

**DAPWA's Memorandum to 7th CPC: Demanding One Rank One
Pension to All Civil Pensioner**

No.DAPWA/7thCPC/01

Dated : 24/5/2014

**Ms Meena Agarwal,
Secretary ,
Seventh Central Pay Commission
Post Box NO 4599,
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Subject: Memorandum – 7th Central Pay Commission.

Reference: **7th CPC Public Notice published in the newspaper, The Tribune Chandigarh on 4th May, 2014.**

Madam,

Defence Accounts Pensioners Welfare Association (Regd.) , in its capacity as one of the largest Pensioners Organization in this area, with over 300 Defence Accounts Department's Pensioners and Family Pensioners covering States of Punjab, Haryana, Himachal Pradesh & Chandigarh (UT) submits memorandum on matters concerning pension.

At the outset it is appropriate to mention that Hon'ble Supreme Court in its judgment in the case of D.S.Nakra on 17th Dec 1982 has very clearly defined that "Pension is neither a bounty nor a matter of grace depending upon the sweet will of the employer but Pension is a right". Since the element of pension depends upon the last basic salary & allowances drawn by an employee, DAPWA (Regd.) is therefore offering its viewpoints on matters relating to pension.

SALARIES.

The main consideration for fixing maximum & minimum Salary should be based on the principles of socialistic pattern of society ensuring equality and

social justice

& ideals of a welfare State. The State must act as a model employer and ensure decent remunerations to its employees and set an example of the best and efficient human resources management before the Private Sector in order to put an end to corruption by govt. servants and exploitation of employees by the Private Sector. The Sixth Central Pay Commission created inequality by adopting different multiplication factors for arriving at Pay Bands & Pay Scales. The ratio between minimum & maximum of Salary be brought down to 1: 9 thereby ensuring uniformly equal % rise in Salary of all employees by adopting a common multiplication factor. In accordance with the basic fiber of a Socialistic State, this ratio should have been reduced by successive Pay Commissions. The 6th CPC adopted conversion factor of 1.86 to arrive at the minimum of lowest pay band whereas it adopted a factor of 3.37 for arriving at the highest scale. This eroded the very basic concept of the Constitution of India concerning economic equality. We therefore demand the adoption of a ratio of 1:9 between minimum and maximum. This will rectify to some extent the injustice has been done so far.

Equal % rise in Salary of all employees should be the main consideration. It is therefore suggested that the highest salary be revised first by adding to existing salary the full DA+IR if any + 50% fitment benefit. The revised Salary so arrived should be reasonably equated with Private and Public sectors and further revised as per the existing scenario. The maximum salary as arrived at by the above formula be divided by 9 to arrive at the revised minimum salary. The factor so arrived at may be adopted as a common multiplication factor subject to the condition that the revised salary of any employee is in no case will be less than existing basic pay + full DA+IR if any + 50% fitment benefit.

PAY BANDS AND GRADE PAY

The system of Pay Bands and Grade Pay introduced by 6th CPC had a very discouraging effect and led to all out resentment amongst the employees in the Organised Accounts Cadre including the staff of the Defence Accounts Department especially at the level of Accounts Officer, Senior Accounts Officer and the promote ACDA in the cadre of IDAS after promotion from the post of Sr. AO to the post of ACDA. This is due to the fact that the 5 posts in the order of hierarchy in DAD as well as in IA&AD, right from the post of Sr. Auditor with MACP III to the post of ACDA in

the cadre of IDAS were granted the Common Rate of Grade Pay of Rs 5400/ in Defence Accounts Department as well as in IA&AD as shown here under;-

Name of the Post Class Group Grade Pay

a) Senior Auditor Granted MACP III

III

C

Rs 5400/-

b) AAO after MACP I

II

B

—do—

c) Accounts Officer

II

B

—do—

d) Senior Accounts Officer

II

B

—do—

e) ACDA in the cadre of IDAS after promotion from the post of Sr. AO

I

A

—do—

This created serious anomaly in the matter of Pay, Seniority and Status of the posts in the department. This also led to Court cases because this was against the very recommendations of the 6th CPC as mentioned in Para 2.2.13(vi) of its report that says that "the Seniority of the post will depend upon the Grade Pay drawn. This will invariably be more for a higher-level post. Pay scale will largely become irrelevant for the purpose of computing seniority". Further, Para 2.2.11 of the recommendations of the 6th CPC clearly says that "at the time of promotion from one post to another in the same running pay band the grade pay (being the fixed amount attached to each post in the hierarchy) will change. Grade Pay will determine the status of a post (apart from the two apex scales of Secretary/ equivalent and Cabinet Secretary/equivalent that do not carry any grade pay) a senior post being given higher grade pay. Grade Pay being progressively higher for successive higher posts, the employee on promotion will get monetary benefits on promotion in the form of increased grade Pay apart from the benefit of one additional increment."

The seniority and status of the senior posts in the order of hierarchy have been eroded by the ill logical and ill conceived action of grant of common Grade Pay of Rs 5400 to all these 5 posts thereby defeating the very concept of introduction of Grade Pay. Even after climbing 5 steps in the ladder of departmental hierarchy by way of hard-earned promotion on the basis of Seniority –Cum-Selection-Cum- Merit after passing departmental SAS examination the element of Grade Pay remains a constant factor and these 5 posts carry the same rate of Grade Pay of Rs 5400. The departmental recruitment Rules maintain a very clear vertical relativity of the posts and the cadre by placing SO (A)/AAO above the Auditors/ Sr.Auditors , AO/Sr. AO above the AAO/SO(A) and ACDA`s above the AOs/Sr. AOs. As a result of this anomaly vertical relativities between the posts from Sr. Auditor to ACDA have been disturbed. This anomaly is required to be set rectified right from 01.01.2006 by granting Grade Pay of Rs 6600 to the post of Senior AO and Grade Pay of Rs 7600/- to ACDA on promotion from the post of Sr. AO. In this connection our representation to Min of Finance submitted under memo no DAPWA-05/2013 dt. 14.06.2013 and OA No 34/HR/2012 against UOI titled Satpal Singh & Others Vs UOI and others and directions of CAT Bench Chandigarh issued vide judgment pronounced vide Order dt.

18.04.2013 is a testimony of our viewpoint that the grant of the same grade Pay to 5 posts have eroded the very basic concept of seniority and status.

Thus there is a great need to bring about drastic changes in order to maintain the status and seniority of the posts in the order of departmental hierarchy especially in the Defence Accounts Department, IA &AD and the Organised Accounts Cadre. Each post must carry a distinctive rate of Grade Pay, based upon the duties, responsibilities, seniority and status of the respective post. The higher the post the successive higher the grade Pay should be the criteria as recommended by the 6 th CPC which however got defeated by the grant of the common rate of Grade Pay to the 5 posts in the Defence Accounts department as well as in IA &AD. It is further suggested that there should be a separate Pay Band for Group B services in order to maintain the seniority and the status of these posts lest there is a fear of insubordination by the lower staff.

PENSION

A. WITHDRAWAL OF NEW PENSION SCHEME

It is strongly recommended that the New Pension Scheme for Govt. employees must be withdrawn because of the following reasons:

- (i) Pension of Govt. employees is a deferred wage and its absolute entitlement has been confirmed by Hon. Supreme Court while disposing of D.S.Nakara case as stated at the onset of this memo.
- (ii) This results in low carry home salary and affects the standard of living in the present scenario of high cost of living.
- (iii) There is no interest on 8.33% on govt. matching contribution to PF.
- (iv) Pension is a social security and cannot be subjected into Market risk.
- (v) It does not provide guaranteed Family Pension to dependents & disabled siblings, even in case of spouse & dependent parents where death of the employee occur in early years of service thus lacks adequate social security.

B. PARITY IN PENSION

In order to reduce the vast economic inequality, the ratio between maximum and minimum of Pension be brought down to 9:1 irrespective of pre- retirement status. A common multiplication factor for revision of Pension be adopted with a view to ensure that the revised Pension shall not in any case be less than 65% of the pay fixed in post revised scales & family Pension 50% of the Pay so fixed. The raising of the ratio between minimum & maximum pension was not justified as it has resulted into economic inequality. It is therefore requested that the pension of the top most post be divided by 9 to arrive at the minimum revised pension. The uniform multiplication factor so arrived at should be the criteria to arrive at the pension of other employees with the stipulation that Pension shall not in any case be less than 65% of the pay fixed in post revised scale & family Pension 50% of the Pay so fixed. We further request that there should be uniformity in the fitment benefit & revision formula to the working as well as retired employees.

C. ONE RANK ONE PENSION

Our Association is of the firm view that there should be no discrimination between the pensioners irrespective of the date of their retirement. The persons retired from same rank, same seniority & equal length of service should get equal pension irrespective of date of retirement. There should be full parity and justice must be equal for all otherwise it breeds contempt, discontentment, inefficiency and corruption. Vast economic inequality tantamounts to violation of Article 14 of the Constitution Govt. granted One Rank One Pension (OROP) to Armed forces, Judges granted it to themselves. Even the period of private practice of lawyer judges is counted towards qualifying service. Higher Bureaucracy got it through modified parity. All other Central Govt. Pensioners are definitely not the 2nd grade citizens! One Rank One Pension to all retirees is now a constitutional requirement to ensure economic equality and 7th CPC should take a lead to undo the injustice done so far to all Central Govt. pensioners.

D. DEARNESS RELIEF

We demand 100% neutralization with automatic merger of dearness relief with Pension whenever it goes to 50%: The Pension of Central Government Pensioners undergoes revision only once in 10 years during which period the pension structure

gets seriously dis-aligned; 50% increase in price takes place even in less than 5 years. This results in considerable erosion of the financial position of the pensioner. DR does not adequately take care of inflation at this level. Working employees are getting automatic relief by way of 25% increase in their allowances with every 50% rise in Dearness Allowance. As pensioners do not get any allowances therefore they feel discriminated against. In order to strike a balance we propose that DR be automatically merged with Pension whenever it goes to 50%.

E. ADDITIONAL OLD AGE PENSION :

There should be 5% upward enhancement in pension in every five years after the age of 65 years & up to the age of 80 years & thereafter as per existing dispensation. In the present scenario of climatic changes, excessive use of pesticides and rising pollution, old age disabilities/diseases set in by the time an employee retires go on manifesting very fast, needing additional finances to take care of these disabilities and diseases, especially as the cost of health care has gone very high.

F. EXEMPTION OF PENSION FROM INCOME TAX:

The purchasing capacity of pensioners gets reduced day by day due to continuously increasing inflation and steep rise in cost of living and medical expenses. Pensioner's ability to pay tax gets reduced from year to year after retirement due to ever-increasing expenditure on food, medicines and other incidentals. Inflation, for a pensioner is much more than any tax. It erodes the major part of the already inadequate pension. To enable pensioners, at the fag end of their lives, to live in minimum comfort and to cater for ever rising cost of living, they may be spared from paying Income Tax.

G. RESTORATION OF COMMUTED VALUE OF PENSION IN 12 YEARS:

The sixth Pay commission reduced Commutation value in respect of employee superannuating at the age of 60 after 01.01,2006. The employees have been put to disadvantage because of reduction of the commutation value, thus the period of restoration of commuted value should also have been reduced. In view of the reduction in the commutation value it would be reasonable to restore commuted

portion of pension in 12 years instead of present 15 years. Therefore, restoration of commuted value of Pension after 12 years is fully justified.

H. APPLICABILITY OF IMPROVED/NEW BENEFITS GRANTED BY THE 6th CPC TO PRE 1.1.2006 RETIREES

The grant of full pension for 20 years of service/10yrs service etc have been limited only to post-1.1.2006 retirees. This is in violation of the letter and spirit of Hon'ble Apex Court judgment in Nakara Case. We appeal to the 7th CPC to extend the above benefits to all pre-1.1.2006 retirees with monetary benefit from 1.1.2006 to impart equal justice. The new/improved benefits which 7th CPC may recommend, too be made equally applicable to present & past pensioners.

MEDICAL FACILITIES

A. CASHLESS MEDICAL FACILITIES

"Health is not a luxury" and "should not be the sole possession of a privileged few". It is a basic Right of all present & past Employees!

To ensure hassle free health care facility to Pensioners/family pensioners, Smart Cards be issued irrespective of departments to all Pensioners and their Dependents for cashless medical facilities across the country. These smart cards should be valid in the following cases :-

all Govt. hospitals

all NABH accredited Multi Super Specialty hospitals across the country which have been allotted land at concessional rate or given any aid or concession by the Central or the State govt.

all CGHS, RELHS & ECHS empanelled hospitals across the country.

Medical attendants. For reimbursement of bills for treatment & for hospitalization. No referral should be insisted in case of medical emergencies. For the purpose of reference for hospitalization & reimbursement of expenditure thereon in other than emergency cases Doctors/Medical officers working in different Central/State Govt. departmental dispensaries/health units should be recognized as Authorized medical attendant.

B. HOSPITAL REGULATORY AUTHORITY

With a view to ensure that the hospitals do not avoid providing reasonable care to smart card holders we therefore demand that a Hospital Regulatory Authority should be created to bring all NABH-accredited hospitals and NABL- accredited diagnostic Labs under its constant monitoring of quality, rates for different procedures & timely bill payments by Govt. agencies and Insurance companies.

C. FIXED MEDICAL ALLOWANCE:

We suggest that FMA for all C.G. Pensioners be raised to at least Rs 2000/- per month/ per member. We further suggest that FMA be exempted from INCOME TAX. Fixed Medical Allowance (FMA) is a compensatory allowance to reimburse the medical expenses of self and dependent family members. As Medical Reimbursement is not taxable therefore FMA should also be exempted from Income Tax.

GRIEVANCE REDRESSAL MECHANISM:

Pensioners do not have representation even in Forums & Committees wherein pension policies and connected matters are discussed. The forum of Pension Adalat too is not of much avail as it meets only once a year which is too long a period for an elderly pensioner. Moreover, these Adalats deal with settlement claims only. SCOVA too meets only twice a year for about 3 hours at each occasion. Further, the scope of SCOVA is limited to feedback on Government policies. DOP&PW is perceived as a toothless authority which lacks direct Service Delivery Capability. It has been striving over the years to redress the Pensioners' grievances through the 'Sevottam' model of the Department of Administrative Reforms & Public grievances. In the absence of strict timeline with punitive clause it is, however, proving to be a failure. Grievances are either not resolved for years or closed arbitrarily without resolving correctly. We, therefore, appeal that for resolving Pensioners complaints , A strict timeline with punitive clause be introduced in "Sevottam model"(ii) Grievances are not allowed to be closed without resolving.

(iii) SCOVA be upgraded to JCM level covering all Pensioners.

REPRESENTATIONS OF PENSIONERS IN VARIOUS COMMITTEES:

As recommended vide Vth CPC report Vol III para 141.30 Pensioners' representatives should be included in various committees and govt. forums where issues relating to the welfare of pensioners are likely to be discussed & debated:

Discussing, debating and deciding the matters / Policies relating to Pensioners, with representatives other than those of pensioners, is unfair & against the principle of 'Natural Justice'. At present various Committees like National Anomaly Committee (NAC) and JCM (on Pensioner matters), are there, wherein matters / policies relating to pensioners' welfare are discussed and decided, but they do not have pensioner's representatives with the result that their viewpoints, hardships & anomalies are not properly represented. As pensioners are a homogeneous class, there is an urgent need to constitute separate Committees with 2-3 representative of pensioners wherein matters / policies / anomalies relating to pensioners of all Groups, categories & departments may be discussed.

EXTENDING JUDICIAL DECISIONS (JUDGEMENTS) IN MATTERS OF GENERAL NATURE TO ALL SIMILARLY PLACED PERSONNEL

13.. Govt. should not indirectly pressurize courts by appealing again & again to get judgments reversed in its favor & must implement all court judgments in case of all similarly placed persons. V CPC recommended in para 126.5 that any Court Judgment involving a common policy matter of pay/pension to a group of employees/pensioners, should be extended automatically to similarly placed employees/pensioners without driving every affected individual to the Courts of law. This recommendation is never followed by GOI, with the result Pensioners in the evening of their life, are forced to approach the legal forums, seeking the same relief.

More than 1000 Employees of the DAD, vast majority of whom are retirees, are seeking stepping up of their pay wef . 03.07.1995 to one of their counterpart named L Narhari in terms of a decision dated 10.11.2000 rendered in OA No 670/99,831 &832/99 titled Shri N. S. Shivakumar & others Vs UOI & Others rendered by Hon'ble Bangalore CAT Bench, which also attained finality up to the Apex Court. Stepping up of pay is being ordered only on the basis of further court judgment with the plea the judgment is applicable to petitioners only. Min. of Finance has hijacked the entire system by forcing the employees to knock at the doors of courts. Huge infructuous

expenditure by way of legal fee of the Govt. counselors is being incurred and there is no body to check it. This is just one example. This in turn, bulges court dockets. VII CPC to look into this matter once again and to issue suitable guidelines as deem fit and necessary.

TRAVEL CONCESSIONS TO PENSIONERS:

The Govt of Punjab and Haryana have already announced TRAVEL CONCESSIONS to their Pensioners after every 4 years. Similar facility should be extended to the central Govt. pensioners in order to enable them to visit the places of religious and historical importance across India.

GRANT OF INTERIM RELIEF WITH EFFECT FROM 1.1.2014:

As the dearness relief has already touched the figure of 100% it will be in the fitness of things to compensate the pensioners immediately by grant of interim relief of at least 40% of the pension plus DR to pensioners with effect from 1.1.2014 pending recommendations of the 7th CPC to mitigate the sufferings of pensioners due to heavy inflation.

HOUSE RENT ALLOWANCE TO PENSIONEERS:

a) Govt. employees in occupation of govt. accommodation at the time of superannuation are allowed to retain the accommodation for 8 months at the payment of normal rate of license fee. On the same analogy the govt. servants living in private accommodations be allowed payment of house rent allowance for 8 months from the date of superannuation to avoid disparity and discrimination between the employees having govt. accommodation and living in private accommodation.

b) In this arena of sky rocketing prices of land and building material it has become an unfulfilled dream for the pensioner to build their own houses. In the name of social security we demand that some compensation in lieu of house rent allowance be granted to all the pensioners irrespective of their date of retirement.

ADDITIONAL PENSION FOR QUALIFYING SERVICE OVER AND ABOVE 20 YEARS:

The 5th CPC had recommended additional pension above 33 years qualifying service but was not accepted by the govt. causing serious discontentment and frustration

amongst the pensioners. The 6th CPC while recommending full pension for 20 years qualifying service did not recommend any incentive for qualifying service in excess of 20 years for those who faithfully and honestly stick to the govt. service till their superannuation. This is counter productive as it does not inspire the serving personnel to render dedicated service exceeding 20 years and they look left and right to seek service in private sector after earning pension of 20 years qualifying service thus there is a strong case for additional pension for those who have rendered service in excess of 20 years qualifying pension. It is suggested that additional pension at the rate of 1% for each additional year in excess of 20 year qualifying service be granted by 7th CPC to all pre 1.1.2006 pensioners.

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