelihood is provided, the family would not be able to make both ends meet, a provision is made in the rules to provide gainful employment to one of the dependants of the deceased who may be eligible for such employment. The whole object of granting compassionate employment is thus to enable the family to tide over the sudden crisis. The object is not to give a member of such family a post much less a post for post held by the deceased. What is further, mere death of an employee in harness does not entitle his family to such sources of livelihood. The Government or the public authority concerned has to examine the financial condition of the family of deceased, and it is only if it is satisfied, that but for the provision of employment, the family will not be able to meet the crisis that a job is to be offered to the eligible member of the family. The posts in classes III or IV are the lowest posts in non-manual and manual categories and hence they alone can be offered on compassionate grounds, the object being to relieve the family, of the financial destitution and to help it get over the emergency. The provision of employment in such lowest posts by making an exception to the rule is justifiable and valid since it is not discriminatory. The favourable treatment given to such dependant of the deceased employee in such posts has a rational nexus with the object sought to be achieved, viz., relief against destitution. No other posts are expected or required to be given by the public authorities for the purpose. It must be remembered in this connection that as against the destitute family of the deceased there are millions of other families which are equally, if not more destitute. The exception to the rule made in favour of the family of the deceased employees is in consideration of the services rendered by him and the legitimate expectations, and the change in the status and affairs, of the family engendered by the erstwhile employment which is suddenly upturned.”

In such circumstances, the restriction imposed vide DoP&T O.M. No. 14014/6/95-Estt.(D), dated 26.09.1995 which states that it has been decided that compassionate appointments can be made up to a maximum of 5% of vacancies falling under direct recruitment quota in any Group ‘C’ or ‘D’ post

should be reviewed and removed and the concerned authorities should be empowered to give compassionate appointment to the wards of the deceased employee considering his/her financial conditions and other liabilities.

iii) **Protection of Whistleblowers:-** Hon'ble Supreme Court of India has held in landmark judgment in respect of whistleblowers, which as under:-

“Here it should be kept in the mind that there is a growing acceptance of the phenomenon of whistleblower. A whistleblower is a person who raises a concern about the wrong doing occurring in an organization or body of people. Usually this person would be from that same organization. The revealed misconduct may be classified in many ways; for example, a violation of a law, rule, regulation and/or a direct threat to public interest, such as fraud, health/safety violations and corruption. Whistleblowers may make their allegations internally (for example, to other people within the accused organization) or externally (to regulators, law enforcement agencies, to the media or to groups concerned with issues). Most whistleblowers are internal whistleblowers, who report misconduct on a fellow employee or a superior within their organization. One of the most interesting questions with respect to internal whistleblowers is why and under what circumstances people will either act on the spot to stop illegal and otherwise unacceptable behavior or report it. There is some reason to believe that people are more likely to take action with respect to unacceptable behavior, within an organization, if there are complaint systems that offer not just options dictated by the planning and controlling organization, but a choice of options for individuals, including an option that offers near absolute confidentiality.”

Hence, whistleblowers in Central Government should also be protected.

- iv) Probable date of completion (PDC) on the pattern of citizen charters should be fixed for resolving the issues, for movement of file/paper from desk to desk/section in respect of issues raised by JCM/Federations and latest position should be updated in website.
- v) A permanent cell of empowered officers from Min of Defence, Finance, Law, Labour, DoPT etc. should be constituted in MoD so that the Cadre Review & Recruitment Rules of Group 'B', 'C' & 'MTS' may be revised within a year of implementation of recommendations of CPC and if the same is not done within stipulated period then stern action must be taken against the responsible officers.
- vi) Minimum benefit under Central Government Employees Group Insurance Scheme should be enhanced to Rs. 10.00 lakh
- vii) **Defence Establishments should be exempted from Observance of Austerity Measures imposed by the Ministry of Finance:** Considering the Border situation, neighbours relations and International Marketing strategies in defence equipments our country must be self reliance in defence preparedness and all Defence Establishments including Indian Ordnance & Ordnance Equipment Factories are vital to achieve the above objective but

there are deficiencies in the manpower of Industrial & Non-Industrial Cadre and being a production department ample manpower is must so that weapons, ammunitions & equipments may be supplied qualitatively, quantitatively in due time. Hence, being a war insurance entity, all Defence Establishments should be exempted from ban on recruitment.

- viii) **Strengthening of JCM Forums:** A scheme for joint consultation with the organizations of Government servants on the pattern of the Whitely Machinery in the U.K. was recommended by the 2nd Pay Commission (1959). It was introduced in 1966 in India. It covers 95% of the regular civil employees of the Central Government including Industrial Employees working in departmentally run undertakings like the Railways and the Workshops/Production Units of various Ministries with the objective of promoting harmonious relations and securing the greatest measure of cooperation between the Government, in its capacity as employer, and the general body of its employees in matters of common concern and increasing the efficiency of the public service. Non-conduction of regular meetings, non-implementation of Arbitration Awards without approval of both Houses of Parliament is some of the major challenges. If these constraints are removed, the JCM forum may resolve various issues in time which will reduce the litigations on service matters and that will have the cascading effect upon the functioning of Government machinery.
- ix) Central Civil Services (Conduct) Rules, 1964 states that Rules 4, 6, 7, 12, 14, sub-rule (3) of Rule 15, Rule 16, sub-rules (1), (2) and (3) of Rule 18, Rule 19, 20 and 21 shall not apply to any Government Servant who draws a pay which does not exceed Rs. 500 per mensem and holds a non-gazetted post in various establishments. This monetary limit of Rs. 500 per mensem has never been revised since 1964. If this monetary limit is correlated to the revised pay of 7th CPC, conduct rule will relax the employees and reduce the supervisor's burden in the following matters;-
- a) Employment of near relatives of Government servants in companies or firms (Rule-4);
 - b) Joining of associations by Government servants (Rule 6);
 - c) Demonstration and strikes (Rule 7);
 - d) Subscriptions (Rule 12);
 - e) Public demonstrations in honour of Government Servants (Rule 14);
 - f) Private trade and employment (Rule 15);
 - g) Investment, lending and borrowing (Rule 16);
 - h) Movable , immovable and valuable property (Rule 18);
 - i) Vindication of acts and character of Government servant (Rule 19);
 - j) Canvassing of non-official or other outside influence (Rule 20) &
 - k) Restriction regarding marriage (Rule 21)

12. TRAINING / BUILDING COMPETANCE

12.1 How would you interpret the concept of “competency based framework”?

Answer 12.1:- What we interpret “competency based framework” is the delivery of certain work in certain fixed time. So also for increase the faith in Govt. agencies to their users, procedures needs to be redefined.

12.2 One of the terms of reference suggests that the Commission recommend appropriate training and capacity building through a competency based framework.

- a) Is the present level of training at various stages of a person’s career considered adequate? Are there gaps that need to be filled, and if so, where?
- b) Should it be made compulsory that each civil service officer should in his career span acquire a professional qualification? If so, can the nature of the study, time intervals and the Institution(s) whose qualification are acceptable, all be stipulated?
- c) What other indicators can best measure training and capacity building for personnel in your organization? Please suggest ways through which capacity building can be further strengthened?

Answer 12.2:- Every Govt. department have separate work and therefore designing appropriate training for betterment of the department is the job of that particular department through HRD.

- a) As said earlier training is required at various stages of a person’s career. Even whenever the status of Govt. employees is changed he should be made aware of the additional responsibility through training.
- b) Acquiring professional qualification by the civil service officers will be in the interest of society at large. However, it may not be made compulsory but depending upon the posting of civil service officer at a particular place where professional knowledge is essential, it would be better to give him proper opportunity to acquire professional qualification.
- c) As submitted earlier we are of the view that training designing is the job of that particular organization. We reiterate that training is required to be given to each and every stage of individual’s career. However the training for industrial worker has become essential for better output by him on machines. Further training should be designed in such a way that input of every field is given to the individual.

13. OUTSOURCING

13.1 What has been the experience of outsourcing at various levels of Government and is there a case for streamlining it?

Answer 13.1:- We are not in favour of outsourcing at various level of Govt. There is no accountability of such outsourced work or the agency.

13.1 Is there a clear identification of jobs that can be outsourced?

Answer 13.2:- There cannot be clear identification of jobs that can be outsourced. There are so many perennial jobs which are being outsourced in the Govt. department, we strongly oppose for such outsourcing of perennial jobs.

14 REGULATORY BODIES

14.1 Kindly list out the Regulators set up under Acts of Parliament, related to your Ministry/ Department. The total number of personnel on rolls (Chairperson and members + support personnel) may be indicated.

14.2 Regulators that may not qualify in terms of being set up under Acts of Parliament but perform regulatory functions may also be listed. The scale of pay for Chairperson /Members and other personnel of such bodies may be indicated.

14.3 Across the Government there are a host of Regulatory bodies set up for various purposes. What are your suggestions regarding emoluments structure for Regulatory bodies?

Answer 14.1 to 14.3:- No comments.

15 PAYMENT OF BONUS

Que:- One of the terms of reference of the 7th Pay Commission is to examine the existing schemes of payment of bonus. What are your suggestions and observations in this regard?

Answer:- We consider payment of Bonus as a deferred wage. The existing system of payment of Bonus is defective. Every Govt. servant is not covered in that. Further the calculation of Bonus is made considering the basic pay of Rs. 3500/- in most departments or ex-gratia payment. We suggest that all Govt. servants be brought under the umbrella of payment of Bonus irrespective of his rank and it should be calculated on the basis of actual monthly wages.