

# INDIAN RAILWAYS TECHNICAL SUPERVISORS' ASSOCIATION

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**Smt. Nirmala Sitaraman**  
**Hon'ble Minister for Finance**

Respected Madam, Vanakkam.

**Sub: Formation of 8<sup>th</sup> Central Pay Commission.**

- 1) Central Pay Commissions are being constituted at regular intervals of ten years, "to examine, review, evolve and recommend changes regarding the principles that should govern the emoluments' structure including pay, allowances and other facilities/benefits, in cash or kind, as well as the specialized needs of various Departments, agencies and services, in respect of Central Government employees".
- 2) 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> CPCs recommended for constituting permanent machinery to undertake periodical review of the pay, allowances and conditions of service of the Central Government employees.
- 3) 6<sup>th</sup> CPC recommended for implementing its recommendations w.e.f. 01.01.2006, ten years period since the implementation of 5<sup>th</sup> CPC.
- 4) 7<sup>th</sup> CPC recommended that the pay matrix may be reviewed periodically without waiting for the long period of ten years. (Gist of recommendations of 3<sup>rd</sup>, 4<sup>th</sup>, 5<sup>th</sup>, 6<sup>th</sup> and 7<sup>th</sup> CPC about formation of permanent machinery / next pay commission is given in the annexure)
- 5) Since the implementation of 7<sup>th</sup> CPC recommendations w.e.f. 01.01.2016, many changes have taken place in Government functioning, performance & size of Indian economy, GDP growth, quantum of various tax collections, role of various government departments, inflation pattern, erosion of real wages due to inflation, condition of service, role of private sectors in public utilities and government's regulation over them, number of employees in each department, number of employees covered under National Pension Scheme (NPS), considerable reduction in poverty, changes in consuming pattern of employees & general public, etc.
- 6) There are many legal cases pending across the country in various courts regarding anomalies in pay level, increment, pay fixation, promotions, MACPS, retirement benefits, etc, consuming precious time of Courts and affecting efficiency of Government functioning.
- 7) Efficiency in public services should not be compromised for any reasons. There should be a continuous improvement in quality of public service and scope for administrative reforms. New pay commission needs to be constituted for elimination of disparities/anomalies in salaries between different group of employees and for the reasons explained above. Sufficient time should be given to the Pay Commission to study all principles relating to pay & allowance, working conditions, promotional avenue, classification of posts, etc and to hear the views of every stakeholder including staff side.
- 8) **It is therefore requested to constitute 8<sup>th</sup> Central Pay Commission immediately to enable it to have sufficient time to give comprehensive recommendations to clear all existing anomalies and without giving room for future anomalies.**

Thanking you, with regards,



**K.V. RAMESH**  
**General Secretary, IRTSA**  
**9003149578**

Copy:

- 1) The Union Finance Secretary, Government of India.
- 2) The Secretary, Department of Personnel & Training.
- 3) CRB & CEO, Railway Board, Ministry of Railways.

## Annexure

### Recommendations of various Pay Commissions on the “Need for continuing machinery for pay revision”

#### 3<sup>rd</sup> CPC

##### **3<sup>rd</sup> CPC recommended for creation of a standing Body on Pay and Cadre Management.**

“Our experience has convinced us that the system of periodically revising the pay structure and conditions of service of the Central Government employees on the recommendations of Pay Commission is not a very satisfactory one. We feel that even broad judgements in these matters should be based on analysis of the relevant data. This is not possible when a Pay Commission is required to make recommendations on the pay scales and conditions of service for such a large number of employees within a limited period. .... **We would, therefore, suggest the creation of a standing Body on Pay and Cadre Management”**

#### 4<sup>th</sup> CPC

##### **4<sup>th</sup> CPC recommend for forming a permanent machinery to undertake periodical review of the pay, allowances and conditions of service of the Central Government employees.**

“If we may venture to say so, the work of a pay commission is laborious and .takes time. Moreover pay commissions come at intervals of 10 years or so. A great many changes take place in the meantime both in regard to the system of pay determination and the promotion policies, etc. Such changes take place quite fast in the case of compensatory allowance and other similar payments. An allowance which is considered sufficient today may not be reasonable if changes take place quickly. **It is therefore necessary that there should be a permanent machinery to undertake periodical review of the pay, allowances and conditions of service of the Central Government employees.** That will also enable Government to oversee the implementation of its pay policy in an effective, systematic and coordinated manner ..... **We suggest that Government may set up such a body which should be responsible for maintaining and updating the basic data on pay and allowances of Government employees and to review the pay scales and rates of allowances and other related matters”.**

#### 5<sup>th</sup> CPC

##### **5<sup>th</sup> CPC recommended for annual pay revision by a permanent pay commission with a constitutional provision.**

In the free market liberalised economy there is a strong need for continuing machinery for pay revision as recommended by Fifth Pay Commission as per Para 99 of Summary of Recommendations:

“Need for continuing machinery for pay revision: **The Commission has recommended that pay revision should, in future, be entrusted to a Permanent Pay Commission drawing its authority from a Constitutional provision, whose recommendations should have a binding character. Pay should be revised annually as in other countries.** As an alternative, it has been suggested that dearness allowance should be converted into dearness pay every time the cost of living rises by 50% over the base level. This would imply a revision of pay every 4 to 5 years. The final option is to have a decennial exercise as at present, but with fixed dates. The Commission has suggested that the date of constitution of the next Pay Commission should not be later than 01.01.2003, and the date of implementation of its recommendations should be 01.01.2006, irrespective of when its report is submitted”.

#### 6<sup>th</sup> CPC

**6<sup>th</sup> CPC accepted the principle of regular interval of 10 years between two pay commissions.**

Pay scales recommended by the Fifth Central Pay Commission were implemented from 1/1/1996. **The Fifth CPC had also recommended that the date of implementation of the recommendations by the Sixth Central Pay Commission should be pre-determined as 1/1/2006.**

### **7<sup>th</sup> CPC**

**7<sup>th</sup> CPC recommended for periodical review of pay matrix without waiting for long 10 years.**

“It is also recommended that the matrix may be reviewed periodically without waiting for the long period of ten years. It can be reviewed and revised on the basis of the Aykroyd formula which takes into consideration the changes in prices of the commodities that constitute a common man’s basket, which the Labour Bureau at Shimla reviews periodically. **It is suggested that this should be made the basis for revision of that matrix periodically without waiting for another Pay Commission”.**