

# CONFEDERATION OF CENTRAL GOVERNMENT GAZETTED OFFICERS' ORGANIZATIONS

Convenor: S.Mohan

Mobile:09445040751

Secretary General of All India Audit and Accounts Officers Association, Door No  
7, First Street, V.V.Colony, Adambakkam ,Chennai - 600088.

---

## 7th 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.

Any Commission which considers the question of emoluments for employees/workers should first be inspired by the implication flowing from the amendment to the preamble of our Constitution where-by the words "socialist & secular" were prefixed to the word "Republic", as also the Directive Principles of State Policy enshrined in Article 43 i.e. the State should endeavour to secure living wage for its employees/Officers/workers.

Wage structure in civil service is to be determined on the basis of the computation of the minimum wage, fair comparison of wages elsewhere etc. The living wage, which is guaranteed by the Constitution, has not been defined. The 15<sup>th</sup> Indian Labour Conference held in 1957 brought in the concept of "Need Based Minimum wage" on the basis of Dr. Aykroid formula. The need based minimum wage is required to be provided for an unskilled worker whenever one is employed. The definition underwent minor changes, when the Supreme Court revised the norms later. Presently there is no unskilled regular employees' cadre in Government of India services. The Commission is required to first determine the need based minimum wage as per the Dr. Aykroid formula and make necessary adjustment to determine the wages of MTS which is the lowest category in Government of India services.

Group C is a skilled worker. MTS is the lowest category of Group C. The 6<sup>th</sup> CPC evolved the MTS by amalgamating some of the unskilled, semi-skilled and skilled functions without any scientific basis or logic. From the standpoint of the stipulation in the recruitment rules, eligibility criteria etc, MTS deserves to be categorized as a skilled worker.

The co-relation of the wages of the unskilled and skilled worker at the lowest grade had always been of the order of 130% for the skilled worker. The minimum of the pay of the MTS has therefore to be determined at 130% of the need based minimum wage of the Unskilled. Unskilled workers engaged in hazardous activities like

scavenging, maintenance of rail track, in Laboratories, Hospitals etc may also be granted wages of skilled workers

4<sup>th</sup> CPC had determined the ratio between minimum & maximum of salary to be 10.7 (Chapter 41 & 43) 5<sup>th</sup> CPC maintained it to be 10.97 (Appendix 'I' summary of recommendations Para 19) So far as maximum salary is concerned the 6<sup>th</sup> Central pay commission was of the view that minimum and maximum ratio salary in the vicinity of 1: 12 would be justified. After implementation of 6<sup>th</sup> CPC this ratio stand raised to 1: 12.85 both for salaried employees & Pensioners which is much more than even the advanced capitalist countries like America & Britain. This negative and socially regressive decision of the 6<sup>th</sup> Central Pay Commission has resulted in worsening wealth and income inequality not only between pre-and post-2006 retirees, but even within pre-2006 retirees.

However, the earlier Pay Commissions had adopted a ratio of 1:10. Since the minimum wage in the Central Government sector is no more related to an unskilled worker, this ratio must be proportionately changed to 1:8. If one is to take into account the fact that the Pay of Cabinet secretary, being the topmost Civil Servant is excluded by the 6<sup>th</sup> CPC, the ratio in reality between the minimum and maximum will be more than 1:9. Therefore, so far as maximum salary in the case of a Secretary level officer is concerned the reasonable ratio between minimum and maximum salary may be taken as 1:8 and salary of Secretary level officer may be fixed by multiplying the minimum wage by a factor of 8.

## 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?

Salary for various levels of functions falling between the highest level and the lowest level functionaries should be determined by applying the existing vertical and horizontal relativities which have been evolved over a time through various Pay Commissions. The wages given in Private / Public sector undertakings to functionaries having similar job profiles as obtaining in Government Sector could also be considered for this purpose.

Another factor which should be taken into account is in respect of special functionaries like Doctors, Engineers, Scientists and other technocrats like Accountants/Auditors who normally prefer to work in the Private Sector and therefore either do not offer themselves for Government service or tend to leave it and go over to the Private Sector. Instead of giving them the salary structure of Group A administrative post they should be granted higher wages and perquisite as are obtaining in the Private sector.

The pay scales are not uniform in the Group B Gazetted category across all the departments. We are of the opinion that categorising the officers as Group A and Group B Gazetted should be abandoned as there is a need for only two categories in the Central Government, viz. Gazetted Officer and Non Gazetted Staff.

Alternatively, every Group B Officer should be upgraded to Group A status after a minimum residency period of 3 years. There is an immediate need to fix a decent pay for the Group B Gazetted Officers. In view of the lack of uniformity in the pay scales of Group B Gazetted Officers it is imperative that uniform and distinct Scales are prescribed

## 2. Comparisons

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?

There should be no comparison/parity between pay scales and perquisites between Government and the private sector for their functions and objectives are incomparable. While the private sector is motivated by the concept of maximization of profit, the requirement of service to public without any fear or favor is the cardinal principle of governance. A civil servant is supposed to possess the qualities of being fearless but appreciative of inherent individual difficulties, non discriminatory between one citizen and the other; sense of equality; adherence to the rules and regulations etc.

However a "fair comparison with outside wages" is a principle which has been adopted world over for determination of wages of Civil (Government) servants and therefore at least at the level of unskilled work, the average minimum wage obtaining in selected Private/Public sector undertakings is a must subject to the condition that it should not be less than the Need Based Minimum wage determined and quantified on the basis of norms adopted by the 15 ILC.

So far as perquisites are concerned no comparison with those obtaining in Private sector is possible except in the case of House Rent/Travelling Allowances because of following facts:

(A)The Central Government employees are more responsible and accountable than private services. (B) The Scientific & Technical services and other of the Central Government services much more advanced and have more technical knowledge than private counterparts. (C)The motto of the various Government agencies such as Railways, Postal, Agriculture, Water, Research Departments etc. is "service" to the public. Government is a model employer; hence the wages should be paid as per requirement not considering profit. (D) At Gazetted Group "B" and promote cadre level the salaries of the Government are lower than Private sector. (E)Many of the allowances are net of taxes whereas in Central Government allowances are taxed.

2.2 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?

Yes. Public Sector employees and Officers and the Government employees and Officer are more or less perform the same functions and are required to have similar perception and objective

2.3 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?

The concept of performance related pay structure was actually imported by the 6<sup>th</sup> CPC through the Pay Band and Grade Pay system. In the absence of an objective measurement criterion to evaluate the performance of individual officials and groups, the innovation was flawed right at the outset. The 6<sup>th</sup> CPC failed to recognize the fact that in Governmental set up, segmentation of functions into tiny units is next to impossible. In order to make the concept workable, the organization must be capable of finalizing clear cut targets both at the individual and group levels. This being difficult in most of the Governmental organizations, it is not desirable either to continue with the existing system or import or replicate what is done in the Public Sector Undertakings. In most of the Government functions the contribution of any single individual cannot be measured and consequently no acceptable parameters to measure an individual's performance can be devised. It is also pertinent to point out that most of the west European countries, which adopted the Performance pay related scheme in civil service in the hay-days of Thatcher-Reagan era subsequently discarded it as infeasible.

### **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?

Generally the pay package in Government service at all levels is low compared to the exorbitant pay packets provided by some of the Transnational Corporation in the private Sector. This has no doubt a deleterious impact on the quality of personnel recruited to Civil service, especially at lower levels. Since the Group A Service officers in Civil Service enjoy enormous power, perks and privileges and an incomparable job security it has continued to attract talents. As mentioned elsewhere, while parity with the pay and perquisites with the private sector is neither desirable nor feasible, the Commission must ensure that the widening gap in this regard is taken into account as an important factor to be addressed. The element of statutory Pension is one very important and significant factor attracting persons for Government service. Therefore, the NPS and PFRDA Act need to be scrapped and statutory pension as a service condition may be restored.

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

Government may be required to requisition the service of personnel with special talents like Doctors, Engineers, Scientists & other technocrats like Auditor for

specific functional jobs. The Government must draw out a plan to recruit them for a higher compensation outside the realm of the All India services or organized Group A services. The Commission may evolve a scheme for the recruitment and retention of technocrats with better pay scales, better promotional avenues and higher incentives, higher allowances and tax free allowances, introduction of pension scheme for all, the persons with higher qualification should be provided with additional increments.

#### **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?**

The Pay Band and Grade Pay system evolved by the 6<sup>th</sup> CPC in implementation of the concept of performance related pay structure in civil service, in our opinion, brought about a chaotic pay structure. It did not serve the requisite purpose.

It is not out of the way to add here that the Government, departments have not come forward to address the issues related to anomaly in the case of Gazetted Group 'B' Officers. The issue is aggravated by the fact that the 6<sup>th</sup> CPC had provided three Grade Pay to Group B Gazetted officers rendering it impossible for getting any leverage in rectifying the anomalies. The Group B Gazetted officers have thus been led to suffer injustices by the 6<sup>th</sup> CPC. The Central Government also has not provided the Group B Gazetted officer any forum to voice their grievances.

**4.2 Is there any need to bring about any change?**

Yes. This has to be changed.

There is a need to revert to Time Scale pattern of wage structure abandoning the Pay Band Grade Pay Structure, The time scale of pay should have a minimum pay band and annual increment @ 5% of basic pay as in the Banking industry but without any maximum so that it is a running pay scale. This will eliminate the phenomena of stagnation.

The promotion to Group "B" should be uniform in all departments. There should not be differential treatment between central Secretariat Grade pay and other departments. The concept of subordinate department should be abandoned with.

All Gazetted Group B Officers should start with same time scale. For all Supervisors cadre there should a uniform policy as supervisory cadre should have uniform pay scale. At present they have different pay scales in different departments.

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

There is no evidence that the pay bands of the 6<sup>th</sup> CPC achieved this.

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?

It must be noted that the successive Pay commissions had reduced the pay scales only at the Group B, and C levels. There is still scope to have further exercise in this direction except where clear overlapping exists.

4.5 Is the “grade pay” concept working? If not, what are your alternative suggestions?

It is not working and must be replaced with the pay scale structure

The Grade Pay has been provided by the VI CPC to purportedly serve as a fitment benefit. The fitment benefit is the difference between existing pay and the revised pay and is expressed in terms of certain percentage of pre revised pay. Sum of existing emoluments and the fitment benefit would be the revised pay in the revised structure. As for example the pre-revised basic minimum pay of Rs 750/- had been revised to Rs 2400/- by V CPC. The minimum emolument as on 1.1.1996 was Rs 750/- + 148% DA + Rs 100/- + 2<sup>nd</sup> IT amounting to Rs 2075 and therefore 50% of Rs 750/- was demanded as fitment benefit which when added to 2075 would result in Revised minimum wage of Rs 2400/-. As a result of negotiation 40% of pre-revised basic pay was granted as fitment benefit. The Grade Pay which is 40% of pre-revised maximum has in no way brought the wages to the level of the revised wage as no such revised wage structure had at all been recommended by the VI CPC. The Grade Pay cannot therefore be termed as fitment benefit and the purpose for which it had been devised is not specified by the VI CPC. This concept of Grade Pay has therefore not served any purpose and it is certainly not a fitment benefit. At best is adhoc increase which has been allowed over the existing basic pay and DA as on 1.1.2006. This increase has also been subsumed as result of lower rate of DA and at present the existing Pay (Pay Band + Grade Pay) plus DA is lower than the pre-revised Pay + DA as would be admissible in terms of V CPC recommendations. That is why the employees have demanded fresh revision of wages through VII CPC.

The grade pay which was considered to determine the hierarchy structure has failed in this regard also. The MACP Schemes permit higher Grade pay without actual assent in the hierarchy. Thus the concept of Grade pay does not work and has not served any purpose.

## 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?

No. In fact the single date increment system has brought in anomalies, which were discussed at length at the National Anomaly Committee, though no solution was found. In our Opinion, the commission must recommend, for administrative expediency, two specific dates as increment dates. Viz. 1st January and 1st July. Those recruited/appointed/promoted during the period between 1<sup>st</sup> Jan and 30<sup>th</sup> June, will have their increment date on 1<sup>st</sup> January and those recruited/appointed/promoted between 1st July and 31<sup>st</sup> December will have it on 1st July next. This apart the commission is required to specifically recommend that those who retire on 30<sup>th</sup> June or 31<sup>st</sup> December are granted one increment on the last day of their service.

5.2 What should be the reasonable quantum of annual increment?

The reasonable quantum of increment should not be less than 5% of the basic pay or the rate of increment agreed upon through bilateral discussion in the Banking industry whichever is higher.

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?

In the absence of a definition for the term “high achiever” and in the absence of transparent and objective parameters to assess high achievement the system of variable increments at a rate higher than normal annual increments can possibly be misused on subjective assessment of high achievements in respect of person who are favourites of Authority vested with the authority to grant increment at the rate higher than the normal increment. Presently, the magnitude of higher achievements is being judged based on the strength of APR which itself suffers from personal bias of the reporting/reviewing officers. For these reasons the provision of variable increment may not be prescribed. Further the Officers and Staff in the Central Government implement the Schemes of the Government. The implementation involves many and varied teams working for a common objective. Most of the time the individual functions and authority varies with reference to many factors. It will therefore be impossible to exactly define and individual achievement and to prescribe flawless parameters for such measurement.

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?

The most of the Central Government Employees are deprived of the regular promotions. They may hardly get one or two promotions in entire service of 33 years, even in some cases they are posted from one State to another State disturbing their family life.

The present MACP scheme which was introduced from the year 2008, which assures three promotions, but falls short of the aspirations of Central Government Employees. The MACP, introduced by the Government in replacement of the ACP Scheme already in vogue has not been applicable to Gazetted Group B Officers considering the direct recruitment point as an entry point for the departmental promotee Officers. It is our submission that such a scheme must be devised for Group B Gazetted Officers also in the event of not upgrading them to Group A on completion of residency period as already mentioned elsewhere. In such an event they should be granted at least five up gradations under the scheme.

In our view the scheme *per se* cannot be viewed as acting as disincentive for taking more arduous route of qualifying in departmental examinations. No financial benefit accrues to a person who is promoted through the arduous route of examination or acquisition of professional qualification, when such promoted follows the financial upgradation under MACP Scheme. This has to be rectified by evolving a distinctly different financial benefit scheme on grant of actual regular promotion.

The Government has introduced Flexible complementary scheme for scientific officers of various departments. The Sixth Central Pay Commission (6th CPC) has examined these schemes in detail and observed that various time-bound promotion schemes may be necessary for scientific organizations **as the morale of the scientists has to be kept high in order to keep them motivated and to stop the flight of talent from Government organizations involved in research and scientific activities.** In this context, the 6th CPC has recommended that the existing scheme of FCS with necessary modifications has to be continued for R&D professionals in all SBT organizations, and the merit based promotion scheme in the Departments of Atomic Energy, Space and DRDO would also need to be persisted with. This scheme is extended to many other departments such as GSI, CGWB etc. **These schemes are only for scientists, whereas Gazetted Group B Officers in these departments and other Central Government departments are deprived of such FCS promotions.**

The scientific officers are having promotions every three or four or five years by this they get five promotions or more are so, which other Government servants get promotions every 10 years that too in next grade pay.

**Hence suitable promotion schemes should be introduced to Gazetted Group B Officers in Central Government services with hierarchal grade pay should be given rather than next grade pay. This plea has the support of Judicial pronouncements namely; The Principal CAT [OA 904/2012 dt. 26-11-2012], Delhi**



and the Punjab & Haryana High Court [CWP No. 19387 of 2011 (O&M) Date of Decision: 19.10.2011] have held that MACP is to be granted on promotional hierarchy and not on next higher Grade Pay as per the 6th Pay Commission Recommendation. The SLP filed by Union of India against the P&H decision was dismissed by the Supreme Court [CC 7467/2013].

## **6. Performance**

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

We are against a system of incentives to reward good performance as this would only encourage favoritism and nepotism.

## **7. Impact on other organizations**

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?

We submit that the capacity of a Government to pay need not be gauged only from the available resources without reckoning its potential to raise resources. Wages cannot be determined on the single factor of capacity of the employer to pay. It may be noted that there are various State Governments in the country which pay better pay packets, perquisites and allowances to its employees than what is provided to the Central Government employees. Panchayati Raj institution, Municipalities, normally follow the salary structure of the respective State Governments. It is also submitted that various State Governments do revise the wages of their employees once in five years. In any case the incapacity of an employer to pay alone cannot be a justification to deny the minimum wage to workers and the salary structure. Such capacity cannot be an excuse for denial of fair wages existing in the society which is evolved as a product of collective bargaining of the workers. This does not however mean that the Commission must totally ignore the capacity of Government to bear the burden of additional financial outflow on account of wage revision.

## **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?

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.

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?

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

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

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?

## **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?

The existing allowances need to be retained. They are at a realistic level having been evolved by successive Pay Commission over detailed deliberations. The present Travelling Allowances and Daily allowance need to be enhanced to ensure that the element of cost of accommodation, cost of food expenses and cost of local travelling expenses are realistic and do not put the Government Servant to a loss. These in our opinion, should be treated as entitlements and not as 'reimbursement of expenses based on production of bills.

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

The basis of cost of living index and should be taken into account and determined the A-I cities should be paid higher HRA than A class cities.

The IIIrd CPC had recommended that Government should lay down appropriate HRA rates in different cities and town based not on population criteria, but on an actual assessment of prevailing level of rent in different cities and Towns. Alternatively, certain notional rents for different types of accommodation meant for officers and personnel of specified pay groups should be laid down for particular cities after studying the actual market rent in that city. The house rent allowance will have to be the actual rent payable by an employee in a particular location as reduced by 10% of basic pay being the amount factored in the computation of minimum wage.

## **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?

We are of the considered opinion that the new pension scheme which came into existence for the employees recruited after 1.1.2004 must be scrapped. The old statutory pension scheme as was in vogue prior to 1.1.2004 must be made applicable to all Government employees irrespective of the date of their entry into Government service.

Since this New Pension Scheme has been introduced with effect from 01.01.2004, it will come into operation only after 30 years in year 2034 or so when present new entrants retire and get pension from annuities purchased from 40% of total accumulated pension fund. It cannot, therefore, be said now whether the Pension would be more than the Statutory Pension i.e. 50% of last Pay drawn or less than that. However at present those who entered service on or after 01.01.2004 but have retired or died are getting pension or family pension as the case may be as per CCS (Pension) Rules 1965.

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?

The concept of modified parity introduced by the 5<sup>th</sup> CPC as a measure to reduce the financial implication must be replaced with the full parity concept as was applicable for the personnel retired prior to 1.1.1986. In other words, the pay of every retired person must be re-determined notionally as if he is not retired and then his pension to be computed under the revised rules. This alone will protect the real value of pension of a retired person.

5<sup>th</sup> CPC in their Para 127.6 has observed, "It needs to be averred emphatically that pension is not in the nature of alms being doled out to beggars. Senior Citizens (Retired Government employees) need to be treated with dignity & courtesy befitting their age. Pension is their statutory, inalienable, enforceable right & it has been earned by the sweat of their brow" Hon'ble Supreme Court, in its landmark Judge Constitutional Bench judgement dated 17.12.1982 in the case of DS. Nakara Vs Union of India ruled -

"A Pension scheme consistent with available resources must provide (adequate pension) so that the Pensioner would be able to live

**i)** free from want, with decency, independence and self respect and

**ii)** At a standard equivalent at pre-retirement level.

**iii)** Pensioners from payment of pension form a homogenous class. Different formulae affording unequal treatment cannot be adopted to compute their pension solely on the ground that some retired earlier and some retired later.

In another Constitution Bench Supreme Court judgement in consumer Education & Research Centre Vs UOI (AIR 1995 Supreme Court 922) it was held that the enjoyment of the highest attainable standard of health as a fundamental right of all workers in terms of Article 21 read with Article 39(c), 41, 43, 48A etc of the constitution and this right to health is an integral fact of meaningful right to life. Therefore right to medical aid to protect health and vigour of a worker while in service or post retirement is a fundamental right to make their life meaningful and purposeful with dignity of the person.

Accordingly we suggest -

**I)** Bring down the Ratio between maximum and minimum pension to 10:1 ensuring complete equality by adopting uniformly common multiplication factor for revision of pension.

**ii)** Just as Gratuity is computed on Pay + DA, Pension should also be computed on Pay + DA and it should not be less than 65% and family pension 45% of last emolument (Pay + DA). This was recommended by Tata Economic Consultancy Services (vide Para 127.9 Vol.III of 5<sup>th</sup> CPC report).

**iii)** Grant 5% upward enhancement in pension every 5 years after the age of 60 years and upto 80 years and thereafter as per existing dispensation.

**iv)** Pension should be net of Income Tax (vide Para 167.11 V CPC Report Vol.III).

**v)** Automatic Merger of Dearness Relief with pension whenever it goes beyond 50% (as recommended by 5 CPC).

**vi)** Restoration of commuted value of pension after 12 years.

**vii)** Benefit of full pension after 20 years of service may also be extended to pre 2006 retirees.

**viii)** Medical facilities, hospitalisation facilities need to be extended to all Pensioners from all Department (including Postal Pensioners) and their dependents for cashless medical facilities across the country in all Government hospitals, all NABH accredited Multi Super Specialty Hospitals.

**ix)** Hospital Regulatory Authority should be set up to ensure that the hospitals provide reasonable care to smart card holders CGHS Rates may be revised keeping in view the market conditions.

**x)** Fixed Medical Allowance should be Rs.2000/- and as in the case of Transport Allowance D.R. should be granted on this FMA as well and it should be exempted from Income Tax.

**xi)** The Parity in Pension between existing and future pensioners should be ensured as recommended by V<sup>th</sup> CPC.

**xii)** SCOVA may be upgraded to function as a National Council of JCM/National Anomaly Committee.

**xii)** New Pension Scheme & PFRDA Act may be scrapped and employees entering service on or after 01.01.04 may be covered under statutory Pension Scheme i.e. CCS (Pension) Rules 1965 as amended from time to time.

**xiii)** Settle all the anomalies which had arisen on implementation of 6 CPC recommendations.

xiv) To enable the pensioners to live a dignified and decent life they need to be compensated for house rent/house maintenance. An element of House rent allowance may be added to pension.

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?

Our experience has been good. We suggest more up gradation with adequate training.

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

Whatever rationalization effected so far by the Government had been unscientific and arbitrary like the one issued in 2001 and which was kept operative till 2009. The said exercise only reduced the staff strength drastically. It, in effect, made most of the departments of the Govt. of India either non functional or dysfunctional. In our considered opinion, the 7<sup>th</sup> CPC must recommend to the Government to set up a Committee in each department with experts from outside the organization, the officials from within the organization and representative of the Unions of the respective departments to study the functional changes over the years, the new challenges and the best way to meet those challenges, means of reduction in paper work, public satisfaction and economy in expenditure and make suggestions to the Government for their acceptance and implementation.

The process of work in the Government is subject to many more rules than in the private or public sector organisations. In complying with them more paper work is inevitable. The present RTI act is also making Central Government employee more accountable. Hence reduction of paper work has to be attempted scientifically to ensure relevance and other needs.

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 Second Pay Commission (1959). The Scheme has been introduced in 1966 with the object of

promoting harmonious relations and of securing the greatest measure of cooperation between the Government, in its capacity as employer, and its employees in matters of common concern, and with the object of increasing the efficiency of the public service. It broadly covers over 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. The Scheme is a voluntary one, and the Government as well as the Staff Associations/Unions participating in the Scheme are required to subscribe to a Declaration of Joint Intent which, inter alia, provides for abjuration of agitational methods by the Staff Unions/Associations for redressal of their grievances. The Scheme covers all regular civil employees of the Central Government, except: (A) the Class I services; (B) the Class II services, other than the Central Secretariat Services and the other comparable services in the headquarters organization of the Government; (C) the persons in industrial establishments employed mainly in managerial or administrative capacity, and those who being employed in supervisory capacity employees of the Union Territories; and (D) police personnel.

More than five decades have lapsed since then and the issues concerning the gazette officers, especially the middle-management cadres, continue to mount in the absence of similar "Grievance Redressal" machinery. The impact of such a gross neglect has been accelerating despite the advent of successive pay commissions and has almost reached a level that no more bearable.

The Central civil Group 'B' services are the second level of command structure among the broad categories of central civil services. Some of them are regular group 'B' services and others hold isolated posts in Group 'B' scales of pay. The recruitment to Group 'B' service is generally through a mixture of direct recruitment and promotions. There were no group 'B' services in the Government of India till the year 1930. Further the functions and responsibilities are not very distinct and the posts are interchangeable. Therefore there is a need for reexamination of distinction of Group A and Group B posts. It is our submission that the Gazetted posts can be restructured into four grades with automatic movement from one grade to another. The direct recruitment as well as recruitment through promotions to the Gazetted services should be in the same ratio in all the departments, without any restriction of age limit or 'merit'. Further in the Government Service, there should only two groups namely Gazetted & Non Gazetted. The Share for induction in the Gazetted cadre from Non Gazetted should be 80%. Further, the ratio should be based on the number of sanctioned posts and not on vacancy. Where the retention of Group B Gazetted cadre considered essential then the group B officer should be inducted into Group A cadre after a residency period of three years. This, in our considered opinion, will ensure adequate recognition for experience and will usher in good governance.

## **12. Training/ building competence**

### **12.1 How would you interpret the concept of "competency based framework"?**

No comments. This needs to be examined by the Administrative Reforms Commission and not the Pay Commission.

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?

In our opinion in- service training is the best course for skill development.

### **13. Outsourcing**

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

Outsourcing of Governmental functions per se is undesirable and must be stopped. The experience has been sheer duplication of work by existing regular employees

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

No. for reasons stated in reply to question No. 13.

### **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?

### **15. Payment of Bonus**

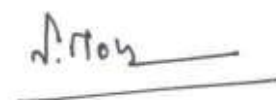
One of the terms of reference of the 7th Pay Commission is to examine the existing schemes of payment of bonus. What are your suggestions and observations in this regard?

The 7<sup>th</sup> CPC must make note of the recommendations in the matter of the 5<sup>th</sup> and 6<sup>th</sup> CPC & Bazle Karim Committee Report which are yet to be acted upon by the Government. The present system of Productivity linked bonus is the product of bilateral agreements and cannot be changed through unilateral decisions. What is needed is that the Government must issue necessary guidelines to enable all departments to enter into such bilateral agreements with their staff unions so that the adhoc bonus system presently in vogue in many departments is abolished. Until this is done the average (weighted) of existing Productivity Linked Bonus may substitute 30 days' adhoc bonus to employees not so far covered under scheme of Productivity Linked Bonus.

The Payment of Bonus Act, 1965 provides for the payment of bonus to persons employed in certain establishments, employing 20 or more persons, on the basis of profits or on the basis of production or productivity and matters connected therewith.

The minimum bonus of 8.33% is payable by every industry and establishment under section 10 of the Act. The maximum bonus including productivity linked bonus that can be paid in any accounting year shall not exceed 20% of the salary/wage of an employee under the section 31 A of the Act. In many private company's including IT and BT the bonus is paid as one month salary, whereas for Central Government employees it is Rs 3500/- per year. The Central Government employees/Officers irrespective whether they are Gazetted or Non - Gazetted should also be provided 8.33 % of total salary of the year (Basic pay + GP +DA) as Bonus.

There is no reason whatsoever, as to why this Gazetted Group B Officers are denied even this adhoc Bonus applicable to other employees working in the Central Government. Even though Bonus Act is said to have no application or relevance to the Productivity linked Bonus or adhoc bonus, the provisions of the said Act are employed to deny bonus to the Government Gazetted Officers on the basis of their emoluments. By artificially linking the restriction of emoluments stipulated by the Bonus Act, the Gazetted Officers are denied their legitimate entitlement to Bonus. It is, therefore, urged that the Bonus entitlement be considered for Gazetted Group 'B' Officers also.



**Convenor**