

INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION

(Estd. 1965, Regd. No.1329 under ITU Act, Website <http://www.irtsa.net>)

M. Shanmugam,
Central President, IRTSA
4, Sixth Street, TVS Nagar, Padi,
Chennai - 600050.
Email- cpirtsa@yahoo.com
Mob:09443140817



Harchandan Singh,
General Secretary, IRTSA,
C.Hq. 32, Phase 6, Mohali,
Chandigarh-160055.
Email-gsirtsa@yahoo.com
(Ph:0172-2228306,9316131598)

No. IRTSA/Memo RB/Incentive/2018-7

Date: 21.09.2018

Mrs. KALYANICHADDA, Executive Director/ME(W),
Convener, Committee for revision of hourly rate of Incentive Bonus,
Railway Board, Rail Bhawan, New Delhi – 110001.
CC by Email – edmew@rb.railnet.gov.in

Sub: Revision of hourly rates of Incentive Bonus and Bonus Factors of Workshops/PUs staff under CRJ Pattern & GIS - Regarding Financial implications thereof.

- Ref: 1. Railway Board's Order No. RBE-I/201/23/39, dated 06.07.2017 & 18.05.2018.
2. Ministry of Railways OMs No.PC-V/2004/A/DA/1/Incentive dated 23.06.2005, 19.07.2005 and 30.03.2006.
3. Ministry of Finance OM F.No.83/2/2006-IC, dated 04.05.2006.
4. Our memorandum dated 02.07.2018 & 26.07.2018 and meeting with you on 04.07.2018.

Respected Madam,

In continuation of our earlier memorandums cited above and meeting with your goodself, we submit this memorandum for the kind consideration of the Committee for revision of hourly rates of Incentive Bonus on estimated additional expenditure on account of **revision of incentive rates based on minimum pay of respective Pay Level in 7th CPC Pay Matrix divided by 208 (standard working hours per month) – as per formula followed after 5th Pay Commissions and Office Memorandums of Railway Ministry & Finance Ministry referred to at Sl. No. 2 and 3 above.**

I. Office Memorandums of Railway Ministry & Finance Ministry clarify the decision of both the Ministries that, hourly rates of incentive bonus in Railways is paid with reference to the minimum of pay scale divided by 208.

Copies of Ministry of Railways OMs No.PC-V/2004/A/DA/1/Incentive dated 23.06.2005, 19.07.2005 and 30.03.2006 and Ministry of Finance OM F.No.83/2/2006-IC, dated 04.05.2006 are reproduced in Annexure-I.

II. Proposed revision of Incentive Rates is estimated to cost additionally only 1.28 percent in terms of cost of man power.

1. There are 2,38,546 workshop Group 'C' & 'D' staff (2,19,682 Group 'C' & 18,864 Group 'D') of Mechanical, Electrical and S&T covered under incentive scheme as on 31.03.2017. (Strength of workshop artisan & helper as on 31.03.2017 is given in Table-1)
2. Average annual wage per employee for Group 'C' in Workshop staff including pay, all allowances, PLB, pension & gratuity (Senior Technician, Supervisor (Mistry), Technician

Grade-I, II & III) is Rs. 7,09,494. (Ref. Statement 40 (II) (b) of Indian Railways Annual Statistical Statement 2016-17)

3. Average annual wage per employee for Group 'D' Workshop staff including pay, all allowances, PLB, pension & gratuity (semi-skilled & unskilled) is Rs. 5,66,147. (Ref. Statement 40 (II) (e) of Indian Railways Annual Statistical Statement 2016-17)
4. If incentive rates are revised based on minimum of respective Pay Level divided by 208, additional expenditure is estimated to be Rs.214.09crore.
5. In terms of equivalent man power it will be 3,061 Group 'C' & 'D' workshop staff (2,847 men in Group 'C' and 213 in Group 'D').
6. **This will be only 1.28% of 2,19,682 strength of Group 'C' & 'D' workshop staff available in Indian Railways as on 31.03.2017. Details of the calculation is attached in Table-2.**
7. **It is therefore requested that, no reduction in allowed time / man power may please be proposed for implementation of revised incentive rates, since the estimated additional cost equals to only 1.28% man power which will be compensated by additional workload due to the addition of rolling stocks & new trains.**

III. Senior Section Engineers (SSEs) be brought directly under Incentive or paid @ 30% of basic pay to eliminate loss of take-home-pay from JE to SSE

1. Senior Section Engineers (SSEs) are part and parcel of incentive system but are paid only 15% of the Basic Pay as Incentive Bonus which is much below than the staff working under them are getting. After the last Cadre Restructuring, the strength of SSEs is 67% of cadre of Technical Supervisors. The SSEs are all frustrated due to heavy financial loss of take-home pay on promotion from JE.
2. As mentioned by the Railway Board itself in its letter on Cadre Restructuring, the SSE continue to shoulder additional responsibilities of JEs along with higher grade responsibilities after Cadre Restructuring due to upgrading of posts of JEs to SSEs but get much less take-home-pay due to lesser Incentive which is fixed at 15% for SSEs instead of hourly rates of Incentive to JEs & other Staff.
3. SSEs are directly responsible for optimizing the productivity under Incentive Scheme. But they get less take-home Pay than their juniors working under them as Senior Technicians & even as Technicians Gr-I who are two Grades/Levels below them. This is causing much frustration and heart burning among the SSEs.
4. **Comparison of Incentive earnings between SSE and loss of take-home-pay to them in comparison to JE, Sr.Tech & Tech Gr-I who are working under the SSE in CLW pattern & GIS incentive Scheme is given in tables enclosed as Annexure-III.**
5. **It is requested that SSEs may please be brought directly under Incentive like JEs at the hourly rate of Rs.216 in CRJ system and Rs.44,900 as Bonus Factor under GIS as per details submitted in the Table on page-3 or the SSE may please be paid incentive @ 30% of basic pay.**

IV. Summary of Proposals: It is requested that the following proposals may please be considered favourably by the Committee:

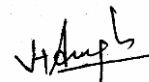
- i) Revised rates of Incentive Bonus be fixed as per revised Pay Levels of 7th CPC on the basis of minimum of pay scales divided by 208 standard hours in a month in Railway Workshops & Production Units;
- ii) Revised Bonus Factor under GIS be fixed at Minimum of 7th CPC Pay Levels.
- iii) Revised Hourly Rates of Incentive Bonus and Revised Bonus Factor under GIS as per Pay Levels of 7th CPC from the date of effect of Seventh Pay Commissions (w.e.f. 01.01.2016);
- iv) Raising of existing rate of Incentive & Bonus Factor of SSE to 30% of Pay (instead of 15%)OR SSE may be brought under direct incentive – (to compensate for loss of take-home-Pay on promotion or Posting as SSE).
- v) No reduction of allowed time & staff on account of revision of incentive rates in view of heavy reductions of Allowed Timings already affected at all levels much beyond the proposed reduction of staff in the last two revisions and multiple times thereafter.
- vi) Adoption of following Hourly Rates of Incentive Bonus under CRJ Pattern & Bonus Factor under GIS from 1-1-2016 as per 7th CPC Pay Levels:

➤ Existing & Proposed Hourly Rates of Incentive Bonus under CRJ Pattern & Bonus Factor under GIS From 1-1-2016 as per 7th CPC Pay Levels

Designation	7 th CPC Pay Level in Pay Matrix Rs.	7 th CPC Minimum Pay in Pay Level Rs.	Existing		Proposed	
			Hourly Rate in CRJ pattern Rs.	Bonus Factor in GIS Rs.	Hourly Rate of Incentive in CRJ pattern Min Pay in Pay Level/208 Rs.	Bonus Factor in GIS Min Pay in Pay Level Rs.
Senior Section Engineer	Pay Level-7	44900	15% of Basic Pay	15% of Basic Pay	216	44900
Junior Engineer	Pay Level-6	35400	49.65	13440	170	35400
Sr. Technician	Pay level-6	35400	49.65	13440	170	35400
Technician Gr-I	Pay Level-5	29200	43.30	11700	140	29200
Technician Gr-II	Pay Level-4	25500	38.50	10400	123	25500
Technician. Gr-III	Pay Level-2	19900	32.20	7930	96	19900
Semi Skilled/ Unskilled	Pay Level-1	18000	25.45	6760	87	18000

Hoping for a favourable consideration & thank you in anticipation,

Yours' faithfully,



Harchandan Singh
General Secretary, IRTSA

Copy for favourable consideration to:

- i) Executive Director/PC-II, Member, Committee for revision of hourly rate of incentive Bonus, Railway Board, Rail Bhawan, New Delhi – 110001. Email: edpc2@rb.railnet.gov.in
- ii) Executive Director/F(C), Member, Committee for revision of hourly rate of incentive Bonus, Railway Board, Rail Bhawan, New Delhi – 110001. Email: edfc2@rb.railnet.gov.in

Annexure-1

Ann ~~C~~

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(Railway Board)

No.FC-V/2004/A/DA/1/Incentive.

New Delhi, dated 23.6.2005.

OFFICE MEMORANDUM

Sub : Merger of 50% of Dearness Allowance (DA)/
Dearness Relief (DR) with Basic Pay/Pension to
Central Govt. Employees--Calculation of hourly
Rates of incentive Bonus on the Railways.

Ministry of Finance (Department of Expenditure), vide their OM No.105/1/2004-IC dated 01.03.04 had issued instructions converting dearness allowance equal to 50% of the existing basic pay as Dearness Pay (DP) w.e.f.01.04.2004. In the NC/JCM Meeting held on 28.05.2005, the staff side vide Item No.09/05/NC-44 had demanded that all the allowances, such as Hill Compensatory Allowance, Special Compensatory Allowance, Incentive Bonus, etc. should be paid taking basic pay and dearness pay into account and the quantum of all advances also be enhanced accordingly.

2. The Ministry of Railways would like to bring to the notice of the Ministry of Finance that the hourly rates of Incentive Bonus applicable in the Railway Workshops and Production Units operating incentive scheme are arrived at by dividing the minimum of the scale of pay by 208 hours (monthly hours of work). These rates were last revised in the year 1999 taking into account the revision in the scales of pay (copy of the same is attached for perusal). As is evident, the said rate has no relevance to the actual basic pay drawn by individual employees and is payable at a flat rate to all eligible employees in that particular scale of pay. This Ministry, therefore, do not find any justification in the Staff side demand to take into account dearness pay for computing the rates of this allowance.
3. Further, there are a number of allowances at present which have linkage to the scale of pay or the quantum of which is decided by pay slabs, such as Transport Allowance, Compensatory (City) Allowance, etc. Reckoning of dearness pay for working out hourly rates of Incentive Bonus, as has been demanded by the Staff side, would imply that the scales of pay itself have been revised, the inference of which would be that dearness pay is to be counted for each and every purpose, irrespective of whether the same is based on basic pay or scale of pay or pay slab. There are a number of allowances on the Railways such

PWZ

as Composite Hill Compensatory Allowance, Bad Climate Allowance, Tribal Area Allowance, etc. where demand can be raised for similar treatment. Financial implications of such a course of action would be huge and unwarranted.

4. In view of the foregoing, Ministry of Finance are requested to advise whether dearness pay can be reckoned for the purpose of computation of hourly rates of incentive bonus.

P.K. Goel
22/6/05

(P.K. GOEL)

Director, Pay Commission,
Railway Board.
Ph.No.23384485.

Ministry of Finance, (Attn : Shri Manoj Joshi, OSD/IC)
Department of Expenditure,
North Block,
New Delhi.

23/6
9/5/05

9/6

Ministry of Finance
Department of Expenditure
North Block
New Delhi
23/6

GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)

S No 27
2 AUG 2005
RAILWAY BOARD
New Delhi, dated 19.7.05.

No.PC-V/2004/A/DA/1/Incentive.

OFFICE MEMORANDUM

Sub : Merger of 50% of Dearness Allowance (DA)/Dearness Relief (DR) with Basic Pay/Pension to Central Govt. Employees--Calculation of hourly Rates of Incentive Bonus on the Railways.

The undersigned is directed to invite reference to this office O.M. of even number dated 23.6.05 on the above subject (copy enclosed).

In order to make the proposal contained in OM ibid more clear, it is mentioned that the rate of Hourly Incentive Bonus is calculated by multiplying the minimum basic pay of a particular scale by 0.0048, i.e., the minimum basic pay divided by 208 (monthly hours of work). It would be worth mentioning here that the Hourly Rate of Incentive Bonus remains constant for persons in a particular pay scale irrespective of the basic pay drawn by an employee in that scale. In other words, the Hourly Rate of Incentive Bonus was 0.0048 times of the minimum basic pay of a relevant scale upto 31.03.2004. Since DA up to 50% of basic pay has now been merged with basic pay, the minimum basic pay of persons relevant to a scale prior to 31.03. 2004 stands now substituted with 1.5 times of erstwhile minimum basic pay of persons relevant to a scale w.e.f. 01. 04. 2004.

Accordingly, it is presumed that the hourly rate of incentive bonus may now be calculated by dividing 1.5 times of minimum basic pay of a relevant grade by 208 (monthly hours of work).

Presumption made above may, however, be confirmed in the light of discussions which centered around this issue in the NC/JCM meeting held on 28.05.2005 wherein Secretary, Department of Expenditure advised that clarification, if sought by any Ministry on this issue, will be given. Federations are pressing hard for an early decision in this matter.

Encl: As above.

P.K. Goel
19/7/05
(P.K. GOEL)
Director, Pay Commission,
Railway Board.
Ph.No.23384485.

Ministry of Finance, (Attn : Shri Manoj Joshi, OSD/IC)
Department of Expenditure,
North Block,
New Delhi.

Reference preceding O.M. dt. 19.7.05 S No 25

2. The presumption at 'A' above is based on wrong notion that DA equal to 50% of basic pay has been merged with the basic pay. This is not correct. Actually D.A. equal to 50% of basic pay has been converted into Dearness Pay which is to be counted as pay for various purposes. Thus 'A' above can not be derived as a natural corollary to the orders converting D.A. equal to 50% of the Basic Pay as Dearness Pay. M/o Railways may take further action accordingly.

(MANOJ JOSHI)
Officer on Special Duty
Ministry of Finance

PC-V
A.S.

689
579125

S. No. 35

GOVERNMENT OF INDIA/भारत सरकार
MINISTRY OF RAILWAYS/रेल मंत्रालय
(Railway Board)

No. PC-V/2004/A/DA/1/Incentive

New Delhi, dated 30-03-2006

OFFICE MEMORANDUM

Sub:- Impact of merger of DA (equal to 50% of Basic Pay) with Basic Pay on calculation of hourly rates of Incentive Bonus on the Railways.

Ministry of Finance (Department of Expenditure vide their OM No.105/1.2004-IC dated 01-03-04 had issued instructions converting dearness allowance equal to 50% of the existing basic pay as Dearness Pay(DP) w.e.f. 01-04-2004. In the NC/JCM Meeting held on 28-05-2005, the staff side vide Item No.09/05/NC-44 had demanded that all the allowances, such as Hill Compensatory Allowance, Special Compensatory Allowance, Incentive Bonus, etc. should be paid taking basic pay and dearness pay into account. Accordingly, references were made to MOF seeking their clarification whether dearness pay can be reckoned for the purpose of computation of hourly rates of incentive bonus vide O.M of even number dated 23-6-2005 and 19-7-2005 (Copies enclosed).

Allowances are linked to either basic pay or pay scale/ pay range. Consequent upon emergence of dearness pay, allowances such as DA, HRA, etc., which are expressed as percentages of basic pay of the individual employee registered enhancement. On the other hand Incentive Allowance, whose method of calculation has been amplified in Ministry of Railways O.M. dated 19/7/05 (Copy enclosed), is linked to pay scale and has not undergone any change as dearness pay does not have any bearing on pay scale. This is similar in nature to Transport Allowance. Incentive payout to an individual in a particular category is determined by a fixed quantum of hourly rates of incentive applicable for that category and which in turn has direct linkage with the pay scale of the same category. However, in pursuance of the minutes of the Meeting of Standing Committee of NC-JCM held on 15-2-2006 relating to item No.7(b), the matter is referred to Ministry of Finance to review their decision conveyed vide their communication dated 26-7-2005.

Encl.: As above

P.K.Goel
30/3/2006

Ac -

Director, Pay Commission
Railway Board
Ph. No. 23384485

Ministry of Finance, (Kind Attn.:- Shri Manoj Joshi, OSD/IC)
Department of Expenditure,
North Block,
New Delhi.

रेल मंत्रालय
Ministry of Railways
रेलवे बोर्ड
Railway Board
हस्ताक्षर
Signature
जारी की
Date of Issue

1.2.7)

S No 38

F.No.83/2/2006-IC
Government of India
Ministry of Finance
Department of Expenditure
(Implementation Cell)

New Delhi dated the 4th May, 2006

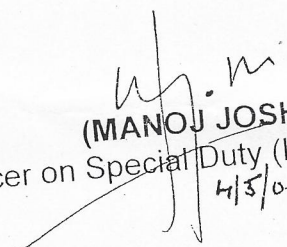
OFFICE MEMORANDUM

Subject: Counting of DP for the purpose of calculation of hourly rates of incentive bonus subsequent to issue of orders regarding merger of 50% DA as DP with effect from 1.4.2004.

S No 12

The undersigned is directed to invite a reference to the Ministry of Railways communication NO.PC-V/2004/A/DA/1/Incentive dated the 30th March, 2006 on the subject cited above seeking views of this Department with regard to counting of DP for the purpose of calculation of hourly rates of incentive bonus subsequent to issue of orders regarding merger of 50% DA as DP with effect from 1.4.2004. The issue has been considered and it is clarified that as the hourly rates of incentive bonus in Railways is paid with reference to the minimum of the pay scale, there is no rationale for its enhancement as the same is necessarily linked to the pay scale and merger of 50% DA as DP with effect from 1.4.2004 can not be construed as Revision of Pay Scales in any manner.)

This issues with the approval of JS(Pers).


(MANOJ JOSHI)
Officer on Special Duty (IC)
4/5/06

Shri P.K. Goel,
Director, Pay Commission,
Ministry of Railways,
Rail Bhawan,
New Delhi.

Table - 1

Workshop artisan & Helper strength as on 31.03.2017						
	Workshop & Artisan staff *				Helper **	
	Sr.Tech	Tech Gr-I	Tech Gr-II	Tech Gr-III	Helper	Total
Mechanical	20023	48035	31435	36221	11646	147360
Electrical	7651	22074	14917	16968	4479	66089
S&T	4185	7038	5283	5852	2739	25097
Total	31859	77147	51635	59041	18864	238546

*Statement 40 (IV) (i) of Indian Railways Annual Statistical Statement 2016-17,

** Statement 40 (III) (f) of Indian Railways Annual Statistical Statement 2016-17

Table - 2

Estimated additional expenditure on account of revision of Incentive Rates based on minimum Pay in Pay Matrix divided by 208, standard working hours per month

Desgn	Pay Level	* Mean Pay	Mean Pay + 7% DA	Existing incentive rates Rs.	Pro-posed incentive rates Rs.	Existing BP+DA+ Incentive Rs.	Pro-posed BP+DA+ Incentive	Difference between existing and proposed BP+DA+ Incentive	Staff Strength as on 31.07.2017	Additional Expense due to pro-posed revised Inc. Rates Rs. in Cr
Sr. Technician	Pay level-6	62200	66554	49.65	170	71718	84234	12516	31859	39.88
Technician Gr-I	Pay Level-5	51100	54677	43.3	140	59180	69237	10057	77147	77.59
Technician Gr-II	Pay Level-4	44800	47936	38.5	123	51940	60728	8788	51635	45.38
Technician Gr-III	Pay Level-2	35000	37450	32.2	96	40799	47434	6635	59041	39.17
Sub total									219682	202.01
Helpers	Pay Level-1	31500	33705	25.45	87	36352	42753	6401	18864	12.08
Total									238546	214.09

* Basic Pay at 20th cell of respective Pay Level in the Pay Matrix

1. Estimated additional expenditure on account of revision of Incentive Rates based on minimum Pay in Pay Matrix divided by 208 (standard working hours per month) will be Rs.214.09 crores.
2. In terms of equal man power it will be 3,061 (2,847 men in Group 'C' and 213 in Group 'D') @ average per capita staff cost for Group 'C' work shop staff Rs.7,09,494 and average per capita staff cost for Group 'D' work shop staff Rs.5,66,147.
3. This will be 1.28% of 2,38,546 strength of Group 'C' & 'D' workshop staff available in Indian Railways as on 31.03.2017.