

INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION

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

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No. IRTSA/Memo RB/Incentive/2018-4

Date:.02.07.2018

Mrs. KALYANI CHADDA, Executive Director/ME(W),
Convener, **Committee for revision of hourly rate of Incentive Bonus,**
Railway Board, Rail Bhawan, New Delhi – 110001. 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.

Ref: Railway Board's Order No.ERB-I/201/23/39, dated 06.07.2017& 18.05.2018.

Respected Madam,

On behalf of 67,000 Technical Supervisors / Rail Engineers working in Indian Railways, we submit this memorandum for the kind consideration of the Committee for revision of hourly rates of Incentive Bonus under CLW Pattern and Bonus Factor under GIS.

1. Preamble

a) The modified Terms of reference of the Committee are as under, in terms of Railway Board's orders dated 18-5-2018 cited above,:

"Revision of hourly rate of incentive bonus in CLW pattern incentive scheme and revision of bonus factor in Group Incentive Scheme".

b) As such, we have confined ourselves in this memorandum to the issue of revision of rates of Incentive Bonus and the Bonus Factor. We shall separately represent about the other related aspects of the CLW pattern of Incentive Scheme & GIS.

c) The incentive scheme was originally introduced on the Railways in Chittaranjan Locomotive Works (CLW) in the year 1954 to step up the production of Locomotives. The Scheme was later extended to other Production Units & Railway Workshops in 1960-61 on Chittaranjan pattern, on the basis of agreement between the Railway Board and organized labour.

d) Performance based incentive system was introduced in Railway Production Units and Workshops enabling Railways to get higher productivity and economic utilisation of Rolling Stocks & other assets as well as for the man-power.

e) Systematic study of all the operations & processes was carried out to set up norms & standards. As per this agreement the hourly rates of incentive bonus were to be fixed on the basis of the mean of the pay scales divided by 208 as the standard hours in a month.

f) Group Incentive system was later on introduced in three Production Units namely Rail Wheel Factory, Bangalore, Rail Coach Factory, Kapurthala and Diesel Modernisation Works, Patiala and some Railway Workshops including Coach Rehabilitation Workshop, Bhopal of WCR, Rayanapadu Workshop & Tirupatti Carriage Repair Workshop of SCR and Mancheswar workshop of ECoR.

2. Advantages of Incentive System

There were many advantages of introducing Incentive Scheme on Railways including one time advantages and continuous advantages as per details below:

i) As a result of improved productivity after the introduction of incentive system 35,000 to 40,000 men were able to be re-deployed in additional lines of production / maintenance. Utilisation of same infrastructure was nearly doubled by introducing night shifts in some Workshops to step up production.

- ii) Following the introduction of Incentive scheme, the efficiency in the Railway Workshops & Production units increased from 80% to 133%. Railways had estimated saving of Rs.650 crores per annum as a result of introduction of Incentive Scheme in Railway Workshops on the then prevailing average wage rates of Rs.1550 per month for direct workers which have increased many folds over the years.
- iii) There were uncountable further savings by method study, process modification, etc resulting in reduction of Allowed Time of jobs due to the introduction of efficient processes.
- iv) Continuous monitoring and improvement in manufacturing / maintenance processes made possible.
- v) Another incalculable saving on account of reduced holding of Rolling Stock for P.O.H. in the Workshops and higher and quicker availability of new Rolling Stock from PUs.
- vi) Identification, monitoring & elimination of deficiencies and bottlenecks in production / maintenance lines are being done more effectively and efficiently.
- vii) Accountability for quality & traceability for safety issues can be easily done in the Incentive system.
- viii) Efficiency of man power, machine and other infrastructure utilisations are now comparable among various PUs& Workshops on realistic terms.

3. Principle for determing & revision of Incentive Rates

- i) Hourly Incentive Rates were initially fixed by dividing the Mean of Pay in the Pay Scale with 208 i.e. the standard working hours in a month.
- ii) Incentive rates were first revised in 1967-68 after merger of part of DA into pay as DP and again in 1975 after the introduction of 3rd CPC scales of pay based on minimum of Pay in the Pay scale (instead of mean of of Pay scale) divided by 208 standard hours in a month. After 4th CPC the hourly rates of Incentive Bonus were revised w.e.f. 01.08.1989 based on minimum of Pay in the Pay scale divided by 208 standard hours in a month.
- iii) After the implementation of 5th CPC pay scales Incentive Rates were revised on the basis of minimum of pay scales divided by 208 - the standard hours in a month.
- iv) After the implementation of 6th CPC incentive rates were unjustly revised by 2 times of then existing rates, deviating from the established principle of incentive rates on the basis of the mean (or minimum) of the pay scales divided by 208 standard hours in a month. In fact the hourly Incentive Rates were just doubled instead of even being multiplied by at least 2.26 as per Fitment Factor for Pay revision or instead of following the existing norm of dividing the average or at least the minimum pay at each level with 208 standard working hours. This was totally unjustified and against the very principles of Incentive Scheme as defined by ILO or even by the Railways.
- v) Hence keeping existing incentive rates introduced after the implementation of 6th CPC recommendations as a base to arrive at new incentive rates will neither be correct nor justified.
- vi) As such the rates should atleast be fixed at Minimum Pay in Pay Level divided by 208 standard working hours per month.
- vii) Another important point to be mentioned is that, since incentive rates are based on the pay, revision the same should also be implemented from the date of implementation of Revised Pay Rules– 2016 w.e.f., 01.01.2016.
- viii) After the implementation of 4th CPC scales, when incentive rates were revised in the year 1989, lumpsum arrears was paid for the intervening period.
- ix) **Incentive rates from 3rd CPC Pay Scales & proposed incentive rates in 7th CPC Pay Level is shown in Annexure-I to indicate the pattern adopted at varies stages.**
- x) **Hence revision of incentive rates may please be done w.e.f. 01.01.2016, i.e. from the date of implementation of 7th CPC Pay Levels on the basis of minimum of pay scales divided by 208 standard hours in a month and arrears may please be paid thereof.**

4. Improvement of Productivity & reduction in staff strength

Major advantages of Incentive Scheme have been as under:

- A) Availability of more locomotives & rolling stocks on line due to higher productivity due to Incentive in Workshops & Production Units - ensuring higher passenger kms & freight carried as reflected in the following statistics for the period from 1999 to 2009:
 - i) Passenger km in million has increased by 2.07 times.
 - ii) Wagon turn around days brought down from 8.2 days to 5.19 days.
 - iii) Loco holding & coaching stock holding increased by 1.16 and 1.36 times respectively.
 - iv) Strength of work shop staff reduced by 18% down from 5,02,582 to 4,13,767.

(Key performance indices are shown in Annexure-II.)

- B) Strength of workshop staff was reduced by 18% down from 5,02,582 to 4,13,767 between the year 1999 and 2009. In the year 2017 the strength was further reduced by 15% to 3,51,780.
- C) Even though incentive revision order in the year 1999 recommended for 12% reduction in allowances under Incentive and in the year 2009 for 5% reduction in allowed time, staff strength of workshop was reduced by 30% from 1999 to 2017.
- D) Hence there is no scope available for further reduction in Allowed time as unjustly done at the time of last two revision of hourly rates of Incentive.
- E) **The incentive committee is, therefore, requested not to propose any further reduction of Allowed Time in Workshops & Production Units as already staff has been reduced much more than that proposed in last review.**

5. 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

a) 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. Moreover, Railway Board order states that even after getting promotion as SSE after Cadre Restructuring in the year 2013, the

b) 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..

c) 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 I who are two Grades / 2 Levels below them. This is causing much frustration and heart burning among the SSEs.

d) **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.**

d) **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-5 or the SSE may please be paid incentive @ 30% of basic pay.**

7. 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.

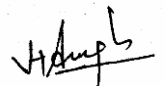
- iii) Revised Hourly Rates of Incentive Bonus and Revised Bonus Factor under GIS as per Pay Levels of 7th CPC from the date of effect of Seventh Pay Commissions (w.e.f. 01.01.2016);
- iv) Raising of existing rate of Incentive & Bonus Factor of SSE to 30% of Pay (instead of 15%)
OR SSE may be brought 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	13340	170	35400
Sr. Technician	Pay level-6	35400	49.65	13340	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) **Member Staff**, Room No 214, Railway Board, Rail Bhavan, New Delhi – 110001
Email: ms@rb.railnet.gov.in
- ii) **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
- iii) **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

HOURLY INCENTIVE RATES FROM 3RD TO 6TH CPC & PROPOSED INCENTIVE RATES WITH 7TH CPC PAY LEVELS

Category	3 rd CPC	4 th CPC			5 th CPC			6 th CPC			7 th CPC				
	Hourly rates based on 3 rd CPC Scales In Rs.	Rly Board letter No. PC-IV/86/Incentive Bonus /1 dated 6.10.1989, RBE No.254/89	Hourly rate w.e.f.1.8.89 based on 4 th CPC scales in Rs.	One time lump-sum payment in lieu of arrears	Rly Board letter No.PC-V/98/I/7/4/1, RBE No.142/99, dated 21.06.99	Revised Designation	Scale of Pay	Hourly Rate In Rs.	Board's ltr. No. 2008/M(W)/814/38, 29.10.2009 (RBE No.194/2009)	Desg	GP	Hourly Rates In Rs.	Desg	Pay Level	Minimum Pay
Charge man Gr 'A'	2.65	1600-2660	6.65	1250	JE-I	5500-9000	26.45		JE	4200	49.65	JE	6	35400	170
Charge man Gr 'B'	2.05	1400-2300	5.15	1250	JE-II	5000-8000	24.00								
Master Craftsman	1.85	1400-2300	4.90	1250	Sr.Tech	5000-8000	24.00		Sr.Tech	4200	49.65	Sr.Tech	6	35400	170
Mistry Gr-I		1400-2300	4.65	1200	Supervisor	4500-7000	21.65								
Skilled Gr-I		1320-2040	4.65	1200	Tech. Gr.I	4500-7000	21.65		Tech.Gr-I	2800	43.30	Tech.Gr-I	5	29200	140
Mistry Gr-II		1200-1800	4.00	1070											
Skilled Gr-II		1200-1800	4.00	1070	Tech. Gr.II	4000-6000	19.25		Tech. Gr-II	2400	38.50	Tech. Gr-II	4	25500	123
Skilled Gr-III		1175-1500	3.50	970	Tech.Gr.III	3650-4590	17.55								
Skilled Gr-III		950-1150	3.15	900	Tech.Gr.III	3050-3575	14.65		Tech.Gr-III	1900	32.20	Tech.Gr-III	2	19900	96
Semi Skilled		800-1150	2.50	770	Semi skilled	2750-4400	13.20		Semi skilled	1800	25.45	Semi skilled	1	18000	87
Unskilled		750-940	2.40	750	Unskilled	2550-3200	12.25		Unskilled	1300	24.50	Unskilled			87

KEY PERFORMANCE INDICES ON THE YEARS OF INCENTIVE REVISION AND AS ON 2017

Performance indices	1975	1989	1999	2009	2017	No. of times increase / decrease between 2009 and 1975	No. of times increase / decrease between 2009 and 1999	No. of times increase / decrease between 2017 and 2009
Number of Locos	11113	8813	7429	8593	11461	0.77	1.16	1.33
Coaching stock	38517	37870	40988	55549	64223	1.44	1.36	1.16
Passenger Kilometres in millions	126254	269389	403884	838032	1,149,835	6.64	2.07	1.37
Lead KM (Ave distance travelled by a passenger)	52	75.3	91.6	121.1	141.7	2.33	1.32	1.17
Wagons	390968	345821	252944	212835	277987	0.54	0.84	1.31
Lead (Average no. of KMs. a tonne was carried) BG	658	712	673	662	561	1.01	0.98	0.85
Wagon turn around in days	14.6	11.4	8.2	5.19	5.32	0.36	0.63	1.03
Work shop staff & Artizans								
Group 'D'	212336	203132	169740	121538	22,836	0.57	0.72	0.19
Group 'C'	214010	325961	332842	292229	328944	1.37	0.88	1.13
Total Group C & D	426346	529093	502582	413767	351780	0.97	0.82	0.85
Traffic units per employee	212	321	466	1073		5.06	2.30	0.00

Table-1

**COMPARISON OF INCENTIVE EARNINGS BETWEEN SSE & STAFF UNDER THEM AND
LOSS OF TAKE-HOME-PAY TO THE SSE
IN COMPARISON TO JE, SR.TECHNICIAN & TECH GR-I WORKING UNDER THEM
IN CLW PATTERN OF INCENTIVE SCHEME**

No. of Years	6th CPC Basic Pay		For 50% Incentive			Incentive actually paid in 6 th CPC basic pay		Loss for SSE per month compared to JE
	Tech Gr-I	Sr.Tech	Tech Gr-I Rs.43.30 X 104	Sr.Tech - Rs.49.65 X 104	JE @ 80%	SSE	SSE @ 15% of Basic Pay	
In Rupees								
1	11360	13500	4503	5164	4131	17140	2571	1560
2	11700	13910	4503	5164	4131	17660	2649	1482
3	12060	14330	4503	5164	4131	18190	2728	1402
4	12430	14760	4503	5164	4131	18740	2811	1320
5	12810	15210	4503	5164	4131	19310	2897	1234
6	13200	15670	4503	5164	4131	19890	2984	1147
7	13600	16140	4503	5164	4131	20490	3074	1057
8	14010	16630	4503	5164	4131	21110	3167	964
9	14430	17130	4503	5164	4131	21750	3263	868
10	14870	17650	4503	5164	4131	22410	3362	769

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**COMPARISON OF INCENTIVE EARNINGS BETWEEN SSE OTHER STAFF UNDER THEM AND
LOSS OF TAKE-HOME-PAY TO THE SSE
IN COMPARISON TO JE, SR.TECHNICIAN & TECH GR-I WORKING UNDER THEM
IN GROUP INCENTIVE SCHEME OF RCF**

ACTUAL EARNING IN THE MONTH OF APRIL 2018

Group	Incentive percentage	Average incentive paid per employee	Incentive paid to SSE with 10 years experience with basic pay Rs. 22410	Loss in incentive for SSE compared to average incentive paid to employees
Group-I	70.76%	Rs. 7071	Rs.3362	Rs. 3709
Group-II	61.82%	Rs. 5967	Rs.3362	Rs. 2605
Group-III	64.65%	Rs. 7100	Rs.3362	Rs. 3738
Group-IV	101.44%	Rs. 10117	Rs.3362	Rs. 6755
Group-V	125%	Rs. 11994	Rs.3362	Rs. 8632

It is clearly evident that SSEs whose contribution to enhance the outturn & productivity under Incentive Scheme and as such directly linked with it are not paid incentive in proportions to the performance of their Shop or Group as a whole.