6th Punjab Pay Commission

The Government of Punjab, vide Notification No.8/2/2014-3PP3/333 dated 24.02.2016 appointed the Sixth Punjab Pay Commission with specific terms of reference. The Commission, after due deliberations, submits its report (Part-I) to the Government of Punjab on this 30th day of April, 2021.

Jai Singh Gill, IAS (retd)
Chairman

S.S.Rajput, IAS (retd)
Member Secretary

D.S.Kalha, IAS (retd)
Member

Acknowledgement

I wish to place on record and acknowledge the valuable contribution made by former Chairman and Members of the Pay Commission, S. R.S.Mann, IAS (retd), Smt. Ajanta Dayalan, Sh. Anurag Agarwal, IAS and S. Jaspal Singh, IAS. I would in particular like to acknowledge the contribution and support I received from my colleagues and members S. Dilsher Singh Kalha, IAS (retd) and S. Surjit Singh Rajput, IAS (retd). It would not have been possible to finalize the recommendations of this pay commission without their commitment and domain knowledge in matters relating to pay revision.

I would also acknowledge the valuable information and suggestions provided by the employee unions and individual employees of the government. The memoranda submitted by them were comprehensive and included matters not only relating to their own cadres but also the wider issue of wage revision. The detailed interaction with them helped the commission to better understand these issues and it has been our endeavour to take on board some of these while making our recommendations.

The exercise of wage revision is not possible without the inputs and information provided by heads of the government departments. I wish to particularly acknowledge the support received from the Chief Secretary and Secretaries of the Departments of Finance and General Administration.

The Pay Commission was permitted by the State government to engage services of advisors, namely S/Sh. A.S.Ahluwalia, IES (retd) Director General Labour Bureau, Shimla, T.C. Goel, ISS (retd) Senior Statistician, MGSIPA, R.S.Mittal, DCFA (retd), Hardeep Singh Walia, Deputy Director

Planning (retd), Sham Lal, ACFA (retd) and O.P.Verma. They did most of the initial ground work in tabulating employee demands and reconciling them with existing provisions and relevant government rules. Their work was particularly helpful in bringing into focus issues that required consideration and decision.

The Secretariat staff of the Commission lived up to its expectations in fulfilling its assigned task. I would, in particular, acknowledge the contribution of Sh. B.S.Matharoo, JCFA(retd), Sh. Manjit Singh, Private Secretary, Sh. Dev Raj, Computer Assistant and Sh. Manish Kumar, Clerk. Sh. Matharoo not only has a thorough grasp of the pay structure but also a macro-overview of the intricacies and details required for implementation of revised pay recommendations. Sh. Manish Kumar is a rare epitome of dedication, hard work and discipline. It would not have been possible to put together this report without his tireless efforts in keeping the record of the deliberations and making available information as required.

(JAI SINGH GILL)
Chairman, 6th PPC

SUMMARY OF THE RECOMMENDATIONS OF THE 6TH PUNJAB PAY COMMISSION

- Minimum pay for government employee increased from ₹6950/- pm to ₹18000/- pm w.e.f. 01.01.2016;
- Salaries of all employees to increase by a multiple of 2.59 over the 5th Pay Commission recommendations.
- Average increase on salaries and pensions expected to be 20%.
- Implementation of the recommendations relating to pay and pension from 01.01.2016 and relating to allowances from the date of notification by the Government;
- Allowances revised upward ranging from 1.5 times to 2.0 times. In addition, certain allowances recommended to be rationalized;
- A simple, transparent and easy to implement Pay Matrix devised for all the GoP employees;
- Present system of dearness allowance on Central pattern to continue and dearness allowance to be converted into Dearness Pay each time the index increases by 50% to be counted for all purposes including retirement benefits;
- Pensions to be revised by using the simple factor of 2.59. Pension to continue to be paid @ 50% of the last pay drawn on completion of 25 years of qualifying service;
- Old age allowance for pensioners and family pensioners at the existing intervals of 5 years from the age of 65 years onwards to be continued on revised pension;
- Commutation of pension recommended to be restored to 40%;
- Fixed medical allowance to be doubled to ₹1000/- pm for employees as well as pensioners uniformly;

- Maximum limit of Death cum Retirement Gratuity enhanced from ₹10.00 lakh to ₹20.00 lakh;
- Ex-gratia grant rates enhanced in the case of death of government employee as also in case of death in harness directly attributable to the duty performed;
- Existing classification of the categories of cities for HRA to be retained. House rent allowance to be rationalized by a factor of 0.8 of the existing rates and calculated as a percentage of basic pay;
- House rent allowance in lieu of rent-free accommodation to be discontinued;
- Higher education allowance in the form of lump sum rate recommended for all employees acquiring higher qualification;
- Following 31 distinct levels defined and henceforth level will be the status determiner. Each post will have a level which is hierarchical position in the state administration:-

Pay Matrix, initial pay & service group recommended by the 6th Punjab Pay Commission		
Level	Initial Pay at start of every Level (₹)	Service Group
1	18000	D
2	18400	D
3	20200	C
4	20600	C
5	21300	C
6	25600	C
7	28900	C
8	29700	C
9	35600	C
10	38100	C
11	38500	B
12	43000	B
13	46000	B
14	47600	B
15	48200	B

16	48700	A
17	53600	A
18	56100	A
19	60900	A
20	64500	A
21	67400	A
22	83100	A
23	83600	A
24	91500	A
25	107100	A
26	115000	A
27	122800	A
28	123100	A
29	123400	A
30	129700	A
31	148800	A

- Uniform rate of increment of 3% (rounded off to ₹100) for all the categories of employees;
- All types of special pay recommended to be abolished;
- Any add-ons in the basic pay by any nomenclature recommended to be abolished;
- Cash handling allowance rationalized and to be paid by dividing it in two categories viz up to ₹5.00 lakh per month and over ₹5.00 lakh @ ₹700/- and ₹1000/-, respectively;
- Design allowance to engineering staff and Kit maintenance allowance to Police personnel to be paid at double the existing rates;
- Mobile allowance enhancement varying from ₹375 to ₹750 recommended;

- Recommendations of the Commission would likely to lead to an additional expenditure of ₹3500 crores per annum w.e.f. 01.01.2016;
- All the recommendations to be treated as an organic whole as partial implementation would lead to anomalies and inconsistencies.

*_*_*

Organization:

(A) Commission:

1. Jai Singh Gill, IAS (retd), Chairman (present)

   Sh. R.S Mann, IAS (retd) Chairman (resigned)

2. D.S.Kalha, IAS (Retd), Member (present)

   Smt. Ajanta Dyalan, Deputy C&AG (retd) Member (resigned)

3. S.S.Rajput, IAS (Retd), Member Secretary (present)

   Anurag Aggarwal, IAS, Member Secretary (additional charge till 16.03.2017)

   Jaspal Singh, IAS Member Secretary (additional charge till 24.09.2018).

(B) Subject specialists:

1. A.S.Ahluwalia, IES (retd) Director General Labour Bureau;
2. T.C. Goyal, ISS (retd) Fellow Statistics, MGSIPA;
3. Balvinder Singh Matharoo, Joint Controller (F&A) (retd);
4. R.S. Mittal, Deputy Controller (F&A) (retd);
5. Hardeep Singh Walia, Deputy Director, Planning (retd);
6. Sham Lal, Assistant Controller (F&A) (Retd);
7. O.P.Verma.

(C) Secretariat support:

1. Veena, Deputy Secretary;
2. Manjit Singh, Private Secretary/Chairman;
3. Jasbir Kaur, Private Secretary/ Member Secretary;
4. Veena Rani, Personal Assistant/Chairman;
5. Jasvir Singh, Senior Scale Stenographer/Member;
6. Kulvir Kaur, Steno typist o/o Chairman;
7. Manish Kumar, Clerk;
8. Mandeep Singh, Clerk;
9. Dev Raj, Computer Assistant;
10. Dawinderpreet Singh, Computer Assistant.

(D) Others

1. Kuldeep Singh, Peon;
2. Kulbhusan Bains, Peon;
3. Sunny Chawla, Peon;
4. Balwinder Kumar, Peon.

TABLE OF CONTENTS

Sr. No.	Chapter	Page No.
1.	Introduction	1-8
2.	History and theory of pay determination	9-14
3.	Fiscal conditions of the State and its capacity to pay	15-29
4.	Approach of the Commission	30-34
5.	Mid-term re-revision of scales - 2011	35-45
6.	Minimum wage, Pay Matrix and fixation of pay	46-72
7.	Allowances	73-105
8.	Pension and retirement benefits	106-127
9.	Financial Implications of the recommendations	128-128
	Annexures	
10.	Constitution of the Commission (Annexure 'A')	129-130
11.	Terms of Reference of the Commission (Annexure 'B')	131-135
12.	Questionnaire to the Administrative Departments (Annexure 'C')	136-143
13.	Constitution of Cell by the Finance Department (Annexure 'D')	144-145
14.	Questionnaire to the Finance Department (Annexure 'E')	146-150
15.	Gist of demands by pensioners associations (Annexure 'F')	151-158

List of abbreviations used:

Sr. No.	Abbreviation used	Stands for
1.	ACP scheme	Assured Career Progression Scheme
2.	AICPI	All India Consumer Price Index for Industrial workers
3.	BE	Budget Estimates
4.	BP	Basic pay
5.	CPC	Central Pay Commission
6.	Cr	Crores
7.	CSR	Civil Services Rules
8.	DA	Dearness Allowance
9.	DACP	Dynamic Assured Career Progression
10.	Deptt.	Department
11.	FC	Finance Commission
12.	FRBM	Fiscal Responsibility & Budget Management
13.	GDP	Gross Domestic Product
14.	GoI	Government of India
15.	GoP	Government of Punjab
16.	GP	Grade Pay
17.	GSDP	Gross State Domestic Product
18.	GST	Goods and Service Tax
19.	GSVA	Gross State Value Added
20.	HAG	Higher Administrative Grade
21.	HRA	House Rent Allowance

22.	MACP	Modified Assured Career Progression
23.	MTS	Multi-Tasking Staff
24.	NFSG	Non Functional Selection Grade
25.	NFU	Non-functional Upgrade
26.	NPA	Non Practicing Allowance
27.	NPS	National Pension System
28.	PB	Pay Band
29.	pm	per month
30.	PPC	Punjab Pay Commission
31.	PRIS	Performance Related Incentive Scheme
32.	SAG	Senior Administrative Grade
33.	ToR	Terms of Reference
34.	VAT	Value added tax
35.	Vol	Volume
36.	Vs.	Versus
37.	w.e.f.	with effect from
38.	w.r.t.	With reference to

CHAPTER 1

INTRODUCTION

1.1 After reorganization of the State of Punjab in November 1966, the first Punjab Pay Commission (PPC) was constituted in July 1967. Thereafter successive Pay Commissions have been appointed approximately after every 10 years. The present Pay Commission is the Sixth and it was constituted by notification No.8/2/2014-3PP3/333 dated 24.02.2016 (Annexure –'A') with the appointment of Shri R.S. Mann, IAS (retd.) as Chairman.

1.2 Thereafter in notification No. 8/2/2014-3PP3/870821/1 dated 04.11.2016 (Annexure –'B') Shri Anurag Agarwal, IAS was appointed as Member Secretary. In addition, Government of Punjab (GoP) also issued the Terms of Reference (ToR) of the Sixth Punjab Pay Commission.

1.3 Further, through notification No. 14/96/2016-3PP3/876745/1 dated 17.11.2016 Smt. Ajanta Dayalan, former Deputy Comptroller and Auditor General was appointed as a member of the Sixth Punjab Pay Commission and she joined her duties on 28.11.2016.

1.4 Shri R.S. Mann, IAS (retd.) resigned from the post of Chairman of the 6th PPC w.e.f. 21.03.2017 and Shri J.S. Gill, IAS (retd.) was appointed in his place by order No.8/2/2014-3PP3/117 dated 6.4.2017. He assumed charge of the post on 17th April 2017.

1.5 Shri Jaspal Singh, IAS was appointed as Member Secretary of the Commission in place of Shri Anurag Agarwal, IAS by order No.8/2/2014-3PP3/282 dated 3.10.2017 and he took over the assignment as additional charge on 16.10.2017. In the meantime, Smt Ajanta Dayalan resigned as Member of 6th PPC w.e.f. 4th July, 2018 while Shri S.S. Rajput, IAS (Retd.) was appointed as Member Secretary of the Sixth Punjab Pay Commission in place of Shri Jaspal Singh, IAS by order No.8/2/2014-3PP3 (P.F-3)/1317646/12 dated 13.9.2018 and he assumed the charge on 24th September, 2018. Shri D.S. Kalha, IAS (retd.) was then appointed as Member of the 6th PPC by order No. 8/2/2014-3PP3(P.F.)-853 dated 25.10.2018 against the vacancy caused by the resignation of Smt. Ajanta Dayalan.

Terms of Reference (ToR) of the 6th Punjab Pay Commission

1.6 Government of Punjab issued the ToR of the 6th PPC through notification No. 8/2/2014-3PP3/870821/1 dated 04.11.2016 as under:

(a) To examine the principles and the date of effect thereof that should govern the structure of pay, allowances and other facilities/benefits, whether in cash

or in kind, to all categories of employees in the state of Punjab to whom the Punjab Civil Services Rules, Volume I, Pat I apply, except the employees whose scales of pay have been determined on the recommendations of the University Grants Commission;

(b) To examine the principles, which should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications to the present and former State Government employees, appointed before January 1, 2004.

(c) To examine the usefulness of Punjab Government employees Health Insurance Scheme and recommend improvements in its implementation.

(d) To examine, review, and recommend changes in the Assured Career Progress Scheme (s).

(e) To work out a comprehensive and simplified pay package for the categories of State Govt. employees, linked to the measures to promote efficiency, productivity, accountability and responsibility in the work culture and foster excellence in the public governance, discipline and transparency in Public Service.

(f) To encourage the use of new Information and Communication Technology in the functioning of the Government, the minimum qualification required for entry into Govt. service should include basic knowledge and use of computers.

(g) To curb non-productive expenditure, the Commission shall suggest a cap on expenditure on salaries, wages and pensions as a percentage of Revenue Receipts of the State and other economy measures to find the additional expenditure on the implementation of its recommendations. While doing so, new staffing structures/norms may be suggested, having regard to changed role of the Government and I.T. application.

(h) To make recommendation on the above (a to g), keeping in view the following aspects:-

(i) The economic condition of the State and the need of fiscal prudence having regard to provisions of the Punjab Fiscal Responsibilities and Budget Management Act 2003.

(ii) The need to ensure that adequate resources are available for development expenditure and welfare measures, after meeting the committed expenditure of salary, pension and interest in the State.

(iii) The commission shall work out the likely impact of its recommendations on the finances of the state Government.

(iv) The commission shall bear in view the salary hikes given to various categories of employees after the implementation of the 5th Punjab Pay commission recommendations so as to ensure fair play and equity amongst various categories of employees inter se as well as vis-à-vis the tax payer.

(i) To recommend the date of effect of its recommendations on all the above.

The above terms of reference are practically the same as those fixed for the 5th Punjab Pay Commission except the conditions mentioned in para h (iv) above.

PROCEDURE OF WORK:

1.7 It was only after the terms of reference were issued that the Commission could effectively start functioning. A Public Notice was issued in the leading newspapers on 6th, December, 2016 inviting service authorities, employees unions, institutions other organizations and interested individuals to submit their views on matters included in the Terms of Reference. The Commission also devised a questionnaire seeking information, data and views on important issues concerning different categories of employees from all the government departments which was addressed to the concerned Administrative Secretaries with the request that the requisite information be supplied to the Commission within a period of one month (Annexure- 'C'). However, no department was able to adhere to this timetable. Ultimately, with the intervention of the Chief Secretary, a 'Cell' was constituted by the Finance Department on 03.07.2019 (Annexure – 'D'). This helped to speed up matters and the Commission received most of the requisite information by 20.02.2020.

1.8 Another area of concern was provision of supporting staff for the Commission and office space to accommodate them. After considerable correspondence and efforts starting from January 2017, GOP in June 2019 asked the Commission to select and engage the requisite manpower at its own level. The Commission was ultimately able to obtain the services of some retired personnel by 18.06.2019. It was also agreed that the staff of the Commission would be accommodated in the Mahatma Gandhi State Institute of Public Administration.

1.9 In response to the public notice issued, 294 memoranda were received from various employees association/ unions and another 58 representations were submitted by individuals.

1.10 The Commission began the process of personal hearings of the employees association/ unions and others on 4th May, 2017 and the exercise was completed by end October, 2018. As many as 294 unions/ associations/ organizations/ individuals availed of this opportunity and appeared before the Commission.

1.11 The concerns and suggestions flowing from these interactions in respect of pay matrix, allowances and pensions have been considered and recommendations included in Part-I of the report. Remaining matters are under consideration of the Commission and its decisions will be included in Part-II of the

report. Similarly the Commission will make specific recommendations in each of the issues contained in the ToR.

1.12 The Commission considered the need to review the principles and measures for determining the salary structure of the employees and for this purpose the Punjabi University, Patiala was approached to undertake research studies on the following six specific areas:

a) Wage- Productivity Relationship ;
b) Efficiency and Right Sizing ;
c) Level of Minimum Wages and other Methods of Wage Fixation ;
d) Current State of Fiscal Health and Capacity to pay ;
e) Automation and Re-skilling of Employees ; and
f) Information Technology and Efficiency of the Employees.

Accordingly, the Commission decided on 21st January, 2020 to entrust the conduct of above mentioned studies to the Center for Development Economic and Innovation Studies, Punjabi University, Patiala.

1.13 In addition to the questionnaire addressed by the Commission to all the heads of the departments on 08.01.2019, it was considered necessary to seek certain specific information/data from the Finance Department with respect to the expenditure on salary/pensionary benefits and allowance etc. and some other related matters. Accordingly a questionnaire was sent to the Finance Department by the Commission in letter no. 1/1/2018-6 dated 79 dated 08.07.2020 (Annexure-'E').

1.14 The Commission intends to submit its recommendations in subsequent parts of the report. In the first part of the report, matters relating to fiscal parameters, pay revision, allowances, pension and post retirement benefits, have been dealt with. The recommendations on other issues including those in para 1.6 sub para (c), (d) and (f) will be dealt with in subsequent parts of the report.

1.15 The ToR inter alia enjoins the Commission to examine the usefulness of Punjab Government employees Health Insurance Scheme and recommend improvements in its implementation. GoP had introduced a scheme in 2016 which was discontinued shortly thereafter for reasons, which the Commission will examine in detail in a separate chapter.

1.16 Likewise the Commission is to review and recommend changes in the Assured Career Progression Scheme intended to mitigate/address the problems of stagnation and lack of promotional avenues. This issue has also been repeatedly raised by several associations/unions of employees in their memoranda and personal hearings. This matter will also be dealt in a separate chapter.

CHAPTER 2
HISTORY AND THEORY OF PAY DETERMINATION

Introduction

2.1 Inflationary pressures in the economy, cause erosion in the purchasing power of the state government employees. They, therefore, expect the employer to meet their demands so that their real income remains intact. Over the years there are changes as well in the overall living standards and the employees feel that there has to be a periodic increase in their salaries to enable them having similar aspirations. The gradual growth in state GDP is partly reflected in increased prosperity and employees also demand a share of it. It is in this background that the governments both at the national and at state level decided to set up Pay Commissions from time to time to make suitable recommendations not only with reference to demands of their employees but also to ensure that pay scales offered by the government are not only competitive but also attract and retain the best available talent.

Historical perspective

2.2 In the United Kingdom Royal Commissions were set up for going into the pay and the conditions of the civil services. The first one of these was the Northcote-Trevelyan Commission which submitted its report in the year 1854 and the last in the series was the Megar Committee of 1982. At the heart of the recommendations was the principle articulated by the Anderson Committee on the pay of the State Services in their report dated the 25th July, 1923 as under:-

> *"In our view there is only one principle in which all the factors of responsibility, cost of living, marriage, children, and social position etc. are included. The employer should pay what is necessary to recruit and to retain an efficient staff."*

2.3 In India the Aitchison Commission was constituted in 1886-87, followed by the Islington Commission in 1912-15. Thereafter as many as seven Central Pay Commissions (CPCs) have been constituted beginning with the year 1946 at the national level. Within the State of Punjab as many as five pay commissions beginning with 1968 were set up.

Requirements of pay system.

2.4 There are in theory three well accepted requirements of a sound pay system. These are inclusiveness, comprehensibility and adequacy.

Inclusiveness implies that the recommended pay scales will be universally applied for all the civil services.

Comprehensibility entails that emoluments package should be transparent and not fragmented. It implies that the allowances should not be large in number and must not become means to enhance the basic pay.

Adequacy means that the pay system must be both externally and internally adequate. External adequacy means that the civil servant is satisfied that emoluments are sufficient and in consonance with his/her skill set and educational qualification, experience and duties and responsibilities.

Internal adequacy alludes to the capacity of the employer to pay and the extent to which this will influence wage structure.

Objectives of Wage Determination

2.5 The following principles have always been the basis of the wage determination process. All are economically valid. At different stages they have been either collectively or singularly been used to determine wage increase.

a) **Prevailing real income: -** This is the argument used by employees and unions viewing wages as an income. Following this principle usually results in wages

being indexed to inflation. In periods of rising inflation, indexation becomes a problem of an institutionalized wage-price spiral. Underlying aspects that have also impacted on real wage preservation arguments have been a "basic" minimum wage and comparative wage justice.

b) The capacity of the economy to absorb wage increase: the "capacity" argument views the macro impact of wage increase on inflation.

c) Living wage: - This means that wages paid should be adequate to enable an employee to maintain himself and his family at a reasonable level of existence. However, employees do not generally favour the concept of a living wage as a guide to wage determination because they prefer to base the wages of an employee on his contribution rather on his need.

d) Fair Comparison: This was first particularly enunciated and elaborated by the Priestley commission, which observed:

> "We think that a correct balance will be achieved only if the principle of civil services pay is fair comparison with the current remuneration of outside staffs employed on broadly comparable work taking account of differences in other conditions of service."
>
> "Fair comparison as the primary principle is fair to the community at large for two reasons. First, it looks after the ordinary citizen's interest as a taxpayer. If the Government which represent him pays what others responsible employers pay for comparable work the citizen cannot reasonably complain that he is exploited. Equally we consider that he would agree that he could not in the long run obtain an efficient service by paying less."

e) Psychological and Social Factors: These determine in a significant measure how hard a person will work for the compensation received.

Psychologically, persons perceive the level of wages as a measure of success in life and a sense of security. Inadequate or low wage could cause an inferiority complex. Sociologically and ethically, people feel that "equal work should carry equal wages", that 'wage should be commensurate with their efforts' and that they are not exploited.

Factors Affecting Wage Rate Decisions

2.6 The wage payment is an important factor affecting the employee employer relations. Employees are concerned with the rates of wages as their standard of living is linked to the amount of remuneration they get. Governments, however, do not come forward to pay higher wages because of perceived low productivity of the employees. A number of factors, thus, influence the remuneration payable to the employees. These can be categorized into (i) External Factors (ii) Internal Factors.

External Factors:

Demand and Supply: The labour market conditions or demand and supply forces operate at the national and local levels and determine organisational wage structure. When the demand for a particular type of labour is more and supply is less than the wages will be more. On the other hand, if supply of labour is more and demand on the other hand is less, then persons will be available at lower wage rates also. In fact some economists believe that the supply and demand compensation criterion is very closely related to the prevailing pay, comparable wage and ongoing wage concepts since, in essence, all these remuneration standards are determined by immediate market forces and factors.

Cost of Living: The wage rates are directly influenced by cost of living. Workers will accept a wage which may ensure them a minimum standard of living. Wages will also be adjusted according to the price index. The increase in price index will erode the purchasing power of workers and they will demand higher wages.

Psychological and Social Factors: Psychologically the level of compensation is perceived as a measure of success in life. Management should take into consideration the psychological needs of the employees while fixing the wage rates so that the employees take pride in their work. Sociologically and ethically, the employees want that the wage system should be equitable, just and fair.

Technological Development: With the growth of manufacturing, there can be a shortage of skilled resources. The technological developments have been affecting skill levels at faster rates. Thus, the wage rates of skilled employees constantly change and an organization has to keep its level up to the mark to suit the market needs.

Prevailing Market Rates: No enterprise can ignore prevailing or comparative wage rates. The wage rates paid in the industry or in other concerns at the same place will form a base for fixing wage rates. If a concern pay low rates then workers leave their jobs whenever they get a job somewhere else and it will not be possible to retain good workers for long.

Internal Factors:

Ability to pay: The ability to pay of an organization will influence wage rates to be paid.

Job Requirements: Basic wages depend largely on the difficulty level, and physical and mental effort required in a particular job. The relative worth of a job can be estimated through job evaluation. Simple, routine tasks that can be done by many people with minimum skills receive relatively low pay. On the other hand, complex, challenging tasks that can be done by few people with high skill levels generally receive high pay.

2.7 The Pay Commission has, much like the previous ones, based its recommendations on the principle of fair living wage structure for GoP employees. Efforts have been made to ensure that difference in pay for jobs are based on variations in job requirements such as skill, responsibility and mental/physical requirements. Employees have been associated, as far as possible, in formulation and implementation of wage policy. It has also been ensured that wage structure speeds up and simplifies the administrative process.

CHAPTER 3

FISCAL CONDITION OF THE STATE AND ITS CAPACITY TO PAY

3.1 The Commission's Terms of Reference inter-alia enjoin it to submit its recommendations keeping in view;

(I) the economic condition of the State and the need of fiscal prudence having regard to provisions of the Punjab Fiscal Responsibilities and Budget Management Act 2003.

(ii) the need to ensure that adequate resources are available for development expenditure and welfare measures, after meeting the committed expenditure of salary, pension and interest in the State.

3.2 The Central Government and the States, including Punjab, have over the last sixty years, adopted a convention of decennial revision of wages for its employees with just a few states undertaking this exercise every five years. Most of the states have adopted the central scales for their employees. The basic methodology adopted by all Pay Commissions has been that wages are adjusted to rising cost of living during the interregnum and also include other social and economic needs of the employees. In this manner the Central and the State governments end up bearing the additional cost of wage revision regardless of their fiscal health or their capacity to pay. The state of Punjab is no exception.

3.3 The current pay revision will be implemented at a time when the State's economy faces additional headwinds. Punjab's real Gross State Domestic Product (GSDP) growth has been less than the national average for many years. It was possible that the real GSDP growth for the year 2019-2020 would overtake the national average after a span of 5 years. However, the spread of the COVID-19 pandemic and the restrictions imposed disrupted normal economic activity especially

in the years 2019-20 and 2020-21. The major contributors to GSDP- manufacturing, investment, trade, services and hospitality got adversely affected and Punjab's growth may not live up to this expectation. If the pace and breadth of economic revival is not rapid, Punjab may even witness a contraction of its economy.

3.4 The 15th Finance commission has recommended a post devolution revenue deficit grant of ₹ 25,968 crore over a 5 year period for Punjab and the recommendation has been accepted by the Government of India. This grant varies from ₹ 10081 cr. in 2021-22, ₹8274 cr. in 2022-23, ₹ 5618 cr. in 2023-24, ₹ 1995 cr. in 2024-25 and no grant thereafter implying that it phases out over a 5 year period.

3.5 The same, however, needs to be viewed in the light of the revenue deficit and resource gap in Punjab's budgetary estimates and the GST compensation regime coming to an end on 30.06.2022. Punjab has not seen a revenue neutral, leave aside a revenue surplus budget in last more than 30 years even though it is amongst the highest recipients of GST compensation since the inception of the GST regime with the compensation amount for 2020-21 being as high as ₹ 17321 cr. which is 60% of total expected GST revenues. In 2021-22 the GST compensation will be is ₹16871 cr. which is 51% of the likely GST revenue. At the same time, Punjab's outstanding debt is estimated to be 45.05% of its GSDP during 2021-22 and is expected to hover around 43-44% during the entire period of 15th FC as per the indicative debt path estimated by that Commission.

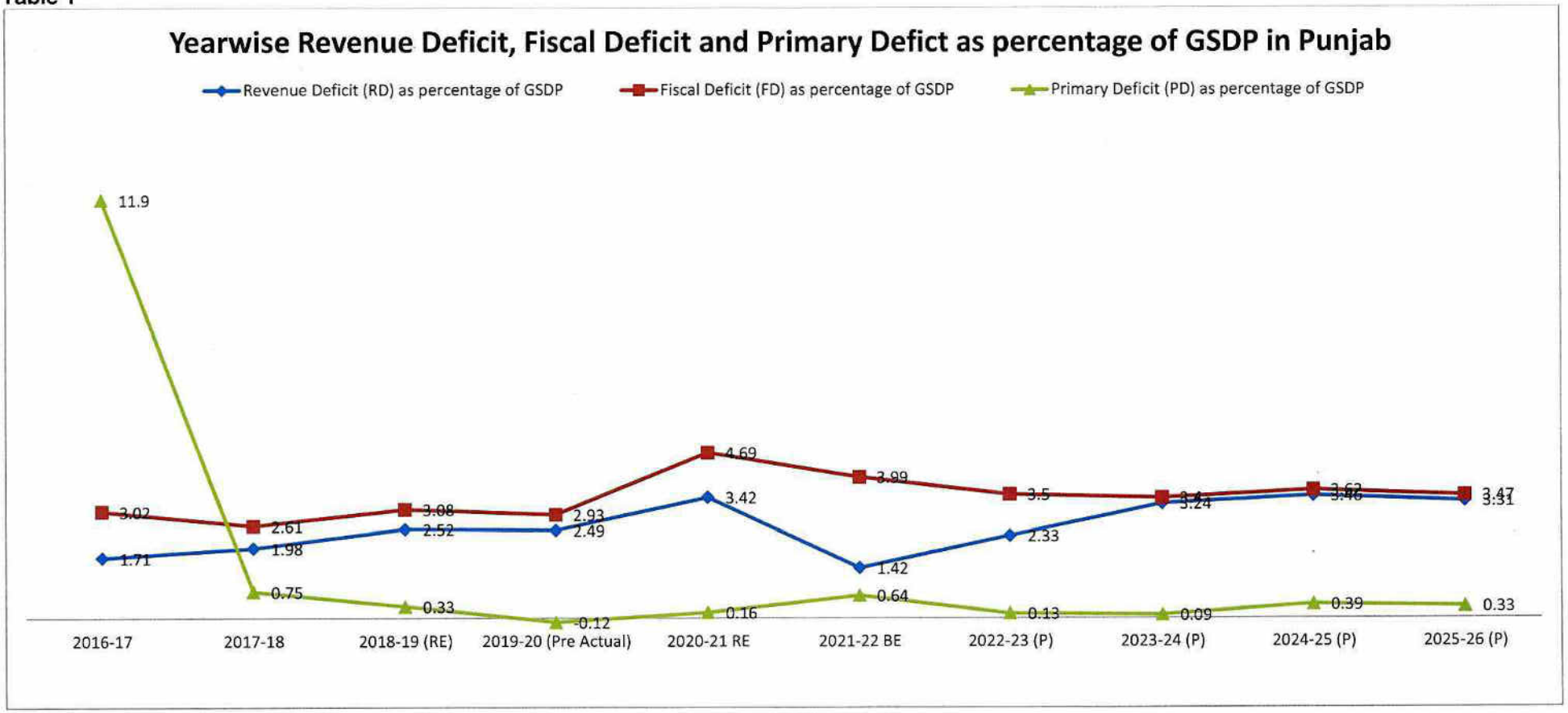
3.6 In such a situation the ToR referred to above assume greater significance. Fiscal prudence and discipline are imperative if the State is to absorb the additional burden of committed expenditure. Similarly, additional market borrowings or higher devolution on the recommendations of the Finance Commission cannot be construed as fiscal room available only to increase committed expenditures, such as salaries

and wages. These are in fact only means provided to the State to tide over the current fiscal crisis and related structural problems. The employees of the State are a critical resource that implements its diverse functions at the cutting edge and must be adequately compensated. The public interest also requires the State to set aside adequate funds to meet basic and fundamental needs such as health, education, housing and infrastructure and the State's current and projected fiscal parameters have to be viewed in this context.

Historical Context of the Fiscal Policy of Punjab:

3.7 Punjab was one of the leading developing states during eighties. Economic growth and development are partly the functions of the state policies and governance. The disruptive law and order situation developing in the state from the 80s shifted the focus from development to the maintenance of law and order. Over time, a revenue surplus state turned into a revenue deficit state. With revenue collections dipping, the state government had no option but to resort to higher market borrowings. The state resultantly is facing a low growth syndrome which is reflected in the fact that the agriculture sector's contribution to the Gross State Value Added (GSVA) is declining every year while and industrial sector is almost stagnant. The tertiary sector's contribution to the GSVA has increased but is still below the all India average. Committed expenditure which, inter-alia, includes salaries and wages, pensions etc. and interest payments, have generally been accounting for more than two thirds of total revenue receipts. On the other hand, there are constraints on investment and low capital formation. The following tables, highlight the vital characteristics of the current and projected fiscal parameters of Punjab and the state of its economy.

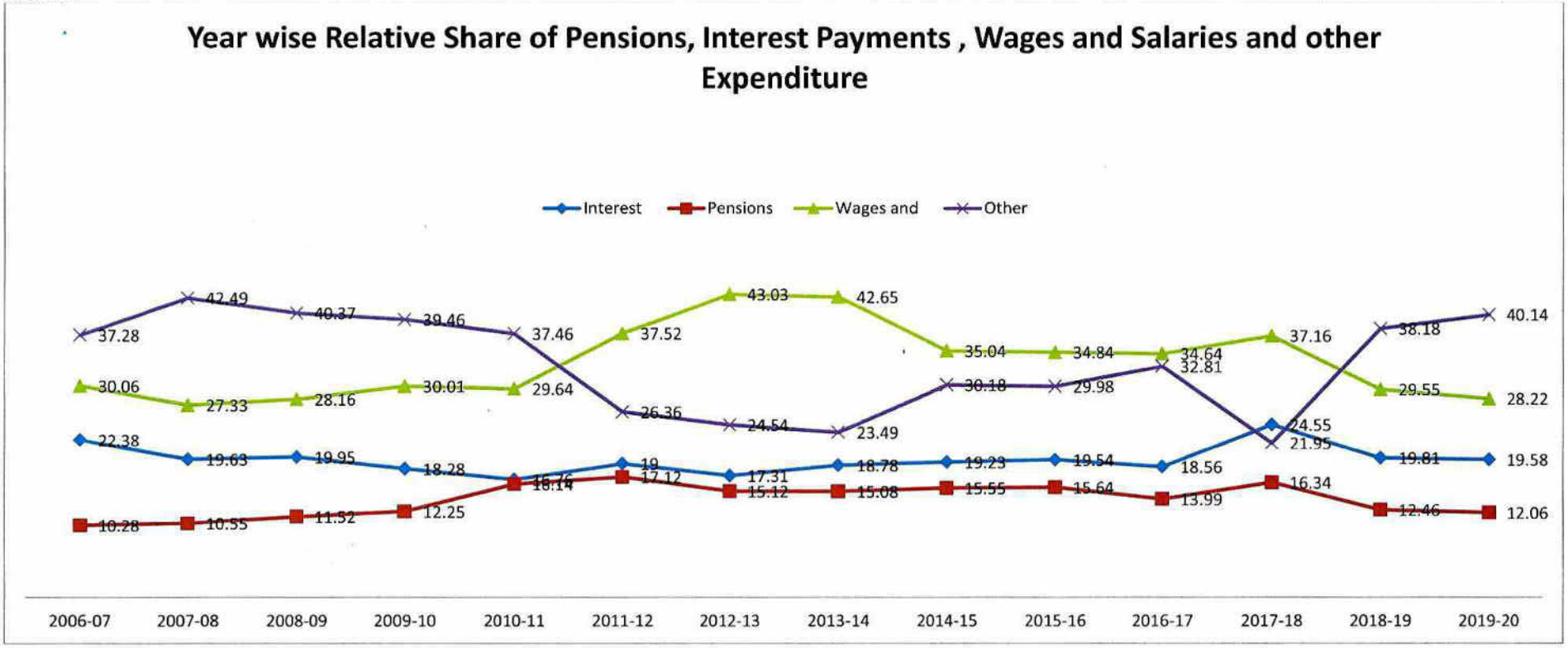
Table 1



Source:- Year wise Budget at a Glance and Fiscal Projections (Without Pay Commission Impact), Department of Finance, Government of Punjab.

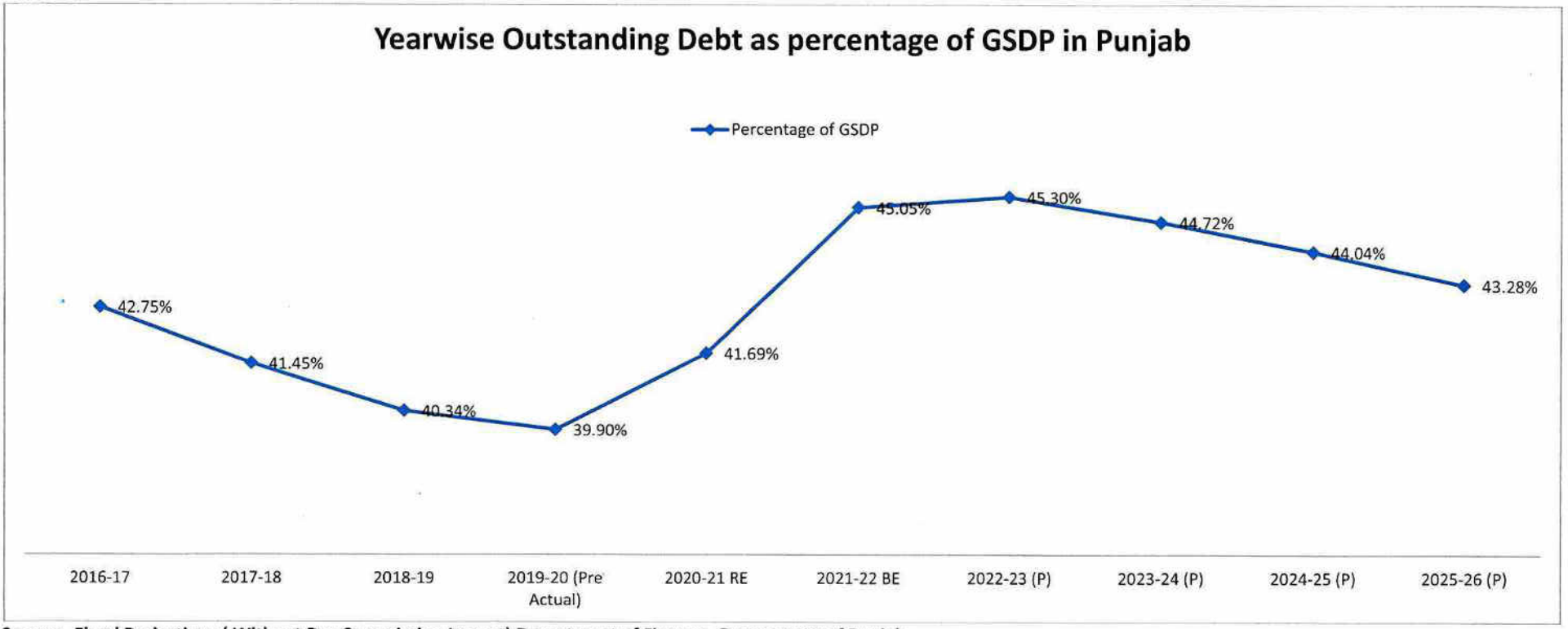
Table 2

Year wise Relative Share of Pensions, Interest Payments , Wages and Salaries and other Expenditure



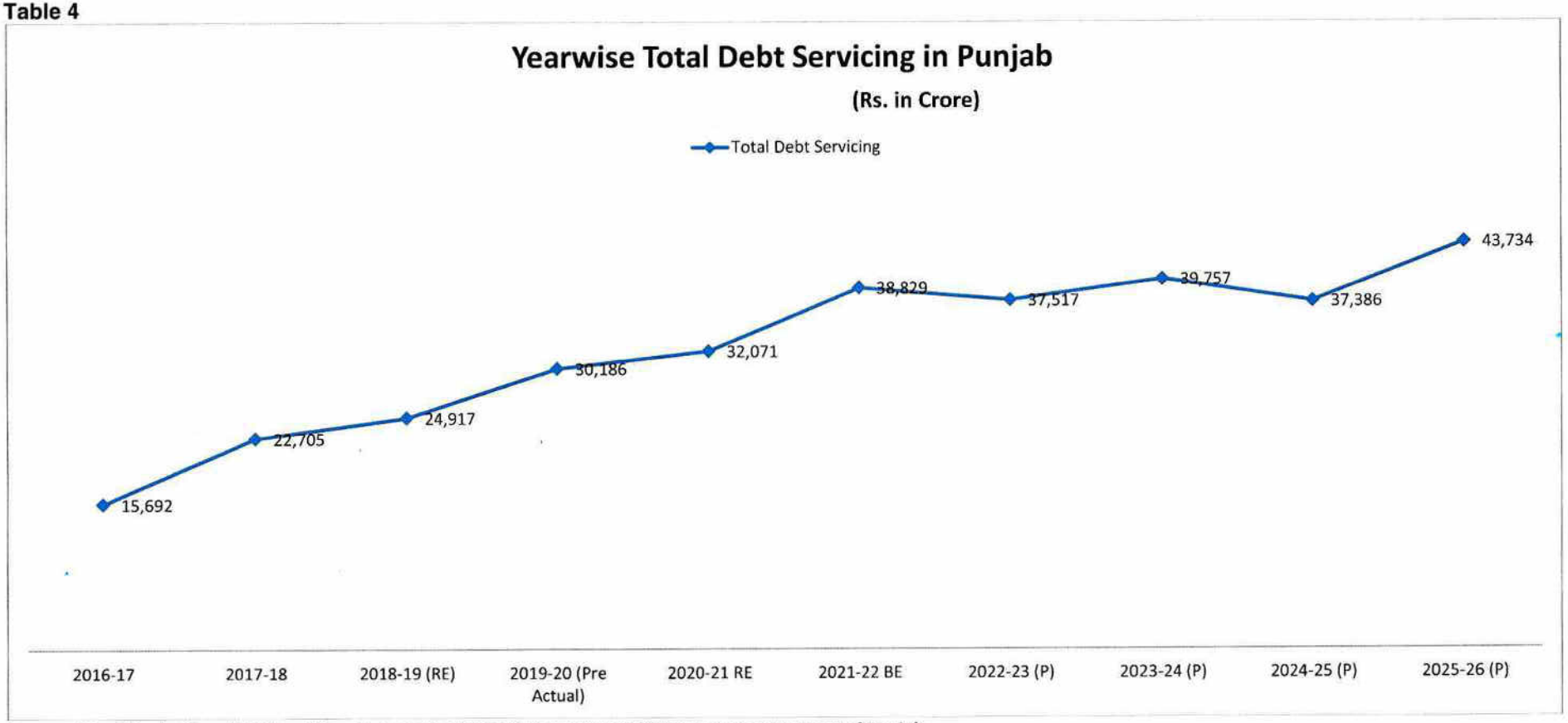
Source: - Budget Papers from 2006-07 to 2019-20, Department of Finance, Government of Punjab.

Table 3



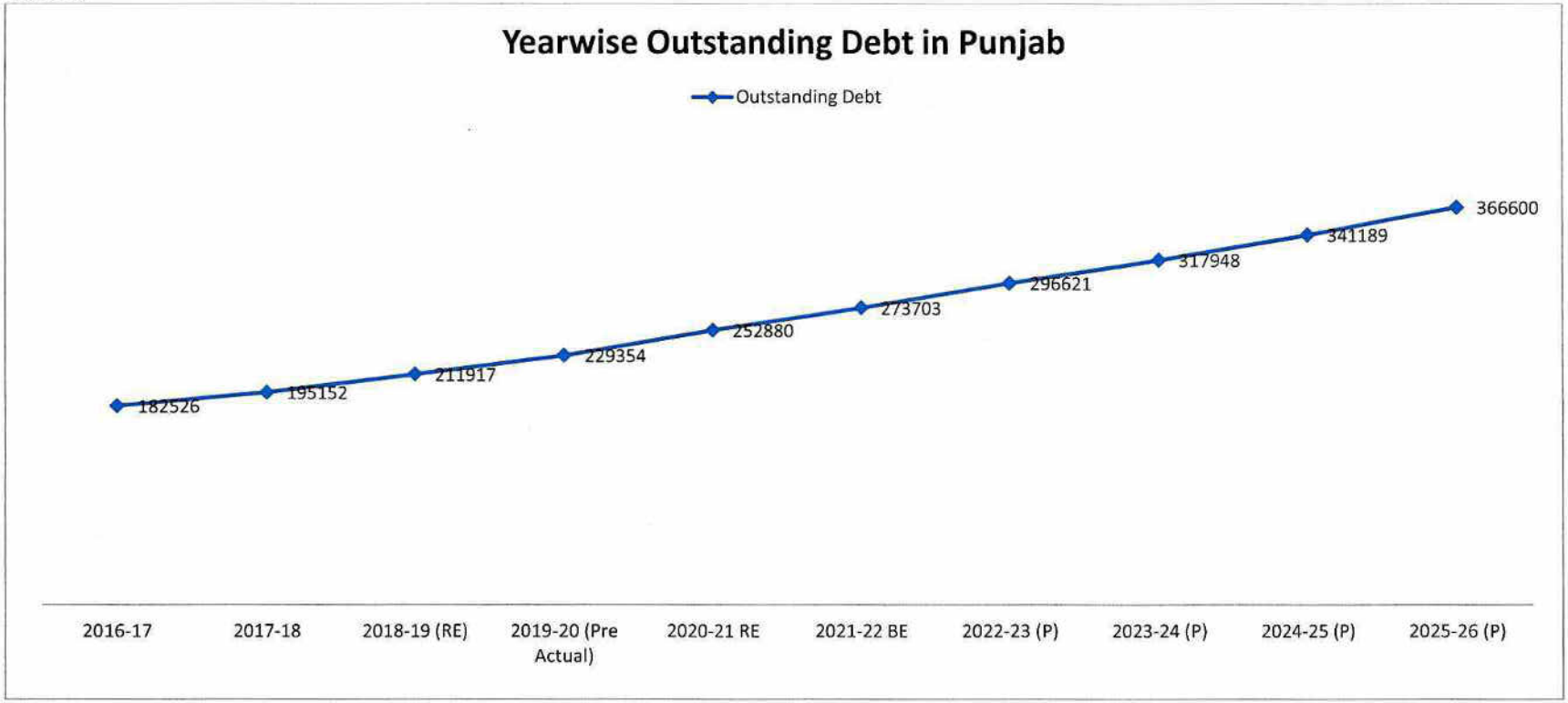
Source:- Fiscal Projections (Without Pay Commission Impact) Department of Finance, Government of Punjab.

Table 4



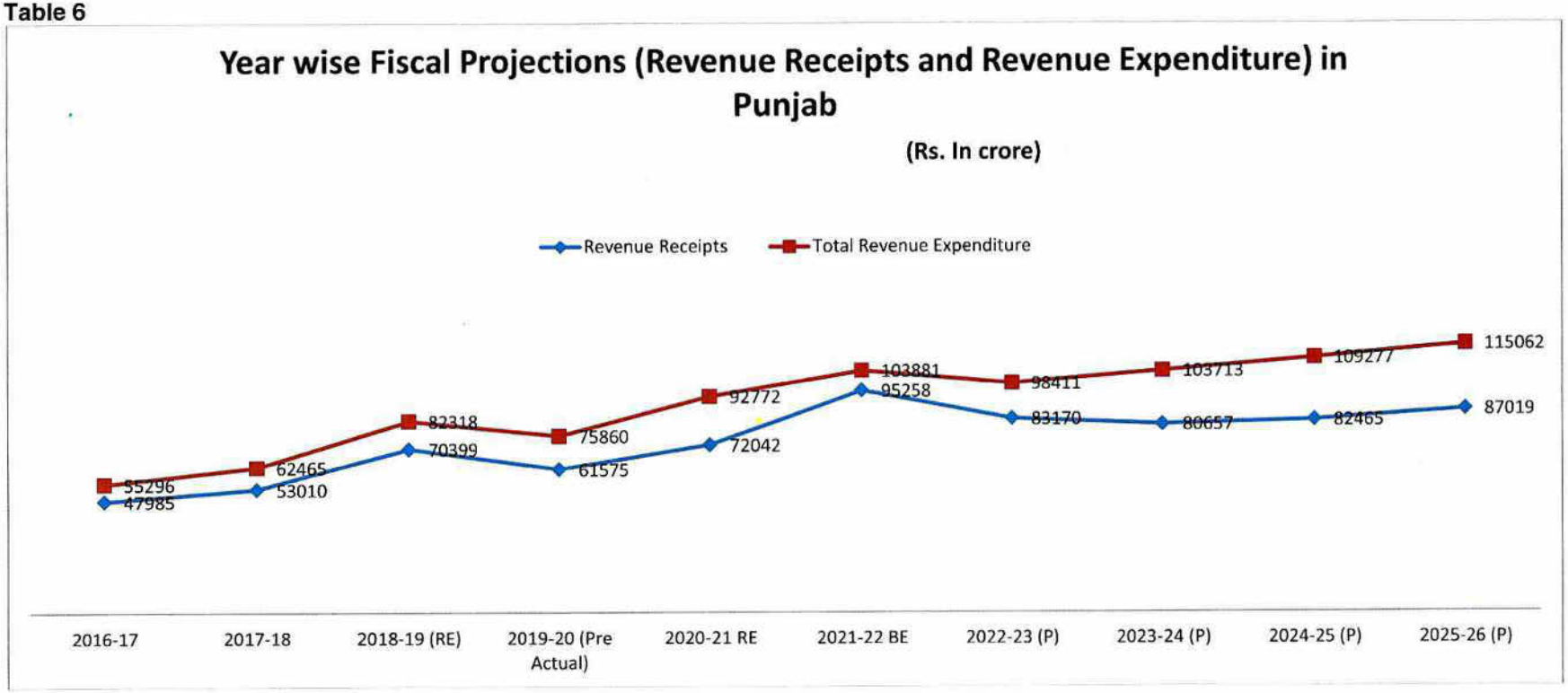
Source:- Fiscal Projections (Without Pay Commission Impact) Department of Finance, Government of Punjab.

Table 5



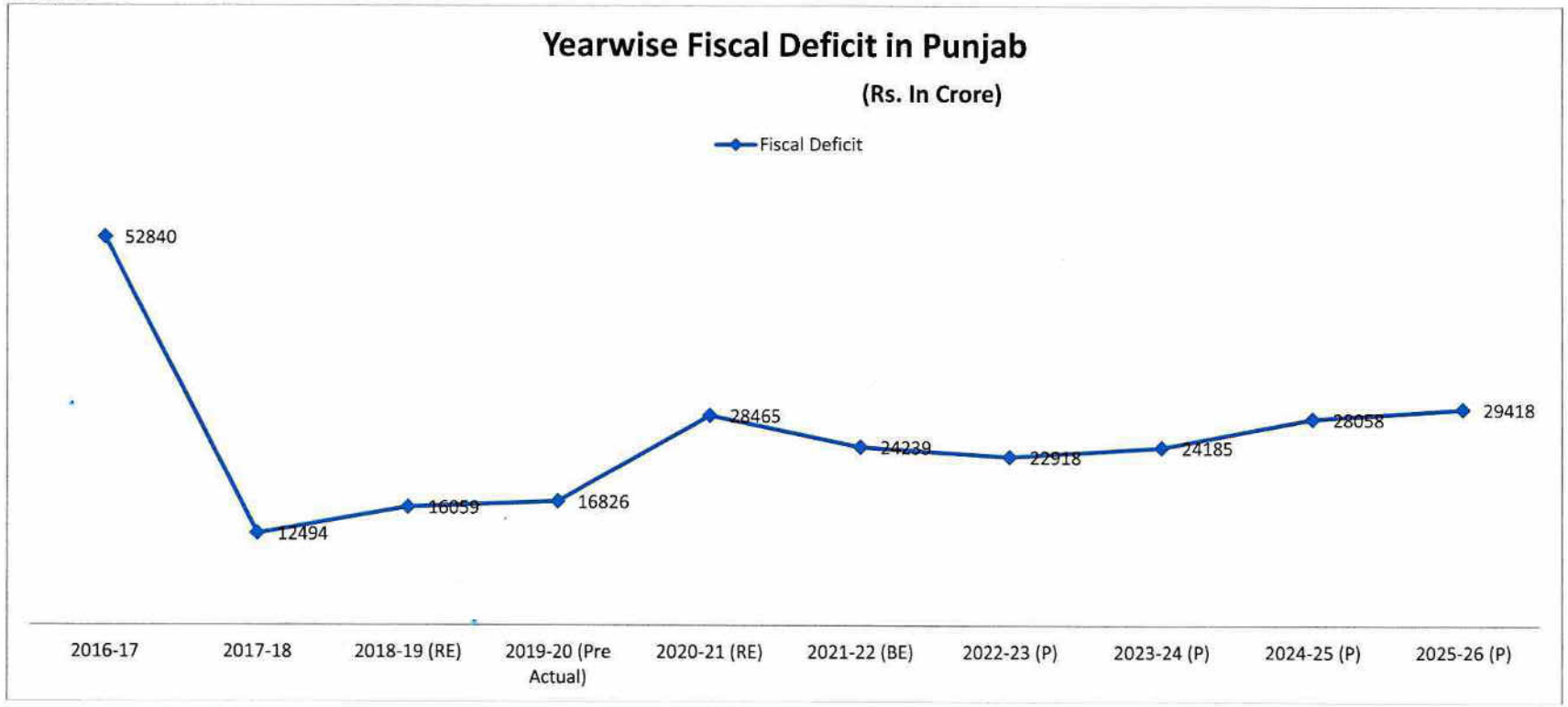
Source: - Fiscal Projections (Without Pay Commission Impact) Department of Finance, Government of Punjab.

Table 6



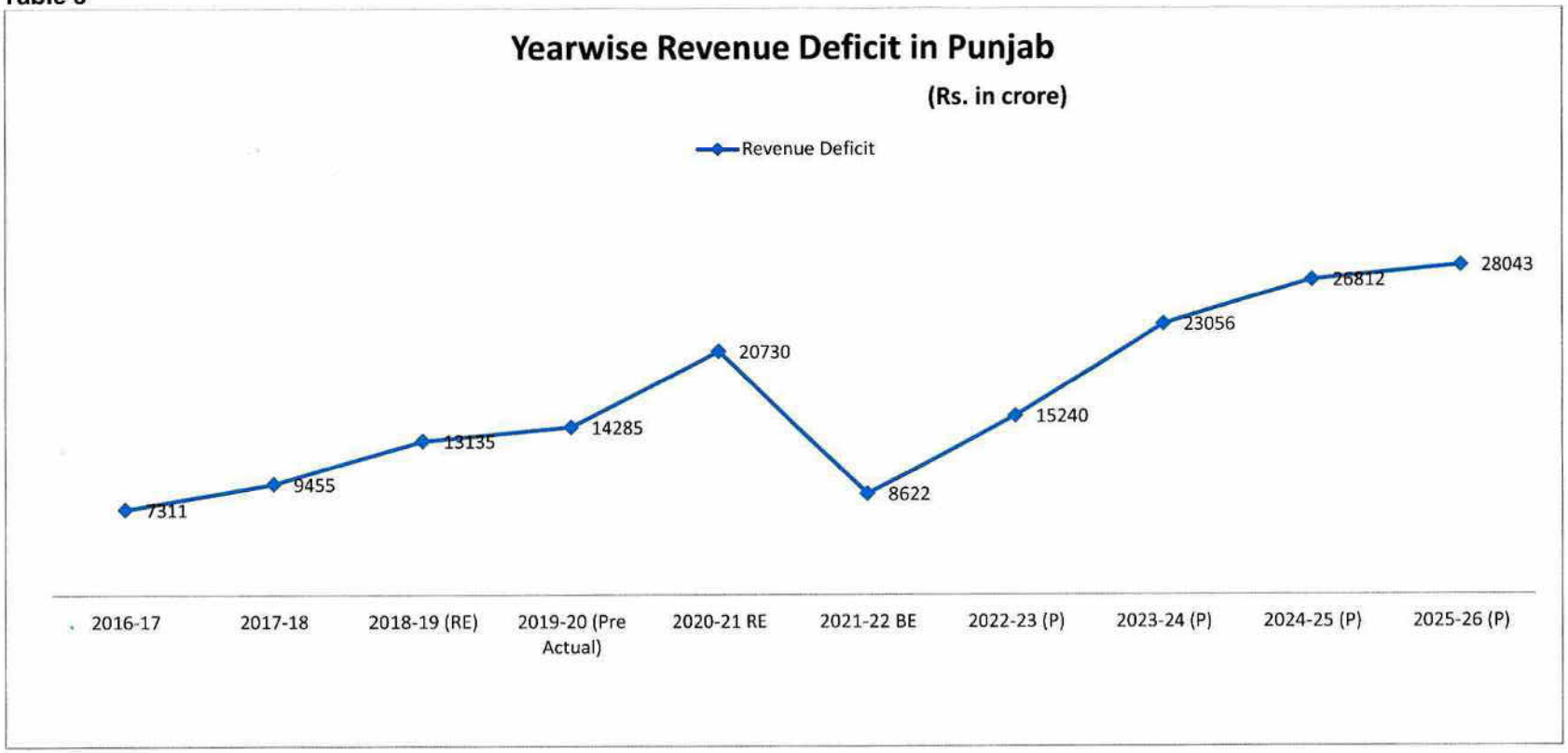
Source: i) Budget At a Glance 2018-19 and 2021-22, ii) Fiscal Projections (Without Pay Commission Impact), Department of Finance, Government of Punjab.

Table 7



Source: i) Budget At a Glance 2018-19 and 2021-22, ii) Fiscal Projections (Without Pay Commission Impact), Department of Finance, Government of Punjab.

Table 8



Source: i) Budget At a Glance 2018-19 and 2021-22, ii) Fiscal Projections (Without Pay Commission Impact), Department of Finance, Government of Punjab.

Table 9

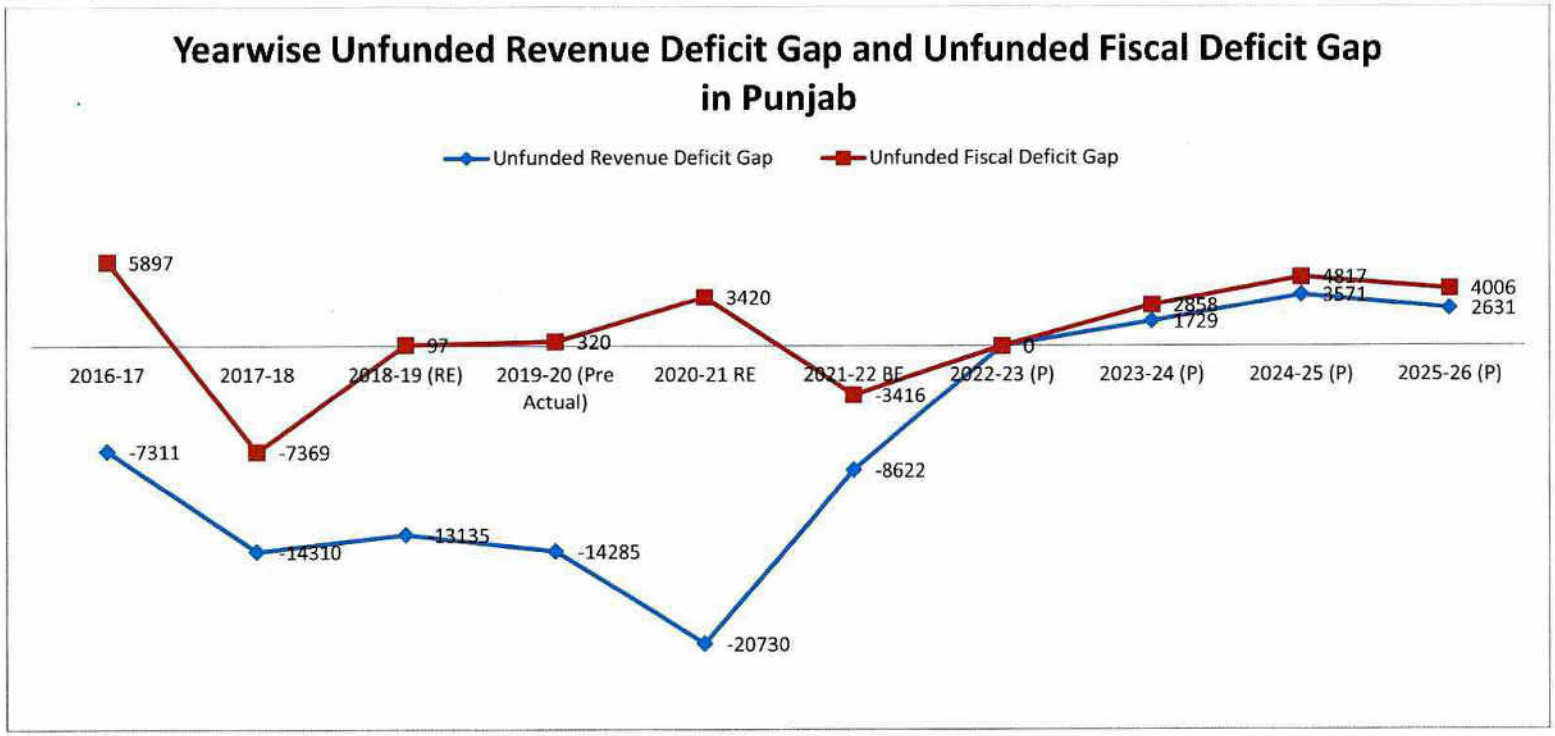
Year wise Unfunded Revenue Deficit Gap and Unfunded Fiscal Deficit Gap in Punjab

(figures in crores)

Year	**Unfunded Revenue Deficit Gap**	**Unfunded Fiscal Deficit Gap**
2016-17	-7311	5897
2017-18	-14310	-7369
2018-19 (RE)	-13135	97
2019-20 (Pre Actual)	-14285	320
2020-21 RE	-20730	3420
2021-22 BE	-8622	-3416
2022-23 (P)	0	0
2023-24 (P)	1729	2858
2024-25 (P)	3571	4817
2025-26 (P)	2631	4006

Source: Budget at a Glance 2018-2019 and 2021-22, ii) Fiscal Projections (without pay commission impact), Department of Finance, Government of

Table 10



Source: i) Budget At a Glance 2018-19 and 2021-22, ii) Fiscal Projections (without Pay Commission Impact), Department of Finance, Government of Punjab.

3.8 From the tables above it is clear that the State's fiscal position will remain under stress in the years to come. The revenue receipts will fall short of revenue expenditure. The revenue deficit is expected to rise from ₹(-)8622 cr. in 2021-22 (BE) to ₹ 28043 cr. in 2025-26 (P). The unfunded revenue deficit gap will increase from a level of ₹(-)8622 cr. in 2021-22 (BE) to ₹ 2631 cr. in 2025-26. This indicates deterioration rather than any improvement in state's finances in the coming years.

3.9 The fiscal deficit too is likely to remain high. It is estimated at ₹ 24239 cr. in 2021-22 (BE) and is projected to reach ₹ 29418 cr. by 2025. By the same trend, the unfunded fiscal deficit gap that is estimated at ₹(-) 3416 cr in 2021-22 (BE) will improve in 2022-23 and 2023-24 but will touch ₹ 4006 cr in 2025-26.

3.10 The scenario above indicates that with no capital expenditure, the State would have an unfunded revenue deficit gap of ₹ 1729 cr., ₹ 3571 cr. and ₹ 2631 cr. as also an unfunded fiscal deficit gap to the tune of ₹ 2858 cr, ₹ 4817 cr. and ₹ 4006 cr. in 2023-24, 2024-25 and 2025-26, respectively.

3.11 To sustain itself the State has relied on market borrowings as per limits imposed by the FRBM, Act. Resultantly the outstanding debt as a percentage of GSDP has remained in the range of 45.05% in 2021-22 (BE) to a projected 43.28% in 2025-26. The total debt servicing will be at a level of ₹ 38829 cr. in 2021-22 to and likely to be ₹43734 cr. in 2025-26.

3.12 Quite evidently, Punjab continues to face difficulties in containing its outstanding debt. The level of indebtedness in recent years may be the result of policy legacies but is also largely on account of a sluggish economy which has been further effected on account of the COVID-19 pandemic. The ratio of debt to GSDP at over 40% is significantly higher than the prudent medium-term ceiling of 20% recommended by the Fiscal Responsibility and Budget Management (FRBM) Review

Committee for the States in its report titled 'A Debt and Fiscal Framework for 21st Century India'.

3.13 As a result of high outstanding debt, the debt servicing liability is also high. For the year 2021-22 a sum of ₹ 38829 cr. stands as debt servicing liability of the State. It is likely to rise in absolute terms because the State will continue to depend on market borrowings to meet its liabilities. To put it in perspective, the State will, even with no capital expenditure, have a significantly high unfunded revenue deficit gap and unfunded fiscal deficit gap in the coming years.

3.14 The fiscal situation depicted above leaves no scope for adding financial liabilities unless absolutely essential. It also means that existing liabilities have to be critically examined and financial discipline restored in expenditure.

CHAPTER 4

APPROACH OF THE COMMISSION

4.1 The 6th PPC, in accordance with its ToR, is required to examine the principles and the date of effect thereof that should govern the structure of pay, allowances and other facilities/benefits whether in cash or in kind, to all categories of employees to whom the Punjab Civil services Rules apply. In addition, the Commission is required to examine principles which should govern the structure of pension, death-cum-retirement gratuity, family pension and other retirement benefits having financial implication to the present and former state government employees appointed before January 1, 2004 along with other related issues listed in the said ToR.

4.2 The Commission has been specifically mandated to keep in view the following aspects while making its recommendations:

(i) The economic condition of the State and the need of fiscal prudence having regard to provisions of the Punjab Fiscal Responsibilities and Budget Management Act 2003.

(ii) The need to ensure that adequate resources are available for development expenditure and welfare measures, after meeting the committed expenditure of salary, pension and interest in the State.

(iii) The Commission shall work out the likely impact of its recommendations on the finances of the state Government.

(iv) The Commission shall bear in view the salary hikes given to various categories of employees after the implementation of the 5th Punjab Pay Commission recommendations so as to ensure fair play and equity

amongst various categories of employees inter se as well as vis-à-vis the tax payer.

4.3 Accordingly, the Commission started the process by involving various stake holders so as to frame the guiding principles to be followed by the Commission in making its recommendations.

4.4 The Commission has accordingly kept the following aspects specifically in view, while making its recommendations:

i) The pay structure should be Inclusive, comprehensive and adequate. It must be inclusive so as to apply uniformly across all categories of employees. It must be transparent and comprehensive so that it is administratively easy to implement. It must be adequate in order to attract and retain the most suitable talent in the government employment. At the same time it ought to promote efficiency, productivity, accountability and responsibility in the work culture so as to foster, excellence in governance, discipline and transparency in public service.

ii) The recommendations of the 5th State Pay Commission were implemented w.e.f 1.1.2006. Accordingly, the recommendations of this Pay Commission are recommended to be made effective w.e.f. 1.1.2016. The recommendations on the new pay structure are also based on the scales of pay granted by the 5th Punjab Pay Commission.

iii) The current and projected economic conditions and fiscal profile of the State have been taken into account to atleast ensure that the fiscal situation does not deteriorate further and, if possible, resources are

available for development expenses and welfare measures after meeting the committed expenditure of the State. Long term fiscal sustainability is an important consideration to be kept in mind while determining the pay structure.

iv) The best practices available in the country in arriving at the pay structure and allowances have been considered for their adaptability and relevance in the context of the conditions prevailing in the State.

v) Salary hikes were granted in 2011 to a select category of employees by the State Government after implementation of the 5th Punjab Pay Commission's recommendations. The rationale of re-revision is to be examined. Its discriminatory application and recurring burden on the State's finances have been considered for ensuring fiscal discipline and equity among various categories of employees.

vi) The principle of 'Equity' has been given its due importance as an element to restore sanctity of the administrative hierarchy and financial uniformity among various categories of government employees. The pay package aims at retaining, to the extent possible, the horizontal equity that existed in 2006 so that pay in a given category of service is comparable with the remuneration structure of similarly placed positions outside the organization. The anomalies have been considered keeping in view existing jurisprudence on the subject. Qualifications and skill set and responsibility discharged at various levels in the hierarchy have been given due consideration.

vii) A simple system of fixation/re-fixation of pay and related matters has been considered for administrative ease as well as transparency in implementing the pay revision recommendations. For this purpose the Commission has considered the adoption of the 7th Central Pay Commission pay matrix that is both simple and comprehensive.

viii) The issue of inadequacy or non existence of promotional avenues in certain cadres of service will be specifically addressed because of its special significance for job satisfaction, efficiency and discipline. The system needs to ensure financial up-gradation after reasonable intervals and the prevalence of multiple schemes will be reviewed in this context.

ix) The number of pay scales and the ratio between the maximum and the minimum pay at the highest and lowest level of the State Government employees has been considered in line with the recommendations of previous State and Central Pay Commissions. The pay structure reflects a 'linear progression pattern' keeping in view the notion of "vertical equity".

x) Need based minimum wage configuration has been arrived at based on available data which, to some extent, address the socio economic needs of the employees. This will allow adequate enhancement of salaries and keep them motivated for rendering honest and efficient public service. Annual increment at the rate of 3% of the basic pay along with DA installments on the Central Government pattern has

been recommended, as an employee moves upward within a given pay scale.

xi) The rationale and relevance of Allowances has been examined. Uniformity in their application across different categories has been suggested. As allowances should not become hidden additions to the basic pay structure, the question of treating allowances as pay has also been the subject of enquiry.

CHAPTER 5

MID TERM RE-REVISION OF SCALES - 2011

5.1 An important matter posed to the Commission is contained in Para "h (iii)" of the ToR which reads as under:

> "The Commission shall bear in view the salary hikes given to various categories of employees after the implementation of the Fifth Punjab Pay Commission's recommendations so as to ensure fair play and equity amongst various categories of employees inter-se as well as vis-a-vis the tax payers."

5.2 The issue involved is significant having long term ramifications for all stake holders that include employees, the state government and the public at large. Considering the seriousness and sensitivities of the matter, the Commission has, in this chapter made an attempt to examine it from all aspects and to suggest a rational and fair way forward. Before doing so, it would perhaps be helpful to touch upon the context in which the midterm pay revision took place.

5.2.1 The State has a well established practice of setting up Pay Commissions at regular decennial intervals. Successive Pay Commissions have made their recommendations on all issues concerning the pay structure and related matters of the state government employees. As a result, a largely accepted hierarchical order of services has been in existence including well recognized levels of horizontal/vertical equivalences and pay parities amongst the different categories of employees.

5.2.2 A Pay Commission would be expected to critically examine the rationale where any particular category/categories of employees are treated at a variance to the established parities. Any tinkering with established pay

parities without sufficient justification would cause numerous problems in its wake and also results in dissatisfaction amongst those adversely affected. For this reason, the Pay Commissions have in the past maintained the inter-se equivalences of various categories of employees and recommended changes only in specific cases where such changes were considered absolutely necessary. Governments have been advised to desist from disrupting the established administrative structure and this approach has by and large found favour with the State Government. Jurisprudence in the matter also suggests that revision of pay and its related matters are best left to specialized bodies like the pay commissions.

5.2.3 It is in the above background that the Commission has considered the large scale midterm pay revisions ordered in the year 2011 by the State Government.

5.2.4 The Fifth Punjab Pay Commission had submitted its report on 20th April, 2009. The Government accepted its recommendations and by notification dated 27.5.2009, affected revision of the pay scales of the state government employees w.e.f. 1st January, 2006. However, in the months of October, November and December 2011, just about two years after the implementation of the recommendations of the Fifth Punjab Pay Commission, the State government ordered a large scale re-revision and enhancement of salaries of numerous categories of government employees comprising almost two thirds of the total number of employees in the State.

5.2.5 It may be relevant to mention that an Anomaly Committee was set up on 12.11.2010 by the Government, which was entrusted with the task of removing anomalies, if any, arising out of the recommendations of the Fifth Punjab Pay

Commission. The Anomaly Committee was in the process of finalizing its recommendations when a Cabinet Sub Committee was set up by the government, as per the decision of the Cabinet dated 20th October, 2011. It was tasked to clarify Government policy regarding the demands of employee organizations as also to examine and consider the same. The Cabinet Sub Committee submitted its report on 14.11.2011. The recommendations were made in the form of the minutes of meetings. These minutes are no more than compilation of proposals to enhance the salaries of a large number of categories of employees. These recommendations were approved and implemented by the Government in November/ December 2011, through various notifications.

5.2.6 The Commission sought information from the Government about the revision of pay scales effected by the Government in 2011 after implementing recommendations of the Fifth Punjab Pay Commission in 2009, along with the reasons for such revisions. The Government was also requested to supply the category wise and department wise detail with number of employees covered in each category as well as the additional financial implications.

5.2.7 In reply to these queries, the Government in the Department of Finance simply reported that the pay scales of certain categories of employees were enhanced in the year 2011 and forwarded copies of the proceedings of the meetings of the Cabinet Sub Committee and the copies of the memoranda submitted to the Council of Ministers.

5.2.8 A perusal of these records reveals that no reasoned justification is included in the proceedings for recommending enhancement of salaries of the employees over and above those given on the recommendations of the Fifth Punjab Pay

Commission. The proceedings of Cabinet Sub Committee meetings only contained a list of demands of employees and the recommendations made by the Committee thereon which similarly lack any analytic examination. It does not transpire from the record as to what prompted the Government to undertake such an extensive and exhaustive re-revision of the salaries of such a large number of government employees just about two years after it had already enhanced the salaries of all these categories of employees on the recommendations of the Fifth Punjab Pay Commission.

5.2.9 There is in the Minutes no indication of any assessment of reasonableness or justification or even of the consequential distortions of the established parities as also the obvious financial implications. Furthermore, these enhancements were not worked out according to any uniform criteria and were vastly different in extent, in their effect on different categories of employees. In some categories the enhancements of salaries over and above the recommendations of the Fifth Punjab Pay Commission were to the extent of up to 73% of the salary of that category. As such, it is difficult to find any justification for the abnormal increase in pay of a large number of categories of employees.

5.3 This compels the Commission to conclude as under:

1. The re-revision was unprecedented in its scale and timing. Governments have been cautioned not to tinker with established inter-se equivalences/ parities and to undertake such changes only where it is absolutely necessary. The re-revision of pay in 2011 affected almost two-third of state employees. Thus this re-revision, in its scale, is unprecedented and virtually negates the

administrative and wage structure recommended by the 5th Pay Commission and implemented by the Government.

2. Punjab has over the last fifty years followed the pattern of decennial revision of wages. After 2006, the next revision was due in 2016. The midway revision is thus unprecedented and out of turn.
3. It was unprecedented as it did not follow the established precedent of referring any left out matter or grievance arising out of Pay Commission recommendations to the Anomaly Committee. As per established procedure and precedent, the Anomalies Committee is set up after the recommendations of the Pay Commission are received and accepted by the government. The purpose is to give an opportunity to any category of employees or an individual government servant to submit their grievance qua the recommendations of the Pay Commission to this committee. This Committee is expected to examine each representation and give its finding based on merit. The government then takes a final view in the matter.
4. The Cabinet Sub-Committee conducted its proceeding independent of and in parallel to the Anomaly Committee. The employees who benefited from its recommendations did not, for reasons unknown, submit their grievances to the Anomaly Committee. They have benefitted from the recommendations for which the Cabinet Sub-Committee has not provided any rationale. The procedure and manner of decision making was unprecedented.

5. The revision was discriminatory and lacked transparency. The revision benefited only a select category of employees. The Minutes of the Cabinet Sub-committee or the Cabinet Memoranda do not contain any criteria for selecting the categories of employees for re-revision of wages. From the procedure followed it is not clear if all employees were even given an opportunity through a public notice or internal government circular to submit their representations to the Cabinet Sub Committee. It is a case where equal opportunity was denied to all employees of the Government.
6. There is no uniformity or rationale even within the recommendations of the Cabinet Sub-committee. Grade pays have not been uniformly enhanced. For instance those who were in grade pay of ₹1900 have been upgraded selectively to ₹1950, ₹2400, ₹2800 and ₹3200.
7. A few categories of employees were beneficiaries of not just of higher grade pays but also, as a consequence, of a higher pay band as well. The lowest rung of the administrative level (Group C) across all departments was level 4 in the pay band ₹5910-20200 with grade pay of ₹1900. This was enhanced to GP ₹3200 and thus pay band ₹10300-34800. This corresponds to level 10 in the administrative hierarchy. This has upset established administrative hierarchy by making the then level 10 as the lowest administrative level (Group C) in many cadres/ categories of employees. This belies logic and is not in public interest.
8. The revised salaries of benefited categories exceeded the level of salary expected even at decennial revision. The revision covered

almost 1.50 lac employees and impacted salaries, allowances, pensions and other retiral benefits that are linked to salary. The salary bill increased from ₹11635.07 cr. in 2010-11 to ₹14187.62 cr. in 2011-12 which is an increase of almost ₹3000 cr. per annum on a recurring basis. The State has not seen a revenue surplus budget for years and had no fiscal space to bear the additional burden.

9. The basis of pay revision is the multiplier devised from the increase in minimum wages for government employees in the decennial. It is calculated by first determining the minimum pay of the government employee for the year the revision of pay is to be implemented and then dividing this by the previous minimum pay of the employee. For Central government employees, the 7th CPC determined this to be 2.57 because the minimum pay in 2006 was ₹7000 pm and in 2016 it was recommended to be ₹18000 pm.

10. In the case of the State employees also the multiplier in the normal course would be calculated on similar criteria and a multiplier factor so arrived at would be applied uniformly across all categories of employees.

11. A common factor calculated on the basis of 2006 as base year cannot be applied on pay scales revised in 2011. These are two different base years and minimum wage calculated would be drastically different. Indeed such was the scale of increase granted in 2011 that some of the beneficiaries were 2016 drawing more salary than what they would have been entitled to if the multiplier with 2006 as base year is applied. Similar treatment would not only

be unprincipled but would also perpetuate and enhance the distortions induced by the re-revision of 2011.

5.4 The mandate to the Commission is also to recommend wage revision for cover the period 1.1.2006 to 1.1.2016. The Commission, therefore, in line with this mandate and other factors listed above has made its recommendations on the basis of wages as on 31.12.2015 for all categories of employees.

5.5 It could be argued that a pay commission should not question the decisions taken and implemented by the government(s) in the past. This would ordinarily be the case. This commission, however, faced a peculiar situation that was unprecedented. On no occasion had a government undertaken an extensive mid-term re-revision of pay of selected categories of employees as it did in 2011. A common wage structure based on existing administrative hierarchies and inter and intra departmental parities was turned into a discriminatory and irrational multiple wage structure. It is for this reason the government itself has through the ToR specifically enjoined this commission to examine the rationality of the pay revision of 2011 after the implementation of the 5th Pay Commission recommendations so as to ensure fair play and equity amongst various categories of employees.

5.6 The Government has undertaken two sets of pay revisions in 2011. One was based on the unimplemented recommendations of the 5th Pay Commission and the other were based on the recommendations of the cabinet sub committee. The Commission deliberated at length whether both these revisions ought to be similarly treated as post 5th Pay Commission recommendations or not. The inescapable conclusion that the revision of pay based on the recommendations of the 5th Pay Commission is for all purposes part and parcel of that Commission's recommendations and only the implementation was delayed. This is distinct from the

other set of revisions. What remains to be examined, as per the ToR is, therefore, the rationality of pay revision carried out on the basis of the recommendations of the Cabinet Sub Committee.

5.7 Furthermore, the purpose of setting up pay commissions is not limited to recommending pay revision but equally to make recommendations that is perceives to be adequate, rational and reasonable. It would fail its duty if it did not point out the fault lines in the existing wage structure and make recommendations that will correct the same. This, the Commission has endeavoured to do.

5.8 For all the considerations above, the Commission has decided to treat the revision ordered in 2011 on the recommendations of the Cabinet Sub Committee as non-est for the purpose of determining the wage increase w.e.f.1.1.2016. The formula for pay revision will be as under:

5.8.1 The pay of all employees will be raised by a factor of 2.59 from the basic pay of 1.1.2006. This would be subject to the following exceptions:

i) **Revision in 2011 on basis of 5th Pay Commission recommendations.**

The Commission accepts the re-revision as part of the 5th Pay Commission recommendations. The pay in respect of these categories of employees would accordingly be fixed from 01.01.2016 on the basis of basic pay being drawn by them on 31.12.2015. The conditions imposed by government while accepting the revision of 2011 would continue to operate.

ii) **Revision on basis of recommendations of the Cabinet Sub Committee in 2011 (Group 'A', 'B' and 'C' categories)**

There will not be any further increase on account of the recommendations of this Commission. The pay of these employees

would have in normal course risen by a factor of 2.25 because of enhanced rates of DA on basic pay.

iii) The Commission does not, however, deem it appropriate to consider, at this stage, the reduction of salaries of employees of those categories whose pay was re-revised in the year 2011. At the same time it is equally important that the distortions brought about in 2011 are addressed for the future. **The Commission, therefore, recommends that the pay of these categories of employees be protected as a measure personal to them.**

iv) There is a possibility, however, that real salary drawn by many employees as on 31.12.2015 did not have any abnormal increase because of the re-revision of 2011 which is quite likely in the case of senior employees. Moreover, there may be other such employees who might be benefitted, if they are allowed to have their notional pay worked out, as on 31-12-2015, in the pay band/grade pay which they were granted by the Fifth Punjab Pay Commission, prior to the re-revision of year 2011.

5.9 In the circumstances, it is recommended that the employees who are covered under re-revision of 2011 be given the option to:

(1) either have their actual salary as drawn on 31.12.2015 protected; **OR**

(2) get notional pay as on 31-12-2015 calculated, as per the pre-re-revision pay band/grade pay granted to that category of post by the Fifth Punjab Pay Commission for pay fixation as per the recommendation of this Commission for those categories of employees in whose case there was no midterm re-revision in 2011; whichever position is favourable to the employee.

5.10 The Commission also deems it appropriate to retain the existing levels of all Group 'A', 'B' and 'C' categories of posts as per the pay band/grade pay granted to that particular category of posts by the Fifth Punjab Pay Commission.

5.11 All categories of posts/employees whether or not covered under the re-revision of scales in 2011 will be assigned levels in the new Pay Matrix in accordance with the grade pay assigned to that post as per the recommendations of the Fifth Punjab Pay Commission and assigned place in the relevant vertical column for pre-re revised level based on the actual or notional salary of the concerned employee on 31.12.2015.

5.12 Group 'D' employees

In the case of Group 'D' employees, it is observed that the number of levels of these employees has reduced from 3 to 2 w.e.f. 01.12.2011 and these levels have been retained. **The Commission recommends retaining these two levels with grade pays of ₹1650 and ₹1800 while recommending revision in their case.**

CHAPTER 6

MINIMUM WAGE, PAY MATRIX AND FIXATION OF PAY

Brief Background

6.1 The theoretical part of determining minimum wage and the revised pay structure for the GoP employees has been discussed at length. It is quite apparent that in an exercise of determining the pay structure of nearly three lac government employees in about 65 government departments, it is difficult to place reliance on any particular category of rules or principles. Keeping in view the diverse nature of governmental functions and the administrative structure, a combination of different aspects has to be kept in mind fixing in the minimum wage and consequential pay structure for GoP employees. The Commission notes that this was precisely the methodology adopted by earlier Central as well as State Pay Commissions.

6.2 It will not be out of place to mention that the diet formula of Dr. Aykroyd as well as the need-based concept of the 15th Indian Labour Conference, formulated in 1957, has been repeatedly considered for their applicability by earlier Pay Commissions. However, the Third Central Pay Commission and the Fourth Punjab Pay Commission categorically rejected the very idea of the adoption of these formulae for determining minimum remuneration. In para 4.16 of the 4th Punjab Pay Commission Report, it is observed as under:-

> "4.16 As regards the argument of the diet formula of Dr. Aykroyd and the need based concept of 15th Indian Labour Conference if suffices to say that it would be unnecessary to retread the well-trodden ground of both the previous Central and Punjab Pay Commissions. This is so because we unreservedly agree with those views and pointless repetition of the same rationale would appear to us as wasteful. It suffices to quote the observations of the Third Central Pay Commission on this point which cannot perhaps be improved upon and have been concurred repeatedly.

"We feel that the adoption of the minimum remuneration based on the 15th ILC norms at this stage would be tantamount to a mis-direction of resources. When about one-third of the rural and one-third of the urban population in our country lives on diets inadequate even in respect of calories, not to speak of other essential nutrients, it would be inequitable for the government to guarantee their lowest paid employees a wage according to the relatively liberal norms laid down by the 15th ILC and Dr. Aykrod's balance diet (After adjustment). We have, therefore, not found it possible to recommend that under existing conditions the minimum remuneration of Central Government employees should be treated as a specially privileged section of the community and guaranteed need based minimum wage according to these norms when the government is not able to provide even the barest essentials to millions of their less fortunate compatriots."

6.3 However, the scenario has changed over the last two-three decades with economic liberalization and increased GDP growth as did the approach forwards determination of minimum wage. It may also be mentioned that the previous Punjab Pay Commissions based the determination of minimum wage on the figure arrived at by the respective Central Pay Commissions but gave GoP employees an edge in terms of a slightly higher minimum wage as compared to their GoI counterparts. As a case in point, the Fifth Punjab Pay Commission had recommended that the minimum revised basic pay should be ₹6200 compared to ₹6050 determined for GoI employees. However, at the time of implementing the revised scales by GoI, the minimum wage had been revised to ₹7000 per month w.e.f. 01.01.2006.

Minimum Wage

6.4 The Seventh Central Pay Commission underlined the fact that directly or indirectly the Indian Labour Conference norms have always been at the core of the minimum pay calculation made by the previous Pay Commissions. Accordingly, the Seventh Central Pay Commission decided that the Indian Labour Conference norms

along with other supplements (entire set of 7 components) are the best approach to estimating the minimum pay as it is a need-based wage calculation that directly costs the requirements, normatively prescribed to ensure a healthy and befitting standard of living. After the detailed calculations in paras 4.2.8 and 4.2.9, the Seventh Central Pay Commission recommended ₹18000 as the minimum pay for GoI employees and this minimum pay is 2.57 times the minimum pay of ₹7000, which was fixed by the government, while implementing the Sixth CPC recommendations from 01.01.2006.

6.5 This minimum pay determined by the 7th CPC as per the norms formulated by the 15th Indian Labour Conference and the Dr. Aykroyd formula has been applied to the Central Government employees throughout the country as well as a majority of the State governments which adopted the Seventh Central Pay Commission's recommendations for its employees.

Need based minimum wage approach:

6.6 Even if an attempt is made to calculate the minimum pay at our own level by adopting the same norms of 15th Indian Labour Conference and the Aykroyd formula, the resultant figure of minimum pay is not going to be entirely different from the one arrived at above. Accordingly, the Commission was of the view that no useful purpose would be served in making such calculations afresh. It has been argued by several unions and associations that the general standard of living in Punjab is relatively higher and suitably enhancing the minimum wage for the state is entirely justified. The Commission finds it difficult to accept the argument made in general terms specially when Punjab features at the 10th place in per capita income vis-a-vis select general category states. The Commission was accordingly of the considered view that it would be prudent to adopt the minimum pay arrived at by the Seventh CPC. **The Commission, therefore, recommends a minimum pay of ₹18000 for**

lowest level Group 'D' employees, which is 2.59 times the minimum revised salary of ₹6950 of these employees as on 31.12.2015. As such the basic initial pay at any level on 01.01.2016 as recommended by the Fifth PPC for grade pay ₹1900 onwards, would be multiplied by a factor of 2.59 to arrive at the pay of an employee in the new pay matrix. It may be noted here that of this multiple of 2.59, 2.25 represents the merged basic pay (pay in pay band and grade pay) with DA, (which was 125% as on 01.01.2016) and the balance of multiplier is the real increase being recommended by the Commission, which works out to 15.11%.

Comparison of Central & Punjab State Pay Structure

6.7 While examining this issue it is desirable to focus attention on the comparability or otherwise of the pay levels of different categories GoP employees with their equivalents in the GoI. Broadly speaking, most categories of posts and their hierarchical levels within the GoP are either not available in the Central Government or are not of comparable levels. The observation of 5th Punjab Pay Commission made in paras 4.6 and 4.7 of its report is also relevant in this regard.

> "4.6 In case of professional categories, (Doctors, Engineers, etc.), there is a parity in the pay scales of Government of India and employees of the Government of Punjab. The Commission recommends that this parity should continue so that the State can attract and retain best talent.
>
> 4.7 The Commission deliberated over various formulations of the pay scales. It noted that the existing pay structure of Punjab Government is not identical to that of the Central Government...."

6.8 The Fifth Punjab Pay Commission had continued with the existing levels of pay scales while making its recommendations for revision of 32 pay scales in a general conversion table comprising of five pay bands and 32 grade pay levels,

making the grade pay as the level determiner. As against this the Sixth Central Pay Commission had devised 15 levels of grade pay along with 4 stand alone scales comprised in four pay bands for Central Government employees. Whereas the Sixth CPC had recommended the running pay band and grade pay as status determiner, the 7th CPC has recommended a Pay Matrix with as many distinct pay levels and these levels are now the status determiner.

6.9 **It is clear that there is a considerable difference in the number of hierarchical levels of the Central Government and Punjab State Government employees. As such the task of bringing about any all-round equivalence in the levels of Central Government and State Government employees is bound to be cumbersome and eventually impracticable in the given situation and scenario when the State government has, in the past, arbitrarily and without sufficient justification enhanced/re-revised the pay scales of selectively chosen categories of employees.**

6.10 Accordingly the Commission has decided to keep the existing levels of various posts as recommended by the Fifth Punjab Pay Commission with effect from 01.01.2006 mainly in tact while making its recommendations for the new pay structure. In view of the fact that the number of grade pay levels for Group 'D' have reduced from 3 to 2, the total number of levels will be reduced from 32 to 31 in new pay structure.

Pay Structure and the Pay Matrix

6.11 The concept of different pay scales for different categories of employees has a history of its own. It is interesting to note that the Second Punjab Pay Commission had reduced the number of pay scales from 133 to 49. However, this number had risen to 58 pay scales as on 31st December 1985. The Third Punjab Pay

Commission further recommended the reduction of pay scales to 29, but the number went up to 35 at the time of implementation of its report by the government. The Fourth Punjab Pay Commission recommended 32 pay scales and this number was retained by the Fifth Punjab Pay Commission while proposing the five pay bands and 32 grade pay levels.

6.12 The Fourth Punjab Pay Commission very aptly commented as below on the reduction of pay scales/levels stating that there is an optimum limit for grouping of pay scales.

> "An unrealistic reduction in the number of pay scales not only leads to difficulties but in actual practice may indeed prove to be counter-productive. The grouping of pay scales where it results in the abolition of promotional levels further aggravate the problem of stagnation which is already acute in many cadres. Further when two levels get merged the erstwhile higher level always has a feeling that it has been relatively downgraded. It causes genuine heart burning to an employee who may have earned promotion to the higher level after a long period of service, when he finds that even the new recruits in the lower level by the process of merger are given the status and pay scales at par with him....."

6.13 In the light of the above background, the Commission observes that the number of hierarchical levels in the State administrative hierarchy has by and large stabilized and an attempt to further tinker with it may not serve any purpose and actually create more problems than it might resolve.

6.14 In order to devise a simpler and transparent pay structure, the 7th CPC has picked up the thread from the recommendations of the Sixth CPC, which had recommended running pay bands with grade pay as status determiner. 7th CPC, on

the on the other hand has recommended pay matrix with distinct pay levels so that the pay levels are now the status determiner. It has reported that while dispensing with the system of pay bands and grade pay, the new functional levels have been devised by merging the grade pay with pay in the pay band. The reasons for this change over have been given by the 7th CPC in para 5.1.16 of its report as under:

> "5.1.16 The pay structure in vogue, by way of pay scales or pay bands, indicate the definite boundaries within which the pay of an individual could lie. It is however difficult to ascertain the exact pay of an individual at any given point of time. Further, the way the pay progression would fan out over a period of time was also not evident. Since various cadres are designed differently the relative pay progression also varies. The Commission believes that any new entrant to a service would wish to be able to make a reasonable and informed assessment of how his/her career path would traverse and how the emoluments will progress alongside. The new pay structure has been devised in the form of a pay matrix to provide complete transparency regarding pay progression."

6.15 It has also been emphasized that the new system of functional pay levels is a rationalised and transparent system which is very simple to use. It is stated that the new system has been devised after due diligence and deliberation and any disturbance of the Pay Matrix will have serious repercussions on the inter-se positioning of various levels in the hierarchy. Therefore, the importance of not altering any portion of the pay matrix cannot be emphasised enough, as doing so will disturb the parity of the services and create anomalous situation. (Para 1.20 of Seventh CPC).

6.16 The pay revision of Central Government employees and most of the other States Governments employees has already been effected according to the new Pay Matrix.

6.17 In so far as the revision in the case of GoP employees is concerned, the issue has been considered and deliberated upon at length by the Commission. Its considered view is that the pay matrix system is suitable in the case of GoP employees as well keeping in mind the comparative merits of having new functional levels, transparency and simplicity of application. Accordingly, the State government employees will also have uniformity, with the system currently in vogue, after implementation of the recommendations of the 7th CPC, by GoI and most state governments.

6.18 As already mentioned, there were 32 grade pay levels recommended by the 5th Punjab Pay Commission w.e.f. 01.01.2006. However, the grade pay for the lowest level of employees was enhanced w.e.f. 01.12.2011 from grade pay 1300 to 1650 and the next level of grade pay of 1400 was revised to 1800. Resultantly the number of levels for Group 'D' was reduced to two. After retaining all existing levels of 'A', 'B' and 'C' categories of employees as were recommended by the 5th Punjab Pay Commission and having two revised levels for Group 'D' employees, now 31 equivalent hierarchical levels of GoP employees are recommended by the Commission, with each level being the status determiner of a specific category of employees.

6.19 The Fifth Punjab Pay Commission had recommended the introduction of 5 distinct pay bands PB-1 to PB-5 with one running band each for all categories in groups 'B', 'C' and 'D' and two running pay bands for group 'A' employees. However, there was some deviation in the groups assigned to the categories included in PB-3

which covered employees belonging to Groups 'A', 'B' and 'C' in the same pay band. This issue is no longer crucial because particular levels and the initial pay in that level in the Pay Matrix are the status determiner now. As such, the grouping of different categories by the Fifth Punjab Pay Commission in the "general conversion table" given at the end of para 4.14 of the report ibid is retained as such.

Rationalization applied in the present Pay Structure

6.20 Any promotion from one pay band to another is akin to movement from one group to the other. These are significant jumps in the career path of employees and rationalization ensures that the quantum of jump, in financial terms, between these pay bands is reasonable. This has been achieved by applying the 'index of rationalization' from PB-2 onwards assuming that with enhancement of levels from pay band 1 to 2, 2 to 3 and onwards, the role, responsibility and accountability increases at each step in the hierarchy. Moreover, the steep edge which was created due to the implementation of 5th Punjab Pay Commission recommendations has first been corrected notionally in respect of initial pay by tapering the levels 24, 25 and 26. The proposed pay structure reflects the same principle. Hence, the existing entry pay at each level corresponding to successive grades pay in each pay band from PB-2 onwards has been enhanced by an 'index of rationalization' as shown below in Table below:-

Table of Rationalization applied in the present Pay Structure & New Pay Matrix

Pay Structure as per 5th Punjab Pay Commission					Recommended Pay Matrix by the 6th Punjab Pay Commission.			
Pay Band number	Pay Bands (₹)	Grade Pay (₹)	Initial Pay (₹)	Service Group	New Matrix Level	Rational-ization applied	Initial Pay at Level 1 (one) (₹)	New Service Group
PB-1	4900-10680	1300	6200	D	-	-	0	-
	4900-10680	1400	6700	D	-	-	0	-
	4900-10680	1650	6950	D	1	2.59	18000	D

	4900-16680	1800	7100	D	2	2.59	18400	D
PB-2	5910-20200	1900	7810	C	3	2.59	20200	C
	5910-20200	1950	7960	C	4	2.59	20600	C
	5910-20200	2000	8240	C	5	2.59	21300	C
	5910-20200	2400	9880	C	6	2.59	25600	C
	5910-20200	2800	11170	C	7	2.59	28900	C
	5910-20200	3000	11470	C	8	2.59	29700	C
PB-3	10300-34800	3200	13500	C	9	2.64	35600	C
	10300-34800	3600	14430	C	10	2.64	38100	C
	10300-34800	3800	14590	B	11	2.64	38500	B
	10300-34800	4200	16290	B	12	2.64	43000	B
	10300-34800	4400	17420	B	13	2.64	46000	B
	10300-34800	4600	18030	B	14	2.64	47600	B
	10300-34800	4800	18250	B	15	2.64	48200	B
	10300-34800	5000	18450	A	16	2.64	48700	A
	10300-34800	5400	20300	A	17	2.64	53600	A
PB-4	15600-39100	5400	21000	A	18	2.67	56100	A
	15600-39100	5700	22820	A	19	2.67	60900	A
	15600-39100	6000	24140	A	20	2.67	64500	A
	15600-39100	6600	25250	A	21	2.67	67400	A
	15600-39100	7400	31120	A	22	2.67	83100	A
	15600-39100	7600	31320	A	23	2.67	83600	A
	15600-39100	7800	31520 (34260)	A	24	2.67	91500	A
	15600-39100	8200	32620 (40130)	A	25	2.67	107100	A
	15600-39100	8400	33510 (43070)	A	26	2.67	115000	A
PB-5	37400-67000	8600	46000	A	27	2.67	122800	A
	37400-67000	8700	46100	A	28	2.67	123100	A
	37400-67000	8800	46200	A	29	2.67	123400	A
	37400-67000	8900	48590	A	30	2.67	129700	A
	37400-67000	10000	54700	A	31	2.72	148800	A

Levels as per the Punjab Pay Matrix

6.21 The new Pay Matrix applicable for the Punjab Government employees with effect from 01.01.2016 has been added at the end of this chapter. However, pay band wise Pay Matrix, in table I to table V, is given as under:

6.21.1-Table I:

Pay Band 5PPC	(₹) **4900-10680 (PB 1)**			
Grade Pay	1300	1400	1650	1800
Initial Pay	6200	6700	6950	7100

Index	-	-	2.59	2.59
Level as per 6th PPC	**-**	**-**	**1**	**2**
1	**0**	**0**	**18000**	**18400**
2	0	0	18500	19000
3	0	0	19100	19600
4	0	0	19700	20200
5	0	0	20300	20800
6	0	0	20900	21400
7	0	0	21500	22000
8	0	0	22100	22700
9	0	0	22800	23400
10	0	0	23500	24100
11	0	0	24200	24800
12	0	0	24900	25500
13	0	0	25600	26300
14	0	0	26400	27100
15	0	0	27200	27900
16	0	0	28000	28700
17	0	0	28800	29600
18	0	0	29700	30500
19	0	0	30600	31400
20	0	0	31500	32300
21	0	0	32400	33300
22	0	0	33400	34300
23	0	0	34400	35300
24	0	0	35400	36400
25	0	0	36500	37500
26	0	0	37600	38600
27	0	0	38700	39800
28	0	0	39900	41000
29	0	0	41100	42200
30	0	0	42300	43500
31	0	0	43600	44800
32	0	0	44900	46100

33	0	0	46200	47500
34	0	0	47600	48900
35	0	0	49000	50400
36	0	0	50500	51900
37	0	0	52000	53500
38	0	0	53600	55100
39	0	0	55200	56800
40	0	0	56900	58500

6.21.2-Table II:

Pay Band 5PPC	**(₹) 5910-20200 (PB 2)**					
Grade Pay	1900	1950	2000	2400	2800	3000
Initial Pay	7810	7960	8240	9880	11170	11470
Index	2.59	2.59	2.59	2.59	2.59	2.59
Level as per 6th PPC	**3**	**4**	**5**	**6**	**7**	**8**
1	**20200**	**20600**	**21300**	**25600**	**28900**	**29700**
2	20800	21200	21900	26400	29800	30600
3	21400	21800	22600	27200	30700	31500
4	22000	22500	23300	28000	31600	32400
5	22700	23200	24000	28800	32500	33400
6	23400	23900	24700	29700	33500	34400
7	24100	24600	25400	30600	34500	35400
8	24800	25300	26200	31500	35500	36500
9	25500	26100	27000	32400	36600	37600
10	26300	26900	27800	33400	37700	38700
11	27100	27700	28600	34400	38800	39900
12	27900	28500	29500	35400	40000	41100
13	28700	29400	30400	36500	41200	42300
14	29600	30300	31300	37600	42400	43600
15	30500	31200	32200	38700	43700	44900
16	31400	32100	33200	39900	45000	46200
17	32300	33100	34200	41100	46400	47600
18	33300	34100	35200	42300	47800	49000

19	34300	35100	36300	43600	49200	50500
20	35300	36200	37400	44900	50700	52000
21	36400	37300	38500	46200	52200	53600
22	37500	38400	39700	47600	53800	55200
23	38600	39600	40900	49000	55400	56900
24	39800	40800	42100	50500	57100	58600
25	41000	42000	43400	52000	58800	60400
26	42200	43300	44700	53600	60600	62200
27	43500	44600	46000	55200	62400	64100
28	44800	45900	47400	56900	64300	66000
29	46100	47300	48800	58600	66200	68000
30	47500	48700	50300	60400	68200	70000
31	48900	50200	51800	62200	70200	72100
32	50400	51700	53400	64100	72300	74300
33	51900	53300	55000	66000	74500	76500
34	53500	54900	56700	68000	76700	78800
35	55100	56500	58400	70000	79000	81200
36	56800	58200	60200	72100	81400	83600
37	58500	59900	62000	74300	83800	86100
38	60300	61700	63900	76500	86300	88700
39	62100	63600	65800	78800	88900	91400
40	64000	65500	67800	81200	91600	94100

6.21.3-Table III:

Pay Band 5PPC	(₹) **10300-34800 (PB 3)**								
Grade Pay	3200	3600	3800	4200	4400	4600	4800	5000	5400
Initial Pay	13500	14430	14590	16290	17420	18030	18250	18450	20300
Index	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64
Level as per 6th PPC	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**
1	**35600**	**38100**	**38500**	**43000**	**46000**	**47600**	**48200**	**48700**	**53600**
2	36700	39200	39700	44300	47400	49000	49600	50200	55200

3	37800	40400	40900	45600	48800	50500	51100	51700	56900
4	38900	41600	42100	47000	50300	52000	52600	53300	58600
5	40100	42800	43400	48400	51800	53600	54200	54900	60400
6	41300	44100	44700	49900	53400	55200	55800	56500	62200
7	42500	45400	46000	51400	55000	56900	57500	58200	64100
8	43800	46800	47400	52900	56700	58600	59200	59900	66000
9	45100	48200	48800	54500	58400	60400	61000	61700	68000
10	46500	49600	50300	56100	60200	62200	62800	63600	70000
11	47900	51100	51800	57800	62000	64100	64700	65500	72100
12	49300	52600	53400	59500	63900	66000	66600	67500	74300
13	50800	54200	55000	61300	65800	68000	68600	69500	76500
14	52300	55800	56700	63100	67800	70000	70700	71600	78800
15	53900	57500	58400	65000	69800	72100	72800	73700	81200
16	55500	59200	60200	67000	71900	74300	75000	75900	83600
17	57200	61000	62000	69000	74100	76500	77300	78200	86100
18	58900	62800	63900	71100	76300	78800	79600	80500	88700
19	60700	64700	65800	73200	78600	81200	82000	82900	91400
20	62500	66600	67800	75400	81000	83600	84500	85400	94100
21	64400	68600	69800	77700	83400	86100	87000	88000	96900
22	66300	70700	71900	80000	85900	88700	89600	90600	99800
23	68300	72800	74100	82400	88500	91400	92300	93300	102800
24	70300	75000	76300	84900	91200	94100	95100	96100	105900
25	72400	77300	78600	87400	93900	96900	98000	99000	109100
26	74600	79600	81000	90000	96700	99800	100900	102000	112400
27	76800	82000	83400	92700	99600	102800	103900	105100	115800
28	79100	84500	85900	95500	102600	105900	107000	108300	119300
29	81500	87000	88500	98400	105700	109100	110200	111500	122900
30	83900	89600	91200	101400	108900	112400	113500	114800	126600
31	86400	92300	93900	104400	112200	115800	116900	118200	130400
32	89000	95100	96700	107500	115600	119300	120400	121700	134300
33	91700	98000	99600	110700	119100	122900	124000	125400	138300
34	94500	100900	102600	114000	122700	126600	127700	129200	142400
35	97300	103900	105700	117400	126400	130400	131500	133100	146700
36	100200	107000	108900	120900	130200	134300	135400	137100	151100
37	103200	110200	112200	124500	134100	138300	139500	141200	155600

38	106300	113500	115600	128200	138100	142400	143700	145400	160300
39	109500	116900	119100	132000	142200	146700	148000	149800	165100
40	112800	120400	122700	136000	146500	151100	152400	154300	170100

6.21.4-Table IV:

Pay Band 5PPC	**(₹) 15600-39100 (PB 4)**								
Grade Pay	5400	5700	6000	6600	7400	7600	7800	8200	8400
Initial Pay	21000	22820	24140	25250	31120	31320	34260	40130	43070
Index	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
17	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**
1	**56100**	**60900**	**64500**	**67400**	**83100**	**83600**	**91500**	**107100**	**115000**
2	57800	62700	66400	69400	85600	86100	94200	110300	118500
3	59500	64600	68400	71500	88200	88700	97000	113600	122100
4	61300	66500	70500	73600	90800	91400	99900	117000	125800
5	63100	68500	72600	75800	93500	94100	102900	120500	129600
6	65000	70600	74800	78100	96300	96900	106000	124100	133500
7	67000	72700	77000	80400	99200	99800	109200	127800	137500
8	69000	74900	79300	82800	102200	102800	112500	131600	141600
9	71100	77100	81700	85300	105300	105900	115900	135500	145800
10	73200	79400	84200	87900	108500	109100	119400	139600	150200
11	75400	81800	86700	90500	111800	112400	123000	143800	154700
12	77700	84300	89300	93200	115200	115800	126700	148100	159300
13	80000	86800	92000	96000	118700	119300	130500	152500	164100
14	82400	89400	94800	98900	122300	122900	134400	157100	169000
15	84900	92100	97600	101900	126000	126600	138400	161800	174100
16	87400	94900	100500	105000	129800	130400	142600	166700	179300
17	90000	97700	103500	108200	133700	134300	146900	171700	184700
18	92700	100600	106600	111400	137700	138300	151300	176900	190200
19	95500	103600	109800	114700	141800	142400	155800	182200	195900
20	98400	106700	113100	118100	146100	146700	160500	187700	201800
21	101400	109900	116500	121600	150500	151100	165300	193300	207900

22	104400	113200	120000	125200	155000	155600	170300	199100	
23	107500	116600	123600	129000	159700	160300	175400	205100	
24	110700	120100	127300	132900	164500	165100	180700		
25	114000	123700	131100	136900	169400	170100	186100		
26	117400	127400	135000	141000	174500	175200	191700		
27	120900	131200	139100	145200	179700	180500	197500		
28	124500	135100	143300	149600	185100	185900	203400		
29	128200	139200	147600	154100	190700	191500			
30	132000	143400	152000	158700	196400	197200			
31	136000	147700	156600	163500	202300	203100			
32	140100	152100	161300	168400					
33	144300	156700	166100	173500					
34	148600	161400	171100	178700					
35	153100	166200	176200	184100					
36	157700	171200	181500	189600					
37	162400	176300	186900	195300					
38	167300	181600	192500	201200					
39	172300	187000	198300						
40	177500	192600							

6.21.5-Table V:

Pay Band 5PPC	**(₹) 37400-67000 (PB 5)**				
Grade Pay	8600	8700	8800	8900	10000
Initial Pay	46000	46100	46200	48590	54700
Index	2.67	2.67	2.67	2.67	2.72
Level as per 6th PPC	**27**	**28**	**29**	**30**	**31**
1	**122800**	**123100**	**123400**	**129700**	**148800**
2	126500	126800	127100	133600	153300
3	130300	130600	130900	137600	157900
4	134200	134500	134800	141700	162600
5	138200	138500	138800	146000	167500
6	142300	142700	143000	150400	172500
7	146600	147000	147300	154900	177700

8	151000	151400	151700	159500	183000
9	155500	155900	156300	164300	188500
10	160200	160600	161000	169200	194200
11	165000	165400	165800	174300	200000
12	170000	170400	170800	179500	206000
13	175100	175500	175900	184900	212200
14	180400	180800	181200	190400	218600
15	185800	186200	186600	196100	
16	191400	191800	192200	202000	
17	197100	197600	198000	208100	
18	203000	203500	203900	214300	
19	209100	209600	210000		
20					

6.22 The starting point for level one of the matrix will be ₹18000. This corresponds to the starting pay of ₹6950, which is the beginning of PB-1, which is ₹4900 and GP ₹1650 with initial pay as recommended by the 5th PPC. The starting point for each level is now proposed to be a minimum of 2.59 times of basic and GP assigned to that category by the 5th PPC on 01.01.2006

6.23 The pay matrix comprises of two dimensions. It has a "horizontal range" in which each level corresponds to a 'functional role in the hierarchy' and has been assigned the numbers 1, 2, 3 and so on till 31. The "vertical range" for each level denotes 'pay progression' within that level. These indicate the steps of annual financial progression of three percent within each level. Accordingly, in the vertical range of each level, the pay in the first cell and the pay in the last cell of the level will be the limits of Minimum and Maximum pay for that level in the pay matrix. Each level in the horizontal range and vertical range of the pay matrix is denoted by a position described as a 'Cell'.

6.24 The starting point of the pay matrix is the minimum pay for a particular level. On recruitment, an employee joins at that level and progresses within it as per the vertical range. The movement is usually on an annual basis, based on annual increments till the time of next promotion. When the employee is promoted or receives a non-functional financial upgrade, he/she progresses ahead on the horizontal range. The pay matrix will help chart out the likely path of pay progression during the career of an employee.

Benefits of Pay Matrix

6.25 The Pay Matrix being recommended is easy to implement besides being of help to prospective employees and others wishing to obtain inputs on how their careers will progress in terms of pay progression. Even a new recruit will be able to estimate his emoluments, career prospects and likely financial upgradations available from time to time.

Annual Increment

6.26 The rate of increment will be 3% uniformly for all the employees, which is reflected in the vertical range of each cell. It is entirely possible that an employee may reach the maximum of the cell. In that case, the employee will further progress @ 3% of the pay and will not stagnate at the last point, provided his/her pay does not exceed the maximum allowed pay of the HAG officers.

Span for each level

6.27 A sufficiently long span of 40 years has been kept upto level 20 and beyond that the same has been curtailed in view of the maximum stage of the salary payable to HAG officers.

Date of effect

6.28 The date of effect of these recommendations is proposed to be 1st January, 2016.

Entry Pay

6.29 Direct recruits will begin with the minimum pay in the level to which recruitment is effected, which will be the first cell of each level. For example, a person entering service as a direct recruit at level 9, will get a basic pay of ₹35600, at level 13 the basic pay of ₹46000, ₹56100 at the level of 18 and so on.

Fixation of pay of existing Government employees in the new Pay Matrix

6.30 The re-revision of emoluments effected in 2011 has been dealt with in a separate chapter wherein it has been recommended that the pay drawn by employees after the re-revision of scales may be protected but the disturbed hierarchical imbalances needs to be corrected. Accordingly, for fixation of pay purposes, the new level in the pay matrix will be that, which corresponds to the pay band and grade pay granted to that post on the recommendations of 5th Punjab Pay Commission. As such, the pay of an employee drawn on 01.01.2016 will be multiplied by the factor as detailed below, by broadly dividing the existing employees into following two categories:

a) The posts/categories, whose pay band with grade pay or only grade pay was re-revised after the implementation of recommendations of 5th Punjab Pay Commission;

b) The posts/categories, whose pay band and/or grade pay was not re-revised at all after the implementation of recommendations of the 5th Punjab Pay Commission.

6.31 In the case of categories covered under (a) above, the multiplier factor will be 2.25 of the pay being actually drawn by the employee having included the benefit element of 2011 re-revisions. However, they will be given an option of having their pay fixed notionally by excluding the benefit element of 2011 re-revision. In that case any benefit like ACP, which was available before 2011 re-revision, will remain available. Once the presumptive pay is worked out as on 01.01.2016, they will be entitled to get their pay revised with the multiplier factor of 2.59. The rounded-off figure will be located in the level, which is corresponding to the grade pay granted to the post in view of the 5th PPC recommendation **OR** in the level, which is corresponding to the entitled grade pay in which his/her presumptive pay has been fixed with the benefit of ACP etc. If an identical figure is not available in the corresponding level, the next higher figure closest to it would be the new pay of the concerned employee.

6.32 In respect of cases covered under category (b), the multiplier factor will be 2.59 of the pay being actually drawn by them. The resultant figure will be rounded to nearest rupee. This rounded-off figure will be located in the level, which is corresponding to the grade pay granted to the post in view of the 5th PPC recommendations **OR** in the level, which is corresponding to the entitled grade pay in which his/her pay has been fixed with the benefit of ACP. If the identical figure is not available in the corresponding level, the next higher figure closest to it would be the new pay of the concerned employee.

6.33 Once the pay has been fixed in the new pay matrix, next increment will be allowed as per rules.

6.34 The above pay fixation in the new pay matrix is made clearer with the help of following examples:

(a) Normal fixation, where there is no change in the pay band or grade pay in 2011:

Step 1: Identify basic pay (pay in the pay band and grade pay) drawn by an employee as on the date of implementation. This figure is 'A'.

Step 2: Multiply 'A' with 2.59, round-off to the nearest rupee, and obtain result 'B'.

Step 3: The figure so arrived at, i.e., 'B' or the next higher figure closest to it in the level assigned to his/her grade pay, will be the new pay in the new pay matrix. In case the value of 'B' is less than the starting pay of the level, then the pay will be equal to the starting pay of that level.

Example:

i. For example an employee H is presently drawing basic pay of ₹55040 (Pay in the pay band ₹46340 and grade pay ₹8700 = ₹55040). After multiplying ₹55,040 with 2.59, a figure of ₹1,42,553.60 is arrived at. This is rounded off to ₹1,42,554.

ii. The level corresponding to GP ₹8700 is level 28, as may be seen from Table above, which gives the full correspondence between existing grade pay and the new Levels being proposed.

iii. In the column for level 28, the figure closest to ₹1,42,554 is ₹1,42,700.

iv. Hence the pay of employee H will be fixed at ₹1,42,700 (Cell 6) in level 28 in the new pay matrix as shown below:

Pay Fixation

Pay Band (5PPC)	**37400-67000**
Grade pay	**8700**
Level (6PPC)	**28**
Cell 1 (Initial Pay)	123100
Cell 4	134500
Cell 5	138500
Cell 6	**142700**
Cell 7	147000
Cell 8	151400

(b) Pay fixation, where change in the grade pay in 2011 also involves change in the pay band also: (Suppose Clerk of ₹1900 GP in the pay band of ₹5910-20200 now working in ₹3200GP in pay band ₹10300-34800)

Option I

Step 1: Identify basic pay (pay in the pay band plus grade pay) drawn by an employee as on the date of implementation. This figure is 'A'.

Step 2: Multiply 'A' with 2.25, round-off to the nearest rupee, and obtain result 'B'.

Step 3: The figure so arrived at, i.e., 'B' or the next higher figure closest to it in the level assigned to ₹1900 grade pay that is Level 3, will be the new pay in the new pay matrix in level 3. In case the value of 'B' is less than the starting pay of this level, then the pay will be equal to the starting pay of that level.

Example:

i. For example an employee X is presently drawing basic pay of ₹15,210 (pay in the pay band ₹12,010 with grade pay ₹3200 = ₹15210). After multiplying ₹15210 with 2.25, a figure of ₹34222.50 is arrived at. This is rounded off to ₹34223.

ii. The level corresponding to GP ₹1900 is level 3, as may be seen from Table above, which gives the full correspondence between existing grade pay and the new levels being proposed.

iii. In the column for level 3, the figure closest to ₹34223 is ₹34300.

iv. Hence the pay of employee X will be fixed at ₹34300 (Cell 19) in level 3 in the new pay matrix as shown below:

Pay Fixation

Pay Band (5PPC)	**5910-20200**
Grade pay	**1900**
Level (6PPC)	**3**
Cell 1 (Initial Pay)	20200

Cell 17	32300
Cell 18	33300
Cell 19	**34300**
Cell 20	35300
Cell 21	36400

Option II

Step 1: Re-fix the pay of the Government employee by ignoring the benefit of re-revision of scale in 2011 and fix the pay up to the date of implementation of recommendations of this Pay Commission to find out the presumptive pay.

Step 2: This presumptive basic pay (pay in the pay band and grade pay) fixed notionally of an employee as on the date of implementation is the pay to be used for revision of pay. This figure is 'A'.

Step 2: Multiply 'A' with 2.59 and round-off to the nearest rupee, and obtain result 'B'.

Step 3: The figure so arrived at, i.e., 'B' or the next higher figure closest to it in the level assigned to ₹1900 grade pay that is level 3, will be the new pay in the new pay matrix in Level 3. In case the value of 'B' is less than the starting pay of this level, then the pay will be equal to the starting pay of that level.

Example:

i. For example an employee X is presently drawing basic pay of ₹15,210 (pay in the pay band ₹12,010 and grade pay ₹3200 = ₹15210).
ii. With the re-fixation of pay by ignoring the benefit of re-revision, the presumptive pay works out to be ₹13,700 (pay in pay band ₹11800 with grade pay ₹1900).
iii. After multiplying ₹13,700 with 2.59, a figure of ₹35483 is arrived at. This is rounded off to ₹35483.
iv. The level corresponding to GP ₹1900 is level 3, as may be seen from the table above, which gives the full correspondence between existing grade pay and the new levels being proposed.
v. In the column for level 3, the figure closest to ₹35483 is ₹36400.

vi. Hence the pay of employee X will be fixed at ₹36400 (Cell 21) in level 3 in the new pay matrix as shown below:

Pay Fixation

Pay Band (5PPC)	**5910-20200**
Grade pay	**1900**
Level (6PPC)	**3**
Cell 1 (Initial Pay)	20200
Cell 19	34300
Cell 20	35300
Cell 21	**36400**
Cell 22	37500
Cell 23	38600

vii. In case this proposition is favourable to employee and he may opt for option II to get his pay fixed at ₹36400 in level 3 as against ₹34300 in same level obtained in option I.

Pay on promotion

6.35 When an employee is promoted or gets a non-functional financial upgradation, he/she will be progressing on the horizontal range. For those who have been promoted from the previous level, the fixation of pay in the new level will depend on the pay they were already drawing in the previous level. For instance, if a person who was drawing ₹41300 in level 9 gets a promotion to level 11, his pay fixation will be as shown in table below:

Step 1: After grant of one increment in level 9 the pay increases from ₹41300 to ₹42500 in level 9 itself.

Step 2: Locate the equal or next higher amount in level 11 which in this case will be ₹43400.

Hence the new pay on promotion from level 9 to level 11 will be fixed at ₹43400.

Level as per 6th PPC	**9**	**10**	**11**	**12**	**13**

1	**35600**	**38100**	**38500**	**43000**	**46000**
2	36700	39200	39700	44300	47400
3	37800	40400	40900	45600	48800
4	38900	41600	42100	47000	50300
5	40100	42800	**43400**	48400	51800
6	**41300**	44100	44700	49900	53400
7	**42500**	45400	46000	51400	55000
8	43800	46800	47400	52900	56700
9	45100	48200	48800	54500	58400
10	46500	49600	50300	56100	60200
11	47900	51100	51800	57800	62000
12	49300	52600	53400	59500	63900
13	50800	54200	55000	61300	65800
14	52300	55800	56700	63100	67800
15	53900	57500	58400	65000	69800
16	55500	59200	60200	67000	71900
17	57200	61000	62000	69000	74100
18	58900	62800	63900	71100	76300
19	60700	64700	65800	73200	78600
20	62500	66600	67800	75400	81000
21	64400	68600	69800	77700	83400
22	66300	70700	71900	80000	85900
23	68300	72800	74100	82400	88500
24	70300	75000	76300	84900	91200
25	72400	77300	78600	87400	93900
26	74600	79600	81000	90000	96700
27	76800	82000	83400	92700	99600
28	79100	84500	85900	95500	102600
29	81500	87000	88500	98400	105700
30	83900	89600	91200	101400	108900
31	86400	92300	93900	104400	112200
32	89000	95100	96700	107500	115600
33	91700	98000	99600	110700	119100
34	94500	100900	102600	114000	122700
35	97300	103900	105700	117400	126400

36	100200	107000	108900	120900	130200
37	103200	110200	112200	124500	134100
38	106300	113500	115600	128200	138100
39	109500	116900	119100	132000	142200
40	112800	120400	122700	136000	146500

6.36 However, the provisions as contained in rule 11 of Punjab Civil Services (Revised pay) Rules, 2009 are recommended to be retained in the revised pay matrix.

Pay Band and Grade Pay of GoP employees as on 01.01.2006 and corresponding Punjab Pay Matrix as recommended by the 6th PPC applicable w.e.f. 01.01.2016.

(Referred to in para 6.21 of the report)

Pay Band SPPC	4900-10680 (PB 1)				5910-20200 (PB 2)						10300-34800 (PB 3)										15600-39100 (PB 4)										37400-67000 (PB 5)				
Grade Pay	1300	1400	1650	1800	1900	1950	2000	2400	2800	3000	3200	3600	3800	4200	4400	4600	4800	5000	5400	5400	5700	6000	6600	7400	7660	7800	8200	8400	8600	8700	8800	8900	10000
Initial Pay	6200	6700	6950	7100	7810	7960	8240	9880	11170	11470	13500	14430	14590	16290	17420	18030	18250	18450	20300	21000	22820	24140	25250	31120	31370	34260	40130	43070	46000	46100	46200	48590	54700
Group	D	D	D	D	C	C	C	C	C	C	C	C	B	B	B	B	B	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A
Index			2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.59	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.64	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.72
Level as per 6th PPC	0	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
1	0	0	18000	18400	20200	20600	21300	25600	28900	29700	35600	38100	38500	43000	45000	47600	48200	48700	53600	56100	60900	64500	67400	83100	83600	91500	107100	115000	122800	123100	123400	129700	148800
2	0	0	18500	19000	20800	21200	21900	26400	29800	30600	36700	39200	39700	44300	47400	49000	49600	50200	55200	57800	62700	66400	69400	85600	86100	94200	110300	118500	126500	126800	127100	133600	153300
3	0	0	19100	19600	21400	21800	22600	27200	30700	31500	37800	40400	40900	45600	48800	50500	51100	51700	56900	59500	64600	68400	71500	88200	88700	97000	113600	122100	130300	130600	130900	137600	157900
4	0	0	19700	20200	22000	22500	23300	28000	31600	32400	38900	41600	42100	47000	50300	52000	52600	53300	58600	61300	66500	70500	73600	90800	91400	99900	117000	125800	134200	134500	134800	141700	162600
5	0	0	20300	20800	22700	23200	24000	28800	32500	33400	40100	42800	43400	48400	51800	53600	54200	54900	60400	63100	68500	72600	75800	93500	94100	102900	120500	129600	138200	138500	138800	146000	167500
6	0	0	20900	21400	23400	23900	24700	29700	33500	34400	41300	44100	44700	49900	53400	55200	55800	56500	62200	65000	70600	74800	78100	96100	96600	106000	124100	133500	142300	142700	143000	150400	172500
7	0	0	21500	22000	24100	24600	25400	30600	34500	35400	42500	45400	46000	51400	55000	56900	57500	58200	64100	67000	72700	77000	80400	99200	99800	109200	127800	137500	146600	147000	147300	154900	177700
8	0	0	22100	22700	24800	25300	26200	31500	35500	36500	43800	46800	47400	52900	56700	58600	59200	59900	66000	69000	74900	79300	82800	102200	102800	112500	131600	141600	151000	151400	151700	159500	183000
9	0	0	22800	23400	25500	26100	27000	32400	36600	37600	45100	48200	48800	54500	58400	60400	61000	61700	68000	71100	77100	81700	85300	105300	105900	115900	135500	145800	155500	155900	156300	164300	188500
10	0	0	23500	24100	26300	26900	27800	33400	37700	38700	46500	49600	50300	56100	60200	62200	62800	63600	70000	73200	79400	84200	87900	108500	109100	119400	139600	150200	160200	160600	161000	169200	194200
11	0	0	24200	24800	27100	27700	28600	34400	38800	39900	47900	51100	51800	57800	62000	64100	64700	65500	72100	75400	81800	86700	90500	111800	112400	123000	143800	154700	165000	165400	165800	174300	200000
12	0	0	24900	25500	27900	28500	29500	35400	40000	41100	49300	52600	53400	59500	63900	66000	66600	67500	74300	77700	84300	89300	93200	115200	115800	126700	148100	159300	170000	170400	170800	179500	206000
13	0	0	25600	26300	28700	29400	30400	36500	41200	42300	50800	54200	55000	61300	65800	68000	68600	69500	76500	80000	86800	92000	96000	118700	119100	130500	152500	164100	175100	175500	175900	184900	212200
14	0	0	26400	27100	29600	30300	31300	37600	42400	43600	52300	55800	56700	63100	67800	70000	70700	71600	78800	82400	89400	94800	98900	122300	122900	134400	157100	169000	180400	180800	181200	190400	218600
15	0	0	27200	27900	30500	31200	32200	38700	43700	44900	53900	57500	58400	65000	69800	72100	72800	73700	81200	84900	92100	97600	101900	126000	126600	138400	161800	174100	185800	186200	186600	196100	
16	0	0	28000	28700	31400	32100	33200	39900	45000	46200	55500	59200	60200	67000	71900	74300	75000	75900	83600	87400	94900	100500	105000	129800	130400	142600	166700	179300	191400	191800	192200	202000	
17	0	0	28800	29600	32300	33100	34200	41100	46400	47600	57200	61000	62000	69000	74100	76500	77300	78200	86100	90000	97700	103500	108200	133700	134100	146900	171700	184700	197100	197600	198000	208100	
18	0	0	29700	30500	33300	34100	35200	42300	47800	49000	58900	62800	63900	71100	76300	78800	79600	80500	88700	92700	100600	106600	111400	137700	138100	151300	176900	190200	203000	203500	203900	214300	
19	0	0	30600	31400	34300	35100	36300	43600	49200	50500	60700	64700	65800	73200	78600	81200	82000	82900	91400	95500	103600	109800	114700	141800	142100	155800	182200	195900	209100	209600	210000		
20	0	0	31500	32300	35300	36200	37400	44900	50700	52000	62500	66600	67800	75400	81000	83600	84500	85400	94100	98400	106700	113100	118100	146100	146700	160500	187700	201800					
21	0	0	32400	33300	36400	37300	38500	46200	52200	53600	64400	68600	69800	77700	83400	86100	87000	88000	96900	101400	109900	116500	121600	150500	151100	165300	193300	207900					
22	0	0	33400	34300	37500	38400	39700	47600	53800	55200	66300	70700	71900	80000	85900	88700	89600	90600	99800	104400	113200	120000	125200	155000	155600	170300	199100						
23	0	0	34400	35300	38600	39600	40900	49000	55400	56900	68300	72800	74100	82400	88500	91400	92300	93300	102800	107500	116600	123600	129000	159700	160100	175400	205100						
24	0	0	35400	36400	39800	40800	42100	50500	57100	58600	70300	75000	76300	84900	91200	94100	95100	96100	105900	110700	120100	127300	132900	164500	165100	180700							
25	0	0	36500	37500	41000	42000	43400	52000	58800	60400	72400	77300	78600	87400	93900	96900	98000	99000	109100	114000	123700	131100	136900	169400	176100	186100							
26	0	0	37600	38600	42200	43300	44700	53600	60600	62200	74600	79600	81000	90000	96700	99800	100900	102000	112400	117400	127400	135000	141000	174500	175200	191700							
27	0	0	38700	39800	43500	44600	46000	55200	62400	64100	76800	82000	83400	92700	99600	102800	103900	105100	115800	120900	131200	139100	145200	179700	180500	197500							
28	0	0	39900	41000	44800	45900	47400	56900	64300	66000	79100	84500	85900	95500	102600	105900	107000	108300	119300	124500	135100	143300	149600	185100	185900	203400							
29	0	0	41100	42200	46100	47300	48800	58600	66200	68000	81500	87000	88500	98400	105700	109100	110200	111500	122900	128200	139200	147600	154100	190700	191500								
30	0	0	42300	43500	47500	48700	50300	60400	68200	70000	83900	89600	91200	101400	108900	112400	113500	114800	126600	132000	143400	152000	158700	196400	197200								
31	0	0	43600	44800	48900	50200	51800	62200	70200	72100	86400	92300	93900	104400	112100	115800	116900	118200	130400	136000	147700	156600	163500	202300	203100								
32	0	0	44900	46100	50400	51700	53400	64100	72300	74300	89000	95100	96700	107500	115800	119300	120400	121700	134300	140100	152100	161300	168400										
33	0	0	46200	47500	51900	53300	55000	66000	74500	76500	91700	98000	99600	110700	119100	122900	124000	125400	138300	144300	156700	166100	173500										
34	0	0	47600	48900	53500	54900	56700	68000	76700	78800	94500	100900	102600	114000	122700	126600	127700	129200	142400	148600	161400	171100	178700										
35	0	0	49000	50400	55100	56500	58400	70000	79000	81200	97300	103900	105700	117400	126400	130400	131500	133100	146700	153100	166200	176200	184100										
36	0	0	50500	51900	56800	58200	60200	72100	81400	83600	100200	107000	108900	120900	130200	134300	135400	137100	151100	157700	171200	181500	189600										
37	0	0	52000	53500	58500	59900	62000	74300	83800	86100	103200	110200	112200	124500	134100	138300	139500	141200	155600	162400	176300	186900	195300										
38	0	0	53600	55100	60300	61700	63900	76500	86300	88700	106300	113500	115600	128200	138100	142400	143700	145400	160300	167300	181600	192500	201200										
39	0	0	55200	56800	62100	63600	65800	78800	88900	91400	109500	116900	119100	132000	142200	146700	148000	149800	165100	172300	187000	198300											
40	0	0	56900	58500	64000	65500	67800	81200	91600	94100	112800	120400	122700	136000	146500	151100	152400	154300	170100	177500	192600												

CHAPTER 7

ALLOWANCES

7.1 In the context of government servants, allowances may be described as an amount of money paid to an employee for a specific purpose or to cover some special expenses. Previous Pay Commissions, Central and State have examined the objectives and rationale for allowances for specific purposes to different categories of civil servants along with the rates there of . There are a large number of allowances of which some are common across departments, while others are department specific or for specified categories of employees.

7.2 While dealing with this matter, the Seventh Central Pay Commission has in its report made the following observations which may be equally relevant in the context of allowances paid to State Government employees:

(i) The number of allowances paid to government employees is quite large, and there are demands even for more allowances. The trend worldwide, however, is otherwise–to include most of the additional items of remuneration as part of the basic pay and minimize the number of allowances.

(ii) it is further mentioned that the entire range of allowances is administered in broadly four ways:

a. **Fully DA-indexed–Allowances** that are in the nature of fixed amounts, but the amount is fully indexed to DA.

b. **Partially or Semi DA-indexed–Allowances** that are in the nature of fixed amounts, but the amount increases by 25 percent each time DA rises by 50 percent.

c. **No DA-indexation–Allowances** that are in the nature of fixed amounts, but the amount does not change with DA.

d. **Percentage based–Allowances** that are paid as a percentage of basic pay, (e.g. House Rent Allowance,) and in some cases as a percentage of basic pay and DA.

7.3 The general approach adopted by the Seventh Central Pay Commission is as under:

a. **Need for continuation**: The genesis of every allowance has been studied with a view to identify the precise reason and basis for payment of that allowance. Over a period of time many processes and work situations in the government have evolved and undergone changes so as to render the need for certain allowances infructuous. Based on such analysis, an assessment of the need for continuation of each allowance has been made.

b. **Coverage:** For such allowances as are being recommended for continuation, the set of employees who are presently covered by the allowance has been examined to see if the same is appropriate.

c. **Rationalisation**: For those allowances that are being recommended for continuation, the following set of issues has been gone into:

i. Is the present rate appropriate?

ii. Can the allowance be clubbed with any other similar allowance?

iii. Can the allowance be rationalized?"

7.4 For most of the allowances that have been retained, the Commission has sought to provide a raise that is commensurate with the rise in DA. Accordingly, allowances that are in the nature of a fixed amount but not DA indexed have generally been raised by a factor of 2.25. Allowances that are a fixed amount but are partially indexed to DA have generally been raised by a factor of 1.5 while allowances that are fully indexed to DA have not been given any raise. Regarding percentage based allowances, having regard to the increase in the pay structure (and consequently the basic pay) as a result of the recommendations of the Commission, and considering the raise granted to slab-based allowances, the quantum of percentage based allowances has been rationalized by a factor of 0.8.

7.5 Keeping in view the decennial pay revision of the employees, it is necessary to rationalize the rates of various slab based and percentage based allowances so that the revised rates are suitably enhanced in accordance with the revised pay structure. Accordingly, allowances are taken up in the succeeding paragraphs for examination so as to ascertain the rationale of retaining the allowances and to examine the rates for particular allowances including their linkage, if any, to basic pay or DA. A large number of employees associations have in their memoranda demanded new allowances besides enhancement in the rates of existing allowances. This issue has been critically examined as well.

Percentage Based Allowances

7.6 The following is the list of allowances which are paid as percentage of basic pay:-

1. **Dearness Allowance**
2. **House Rent Allowance**
3. **House Rent Allowance in lieu of Rent Free Accommodation**
4. **Rural Area Allowance**
5. **Non-Practicing Allowance (NPA)**
6. **Higher Education Allowance**
7. **Deputation Allowance**
8. **Training Allowance**

Each of the above is taken up for more detailed discussion in the succeeding paras.

Dearness Allowance (DA)

7.7 Dearness Allowance is paid to all the state government employees as a payment to compensate the erosion in the real value of their pay package on account of inflation. It was on the recommendation of the First Punjab Pay Commission that the State Government decided to grant DA to its employees at the rates and pattern followed by the Government of India from time to time. The basic formula for working out the entitlement of DA for the State Government employees remains the same as followed by the Government of India. All the previous State Pay Commissions in Punjab have been supporting adherence to this time tested arrangement. It is noted that the Government of India arrives at the level of inflation for the purpose of grant of DA on the basis of the All India Consumer Price Index for

Industrial Workers (AICPI). The twelve monthly average of AICPI as on 1st January and 1st July of each year is used for calculating DA.

7.8 The Seventh CPC in its report has commented that the present formulation of DA has worked well over the years and as such recommended continuance of the existing formula and methodology for its calculation. It may be observed that, by and large, both the employees and the employer are satisfied with the effectiveness of this system. The rates of DA entitlement to the Punjab Government and the Central Government employees during the period 1.1.2006 to 1.1.2016 were as follows:

Date from which payable	Rate of DA (per cent)
01.01.2006	No DA
01.07.2006	2
01.01.2007	6
01.07.2007	9
01.01.2008	12
01.07.2008	16
01.01.2009	22
01.07.2009	27
01.01.2010	35
01.07.2010	45
01.01.2011	51
01.07.2011	58
01.01.2012	65
01.07.2012	72
01.01.2013	80

01.07.2013	90
01.01.2014	100
01.07.2014	107
01.01.2015	113
01.07.2015	119
01.01.2016	125

7.9 Employees Associations/Unions in their memoranda as well as during the personal hearings have demanded timely release of due installments of DA on the Central Government pattern.

7.10 The Commission is, therefore, of the view that the Central pattern for grant of DA should be continued and that it should be converted into dearness pay to be counted for all purposes including retirement benefits each time the index increases by 50%.

7.11 The Commission would further urge that there should be no time lag in its implementation and that as soon as a DA increase is announced by the GoI, it should ideally be implemented for State Government employees as well. The Commission is aware that this is critically linked to the ways and means position of the State Government. However, it must be noted that the efficacy of DA as a hedge against inflation is eroded if there are delays in its timely release.

House Rent Allowance (HRA)

7.12 HRA is percentage based and all the state government employees are entitled to it. On the recommendation of Third Punjab Pay Commission, GoP had classified

the cities/ towns of Punjab for grant of HRA in four categories of Class 'A', 'B', 'C' and 'D' on population basis and notified different levels of fixed rates of HRA for different categories of employees. The Fourth Punjab Pay Commission, however, recommended that the classification of cities/towns, on population basis as A1, A, B1, B2, C and Unclassified and that rates of HRA recommended by the fifth CPC, should be adopted by the State Government with the addition that all the villages in the State will also be covered under the "Unclassified" Category along with towns having a population below 50000. Accordingly it proposed rates of HRA on the basis of percentage of maximum of the pay scales on the GoI pattern for the different cities/towns/villages, as approved by GoP.

7.13 GoP has, as per the recommendations of the 5th PPC adopted, in principle, the pattern of the GoI for payment of HRA to its employees, and the Commission feels that this practice needs to be continued, with some state specific modifications. Whereas, the GoI prescribed HRA rates placing all cities in three categories on population basis which it categorized as X (50 lakh and above), Y (5 - 50 lakh) and Z (below 5 lakh), GoP has further sub-divided the category below 5 lakh population into two comprising of towns with a population between of 50000 and 5 lakh and those of less than 50000 including villages and unclassified areas.

7.14 On the recommendation of the Fifth PPC, the GoP implemented HRA 01.08.2009 as under:-

Sr. No.	Population of City/Town	Category	House Rent Allowance (% of basic pay)
(i)	50 lakhs and above	A	30
(ii)	5 lakhs and above but less than 50 lakhs	B	20
(iii)	50,000 and above but less than 5 lakhs	C	12.5
(iv)	Less than 50,000 including villages & unclassified areas	D	10

7.15 The Seventh CPC after considering all relevant factors has recommended rationalising HRA by a factor of 0.8 as per its general policy regarding percentage based allowances. Accordingly it recommended rationalized HRA rates of 24 percent, 16 percent and 8 percent of the revised basic pay for Class X (50 lakh and above), Y (5-50 lakh) and Z (below 5 lakh) cities respectively.

7.16 The Seventh CPC also observed that currently HRA is being paid as a percentage of basic pay and NPA. HRA is a compensation for expenses in connection with the rent of residential accommodation to be hired/leased by the employee and is graded based on the level of the employee, and therefore should "be calculated as a percentage of basic pay only. Add-ons like NPA etc. should not be included while working out HRA".

7.17 Some representatives of employees have put forward their demands for increase in the prevailing rates of HRA, reiterating their pleadings during personal hearings. However in view of the position brought out above, there is no merit in such demands. The system of payment of HRA primarily based on the Central pattern is well established in the State, which has already taken into consideration the local conditions and the issues raised by different sections of employees. The state is paying HRA at a higher rate of 12.5% to its employees posted in category "C" cities as against 10% paid to central government employees. Moreover there is category "D" which includes all the villages of the state where HRA at the rate of 10% is payable whereas there is no such provision for central government employees. These percentage based rates will further increase in accordance with revised pay scales granted upon the recommendations of this Commission.

7.18 Accordingly, the Pay Commission recommends;

1. **The State government may continue with the classification of categories of cities/towns as per recommendations of the 5th Punjab Pay Commission;**

2. **The payment of HRA may be rationalized by a factor of 0.8 as per recommendations of 7th CPC; and**

3. **HRA may be calculated as a percentage of basic pay only. Add-ons like NPA, special pay etc. should not be included while working out HRA.**

House Rent Allowance in lieu of Rent Free Accommodation

7.19 Keeping in view their job requirements and the nature of duties, many categories of employees across various departments, are entitled to rent free accommodation as mentioned in Appendix 7 of CSR, Volume-I, Part-1 (referred to in Note 3 below rule 5.23). These employees are mainly from the departments of General Administration, Police, Jails, Education, Health, Agriculture, Animal Husbandry, Industrial Training and Irrigation.

7.20 GoP in instructions dated 1.12.2011 allowed HRA @ 5% of the basic pay to such an employee, who is entitled to rent free accommodation, but is not provided with one by the government. This allowance is payable to all those eligible employees, who reside in rented accommodation in the radius of 3 kilometers from the point of their duties. This amount is in addition to the entitlement of HRA for such category of government employees.

7.21 It may be mentioned here that there is no such allowance available to the Central Government employees.

7.22 There has been overall rise in the salaries of all the categories of employees in the past and the HRA rates are also reasonably attractive. In Punjab the classification of cities is liberal and includes cities, villages and other unclassified areas having population of less than 50000. In addition, Rural Area Allowance is payable to the employees who are posted in such areas. Similar benefits were not available when rent free accommodation was first introduced. There seems to be insufficient justification, therefore, for continuing with this allowance. The Commission recommends that this allowance be discontinued.

Rural Area Allowance.

7.23 The reasons and justification for grant of this allowance was discussed by the Third Punjab Pay Commission in its report while recommending fixed amounts of rural area allowance. The Fourth Punjab Pay Commission recommended that Rural Area Allowance should be granted to employees posted in the rural areas at the rate 5% of their basic pay. The Fifth Punjab Pay Commission observed in its report that this Allowance was granted @ 6% of the basic pay of the concerned employees so as to compensate the employees posted in rural areas for the relative lack of health, education and civic amenities in such areas. Considering the fact that a majority of the State population lives in rural areas, the previous Commission recommended continuation of rural area allowance @ 6% of basic pay.

7.24 Employee associations have stressed for the enhancement of Rural Area Allowance to 10% of basic pay. There is no merit in this contention in view of the fact

that the employees are entitled to this allowance on percentage basis with an in-built mechanism of automatic enhancement with revision of basic pay. In addition, employees posted in rural areas also are now entitled to HRA at the rate of 10% of basic pay.

7.25 The Commission recommends that the allowance be retained and present rate of 6% and rationalized like other percentage based allowances by a factor of 0.8 which should accordingly be rounded off to 5% of the revised basic pay.

Non-Practicing Allowance (NPA)

7.26 Non-Practicing Allowance was started in the GoI and subsequently State governments followed suit primarily to retain doctors in the public service and to halt the exodus of medical professionals from the country. The other reason given was that the doctors need to be compensated for longer duration of studies and internship, because of which they usually are late entrants in government service. The Fifth Punjab Pay Commission examined the demand of Ayurvedic, Homeopathy and Veterinary doctors and recommended that these categories of doctors should also be granted NPA @ 25% of the basic pay on the Central government pattern. The Punjab Government allowed payment of NPA in 2011 to these categories which included Homeopathy Medical Officers, Ayurvedic Medical Officers and Veterinary posts of the Department of Animal Husbandry, Fisheries and Dairy Development. The Seventh Central Pay Commission while retaining this allowance has recommended rationalization of the NPA by factor of 0.8 in view of the enhancement of the basic pay of the employees because of pay revision so that NPA may be paid @ 20% of the revised basic pay.

7.27 The Commission is of the considered view that allowance(s) are not Pay. A tendency has emerged to use the allowances to enhance pay by declaring them to be part of pay/emoluments.

7.28 In line with this principle, the Commission recommends that NPA should be a fixed allowance calculated @ 20% of the revised basic pay as on 1.1.2016 and not considered as a part of pay/emoluments. Accordingly, DA should not be paid on the allowance and because it would not be part of pay it will not be included for purposes for calculating admissible Allowances, Pension and other post retiral benefits.

Higher Education Allowance

7.29 Higher Education allowance is granted in the form of a benefit of five increments (15% of basic pay approximately) to doctors, who attains a post graduate degree, and four increments (12% of the basic pay) to those who have done a two year diploma. Higher Education allowance is not treated as a part of basic pay and hence no other allowance/benefit is admissible on its basis, but it will be counted for pension.

7.30 In the GoI, post graduate allowance is granted to doctors up to the level of NFSG (Non Functional Selection Grade). Doctors who have a post graduate degree or post graduate diploma are entitled to this allowance at the rate of ₹2250 per month for a post graduate degree and ₹1350 per month for post graduate diploma holders as per the recommendation of the Seventh Central Pay Commission. This allowance has been extended besides medical doctors to dentists and veterinarians as well.

7.31 Higher Education allowance in Punjab is primarily being granted to doctors, who attain higher qualifications. However, many of the other government employees and their associations have also been demanding a similar allowance for those employees who acquire higher educational qualification than the minimum prescribed for a post .

7.32 Admittedly it is in the overall public interest if employees are better qualified/ skilled. There is no denying the fact that higher qualifications add to the overall perception, understanding and capabilities of an individual and, therefore, such employees who try to better their qualification and hone up their skills need to be encouraged in the larger interest of the organisation they serve. The question, however, is whether an allowance in the form of 4 or 5 increments is the best way to incentivize employees for acquiring higher qualifications and better skills.

7.33 In GoI, a lump-sum one-time incentive stands provided to the employees on obtaining a higher qualification w.e.f. 09.04.1999. The Seventh CPC has, in this regard, recommended the following lump sum rates of higher qualification incentive for courses in fields that are directly relevant to an employee's job subject to the conditions laid down by Department of Personnel and Training:-

Qualification	**Amount (₹)**
Ph.D. or equivalent	30000
PG Degree/Diploma of duration more than one year, or equivalent	25000
PG Degree/Diploma or duration one year or less, or equivalent	20000
Degree/Diploma of duration more than three years, or equivalent	15000
Degree/Diploma of duration three years or less, or equivalent	10000

7.34 It is further laid down that the incentive shall be limited to a maximum of two times in an employee's career, with a minimum gap of two years between successive grants.

7.35 The Commission recommends grant of higher qualification allowance/ incentive in the form of lump-sum rate to all employees. GoP would, of course, need to issue necessary instructions and conditions for eligibility of such allowance to employees in different categories and departments.

Deputation Allowance

7.36 This allowance is paid to GoP employees proceeding on deputation. The rates of this allowance both for GoP and GoI employees are the same as given below:

a) 5% of basic pay for transfer within the same station with a ceiling of ₹2000/- per month; and

b) 10% of basic pay in other cases with a ceiling of ₹4000/- per month.

7.37 The 7th CPC recommended that existing ceilings of ₹2000/- and ₹4000/- be raised to ₹4500/- and ₹9000/-, respectively.

7.38 There are obvious advantages in encouraging deputations which not only expose employees to experience of work out-side the confines of a department but open up greater promotion opportunities as well. The Commission recommends that it is desirable to retain this allowance with enhanced ceilings as per recommendations of the 7th CPC.

Training Allowance

7.39 Training allowance is considered as a means to attract talented individuals from the field to impart knowledge and share their experiences. It is admissible only to the employees who join a training establishment for a specified period of time and are then likely to go back and is not admissible to those employees who are directly recruited by such training establishments. Presently, the rate as per the recommendations of the 5th Punjab Pay Commission is at 30% of the revised basic pay. The 7th Central Pay Commission recommended the Training Allowance as under:

In the National/ Central Training Academies and institutions for Group A officers.	24% of basic pay.
In other training establishments	12% of basic pay.

7.40 In this regard the 4th Fourth Punjab Pay Commission remarked as under:

> "Training of the Government employees assumes basic importance in the context of introducing any reforms in administration. It is essential to attract capable, talented and knowledgeable persons with the requisite aptitude for training the employees engaged in various wings of the administration. It is understood that the faculty members of the training institutes are generally drawn either from the main operational cadre of the department concerned or from other departments/ organisations. For lack of adequate incentives suitable people generally do not opt for deputation on various jobs on the faculty of training institutes since it involves loss of perks and even status attached to executive postings in the field".

7.41 The Commission recommends that Training Allowance on the pattern of the Central Pay Commission be paid to the GoP employees.

Allowances with fixed rates with or without DA Indexation:

7.42 In addition to the percentage based allowances, there are the following allowances with fixed rates with or without DA indexation, which are now taken up for examination:-

1. **Conveyance allowance /Permanent travelling allowance**
2. **Cash handling allowance**
3. **Design allowance**
4. **Kit maintenance allowance**
5. **Fixed Medical Allowance,**
6. **Mobile allowance**
7. **Family Planning Allowance**
8. **Special Allowance for employees (working in the Punjab Civil Secretariat)**
9. **Special Allowance to posts other than Secretariat**
10. **Special duty allowance to drivers**
11. **Special allowance to chowkidars**
12. **City Compensatory Allowance**
13. **Transport allowance to Blind and Physically Handicapped Persons**

Conveyance Allowances and Permanent Travelling Allowance

7.43 Conveyance Allowance and Permanent Travelling Allowance are taken up together for discussion because these allowances related primarily to local tour and

travel. Conveyance Allowance is presently paid to different categories of employees as listed in the Appendix 'C' of CSR Vol-III(Rule 2.11) at the rates mentioned against each which vary from ₹400 to ₹800 effective from time to time (October 2010, June 2011 and December 2011). Group 'D' employees are entitled to conveyance allowance of ₹300 per month, while blind and physically handicapped government employees are entitled to an additional Transport Allowance of ₹1000 per month revised w.e.f. 25.9.2017 in addition to the conveyance allowance admissible under the rules. Rule 2.11 reads as under:-

> "A competent authority may grant, on such conditions as it thinks fit to impose, a monthly conveyance allowance to any Government employee who is required to travel extensively at or within a short distance from his headquarters under conditions which do not render him eligible for daily allowance. Where circumstances require it, a competent authority may grant a daily conveyance allowance under this rule."

7.44 Members of the PCMS posted in subsidiary health centers are entitled to Conveyance Allowance ranging between ₹720 to ₹1800 per month depending upon the type of vehicle used for official work and those who have been allotted a government vehicle will not be eligible for this allowance.

7.45 There also exists another similar allowance called Permanent/ Fixed Local Travelling Allowance to government employees which is a fixed amount of monthly allowance paid to prescribed categories under Rules 2.5 & 2.6 of CSR, Volume III. The justification for this allowance is that many posts under the charge of several departments have duties which involve touring at an average for more than 12 days

in a month. Such categories of posts are mentioned in Annexure 'B' CSR Vol-III. Rule 2.5 reads as under:

> "A permanent monthly travelling allowance may be granted by a competent authority to any Government employee whose duties require him to travel extensively. Such an allowance is granted in lieu of all other forms of travelling allowance for journeys within Government employee's sphere of duty and is drawn all the year round, whether the Government employee is absent from his headquarters or not. The allowance is calculated so as not to exceed the average amount which would be drawn under rules 2.40 to 2.49 in sub-sections (ii) and (iii) of Section VII by a Government employee of the same grade. The authority granting the allowance may attach to it the condition of a conveyance being maintained".

7.46 The rates of Fixed/ Permanent Travelling Allowance admissible to are linked to grade pay as depicted in the table below:-

Range of grade pay	**Fixed/Permanent TA payable**
Upto Rupees 2400	₹480
Above Rupees 2400 but upto Rupees 3600	₹720
Above Rupees 3600	₹960

7.47 Junior Engineers working in the field are entitled to a monthly amount equal to the average price of 30 liters of petrol in lieu of Permanent Travelling Allowance

admissible to them. The rates of Permanent Travelling Allowance were fixed on 21.5.2010 and this allowance needs to be retained with suitable upgradation keeping in view the revision of the pay packages. However, as regards the Junior Engineers they should also be given fixed amount of Permanent Travelling Allowance like other categories of employees.

7.48 The Commission having considered the matter is of the view that there is no justification for having different types of Conveyance Allowance and Fixed Travelling Allowance for different category of employees. It, therefore, recommends that while the allowance may continue to be paid to the categories of employees entitled to it as per rules and the amount should be enhanced and uniformly paid per month, as under:-

Sr. No.	Levels	Amount
1	Up to level 6	₹1000
2	Above level 6 and up to level 10	₹1500
3	Above level 10	₹2000

7.49 In so far as Medical Officers of Health Department working in subsidiary health centers/ rural dispensaries are concerned, they will be paid conveyance allowance at the enhanced rate of ₹3000/- for Car and ₹1500/- for Scooter.

7.50 The Commission also recommends that the conveyance allowance being paid to almost all categories of employees (except as covered under rule 2.5) lacks sufficient justification. As such, this allowance needs to be discontinued.

However, GoP is always at liberty to pass fresh orders in line with the spirit of Rule 2.11, CSR Vol III.

Cash Handling Allowance

7.51 Cash Handling Allowance has been given to clerks and assistants who are handling cash and are required to exercise extra care and vigil in the performance of their duties. Their responsibilities are certainly more onerous and involve some element of personal risk as well. This allowance was sanctioned w.e.f. 1.5.2010 subject to the condition that Cash Handling Allowance will be admissible only when there is an actual handling of cash on a regular basis. The rates are as under:-

Sr. No.	Amount of Average Monthly cash handled (₹)	Amount of cash handling allowance per month (₹)
1	Up to 1 Lac	100/-
2	Above 1 lac up to 10 lac	200/-
3	Above 10 lac up to 25 lac	300/-
4	Above 25 lac up to 50 lac	400/-
5	Above 50 lac	500/-

7.52 The Seventh Central Pay Commission recommended the abolition of Cash Handling Allowance, but GoI subsumed in Cash Handling Allowance and Treasury Allowance and rates have been revised as under:-

Amount of average monthly cash handle (₹)	Sixth Central Pay Commission rates (₹)	Revised Rates (₹)
Up to 5 lac per month	230-600	700/-
Over 5 lac per month	750-900	1000/-

7.53 The Commission recommends that the State Government may adopt the recommendations of the 7th Central Pay Commission.

Design Allowance

7.54 This allowance is being given to personnel of the Engineering departments attending to design work pertaining of projects in hand. The Punjab Government sanctioned Design Allowance w.e.f. 1.10.2010 as under:-

Name of category	**Amount (₹)**
Chief Engineer	1800/-
Superintending Engineer	1400/-
Executive Engineer	1000/-
Sub–Divisional Engineer/Assistant Engineer	800/-
Junior Engineer	600/-

7.55 The Commission notes that design allowance is admissible only to those engineers who actually do the design work, which is both highly technical, and laborious. There is in addition the necessity of motivating higher caliber personnel for the work. However, the number of the engineers working in the design section is not very large and resultant financial implications are also limited.

7.56 It is, therefore, recommended that to incentivize the engineers working on designs, this allowance may be continued to be paid at double the current rate.

Kit Maintenances allowance

7.57 Kit Maintenances allowance is being given to the following categories of the police personnel and w.e.f. 1.10.2010, the applicable rates are as indicted below:

Sr. No.	**Category**	**Amount (₹)**
1	Deputy Supdt. of Police	160
2	Inspector	120
3	Sub Inspector/Assistant Sub Inspector	80
4	Constable/Head Constable	50

7.58 The Commission recommends the continuation of this allowance. The existing rates may, however, be doubled.

Fixed Medical Allowance

7.59 This is a fixed allowance that GoP pays to its employees/ pensioners to meet their routine medical expenses for outdoor treatment. The GoP sanctioned ₹500/- per month as medical allowance to its employees/ Pensioners w.e.f. 1.8.2009.

7.60 The GoI has enhanced Fixed Medical allowance to its pensioners to ₹1000/- per month.

7.61 It is recommended that the Medical allowance being given to the GoP employees/pensioners may be continued at par with the rates prevalent in GoI.

Mobile Allowance

7.62 This allowance which is payable to all the categories of GoP employees has been sanctioned as per details given below:-

Category	Amount (₹)	Date Admissible
Group –A	500	1.10.2011
Group –B	300	1.10.2011
Group –C	250	1.12.2011
Group -D	250	1.12.2011

7.63 In GoI the range of mobile allowance, internet allowance and newspaper allowances put together varies from ₹200/- to ₹3000/- per month and individual ministries continue dealing with these allowances subject to ceilings notified by Ministry of Finance. The Seventh Central Pay Commission retained this allowance.

7.64 There is no doubt that mobile/internet has now become a necessity. It is recommended that the mobile allowance may be continued to be paid at the following rates:

Category	Amount (₹)
Group - A	750
Group - B	450
Group - C	400
Group - D	375

Family Planning Allowance

7.65 The Commission notes that Family Planning Allowance was earlier sanctioned for all categories, but later withdrawn from category A & B employees. The level of awareness regarding appropriate family size has gone up generally and specially in the case of government employees. Moreover, the motivation for a limited family size emanates more from the desire to provide better educational, healthcare and other necessities of life rather than a modest financial incentive of an additional income through provision of such an allowance.

7.66 Family planning allowance was revised w.e.f 1.5.2010 for 'C' & 'D' categories of GoP employees as an incentive for adoption of Small Family norms and an amount equivalent to one increment in the revised basic pay subject to a minimum of ₹210/- was granted to eligible employees. In cases where the number of children was restricted to two girls only, GoP decided w.e.f. 01.05.2010 that family planning allowance equal to the amount of two increments on the revised basic pay would be admissible in the case of group 'C' and 'D' employees.

7.67 The Commission is led to believe that the allowance no longer serves the purpose for which it was granted and recommends that this allowance may be discontinued.

Special Allowance for employees (working in the Punjab Civil Secretariat)

7.68 GoP in letter dated 13.10.2010 decided to grant Secretariat Allowance to almost all the categories of employees working in the Civil Secretariat w.e.f. 1.10.2010 avowedly keeping in view the recommendations of the Fifth Punjab Pay Commission. This was also made applicable to similar categories of employees working in the offices of the Punjab Vidhan Sabha, Financial Commissioner's Secretariat, Punjab Raj Bhawan, Legal Remembrance's and the Punjab Public Service Commission.

7.69 The rates of Secretariat allowance, which is a lump sum amount, were further revised for these categories of employees in GoP letter No. 3/10/2010-5FP2/722, dated 1.12.2011. Thereafter, through letter No. 3/10/2010-5FP2/786, dated 15.12.2011, it was decided that Secretariat Allowance admissible to different categories of employees working in the Punjab Civil Secretariat and other offices indicated above will be converted into secretariat pay w.e.f. 1.12.2011. It was further decided that the secretariat pay admissible under these orders will be treated as part of basic pay for all intents and purposes including calculation of allowances admissible and pensionary benefits. The rates of secretariat pay were further enhanced for certain other categories of employees by GoP communications dated 15.12.2011, 21.12.2011 and 23.12.2011.

7.70 The Special Pay has been defined in Rule 2.52 of the Punjab Civil Service Rules, Volume I, Part I, as follows:--

"Special pay means an addition, of the nature of pay, to the emoluments of a post or of government employees, granted in consideration of:

(a) the specially arduous nature of duties, or

(b) a specific addition to the work or responsibility and includes non-practicing allowance granted to doctors in lieu of private practice".

7.71 It is relevant to note that the term Special Pay has been examined at length with reference to relevant rules by the Second Punjab Pay Commission as follows:

"A study of special pays allowed to the employees would show that there is no set uniform policy followed in allowing special pays and these have come to be attached to various posts in the State Government as a historical process, and in large number of cases as a result of pulls and pressures. It is also observed that in some cadres almost all posts have been allowed special pay. Rule 2.52 of Punjab Civil Service Rules, Volume 1, lays down the guidelines for sanction of special pay but it does not clearly spell out the criterion. The expression 'specially arduous' is difficult of concretization as it is not always possible to spell out in definite terms as to how the duties being performed by an individual against a post can be judged to be so. Similarly, the expression specific addition to the work or responsibility is also somewhat ambiguous and does not lay down any clear-cut criterion for evaluating the load of additional work or responsibility adopted to a particular post. The fact that special pay counts as pay for all purposes makes it too attractive to be resisted by anyone who can find even a remote justification for claiming it. The rates of special pays are also higher than corresponding rates of increments admissible to the employees at the relevant stage of their pay scale and in most cases the

benefit which accrues to the employees on account of special pay is more than what he would get even if placed in a higher scale. "

"With this background, the problems of special pays continues to be intractable and not susceptible of any easy solution. There is no gainsaying the fact that the question whether special pay should be admissible in a case or not has to be decided in each case with reference to a detailed analysis of the duties attached to the post, and after comparing the nature of normal duties with these claimed to be specially arduous. The real criteria, we think, should be whether in the overall circumstances addition to work or responsibility is recognized enough and can be made to merit additional remuneration short of creating a higher scale. There are other situations where grant of special pay is sought to be justified for common category posts on the plea that work assigned to the normal work-load of a category of posts in a particular office, like Secretariat, is of specially arduous nature and is rigorous compared to the other officials in the cadre and instead of putting them in a higher scale of pay thereby creating new category or new scale, it will be advantageous to allow them special pay."

7.72 The 3rd Punjab Pay Commission while analyzing this issue commented as follows:

" The chief reason why special pay had become very attractive is that it was taken into account for calculating dearness allowance as also other benefits like House Rent Allowance, Chandigarh Compensatory Allowance and Retirement Benefits etc. It is generally not reckoned at the time of fixation of pay in a higher pay scale on promotion. Till 1st January, 1986 Dearness

Allowance used to be calculated on special pay but under the new pattern of Dearness Allowance, adopted by the State Government with effect from 1st January, 1986, Special pay is not taken into account for calculating the Dearness Allowance.

The 3rd PPC further observes that "a thorough examination of the claims of various categories requires detailed analysis of the duties assigned to various posts which it has not been possible for us to do. It is suggested that Government should have an in-depth review and take a view regarding continuance of Special pay keeping in view the criteria mentioned."

7.73 The 4th. Punjab Pay Commission made the following remarks regarding this matter:

"....To avoid such anomalous situations we strongly recommend that Special Pay should be sui generis and should be neither reckoned for the purposes of any allowance such as House Rent Allowance, Rural Area Allowance and Dearness Allowance etc. nor for retirement benefits I.e. Pension and Gratuity etc. To remove all doubts Special pay should be termed as Special Allowance in future."

The 4th PPC further "noticed that all the posts falling in certain cadres in the Secretariat are getting special pay even though special pay can be sanctioned for certain particular posts in a cadre whose duties are of a specially arduous nature as compared to those of the other posts in a cadre concerned special pay to certain cadres as a whole does not strictly fall within the ambit of the criteria laid down in the rules."

7.74 The Commission is of the firm view that allowances are a category of benefits distinct from pay. Therefore, there is no justification for any allowance being treated as special pay as a part of emoluments.

7.75 In addition, Rule 2.52 cannot be universally applied to all employees of a cadre. It will require a specific order detailing the reasons for concluding that the nature of work assigned to an employee is "specially arduous" or that there is a "specific addition to the work or responsibility". The intent and spirit of the rules is that it cannot be applied universally across categories of employees.

7.76 The Commission, therefore, recommends that the secretariat allowance being paid as special pay lacks sufficient justification. GoP is always at liberty to pass fresh orders in line with the spirit of Rule 2.52, CSR Vol I, Part I. It should be paid as a fixed allowance and not be treated as special pay as a part of emoluments for any other purpose.

Special Allowance to posts other than Secretariat Offices

7.77 Special allowance to the certain categories of posts was sanctioned by GoP w.e.f. 1.10.2010. Category-wise rates are indicated below.:-

Sr. No.	Name of the post	Rate of special allowance per mensum (₹)
Education (Elementary)		
1	Head Teacher	200/-
2	Centre Head Teacher	300/-
3	Head Master Middle School	400/-
Education (Schools)		
4	Science Masters/Mistresses	400/-

Health & Family Welfare		
5	Nurse (working in special Unit like Major Operation Theatre I.C.U./C.C.U./Dialysis Unit	240/-
Irrigation & Power		
6	Head Signalers	400/-
7	Canal Signalers	400/-
Research & Medical Education		
8	Professor (holding the charge of the posts of Principal of Medical Colleges)	1200/-
Revenue		
9	District Kanungo	400/-
10	Inspector Registration	240/-
Social Security Women and Children Development		
11	Watch and Wards Staff	400/-
	All Departments	
12	District Treasurer	480/-
13	Accountant/ Accountant-cum-Cashier (in Senior Assistant scale)	480/-
14	Assistant Treasurer	300/-
15	Clerk-Cashier/ Cashier cum Clerk	240/-

7.78 The Commission notes that no justification has been made available for the grant of such allowance to the above categories of employees nor is an allowance of this nature granted to any section of GoI employees.

7.79 The Commission recommends that as in the case of Secretariat employees, GoP would be well advised to re-examine payment of allowances/special pay to the categories listed above. If at all such benefit is to be granted in accordance with the rules referred above, the same should be

paid as a fixed allowance and not treated as pay or emoluments for any other purpose.

Special allowance/Secretariat allowance to Drivers

7.80 Secretariat Allowance amounting to ₹1400 per month was being given to the drivers of Punjab Civil Secretariat w.e.f. 01.10.2010. Subsequently, this allowance was converted in to special pay. However, the Commission has already observed that there is no justification for any allowance to be treated as special pay. Therefore the allowance being given to the drivers working in the Secretariat be retained as special allowance and not as special pay.

7.81 In compliance of the order dated 05.09.2008 passed by the Punjab and Haryana High Court in CWP No. 470 of 1987, GoP vide its letter dated 05.07.2011 sanctioned Special allowance amounting to ₹1400 per month to the drivers working in the departments/ offices other than the Secretariat offices, who are required to work even before and after working hours, and on holidays. This allowance was sanctioned w.e.f. 1.10.2010.

7.82 **The Commission recommends that the drivers working in the Civil Secretariat as well as other than the Civil Secretariat may continue to draw the amount as an allowance uniformly at the enhanced rate of 2800/- per month.**

Special Allowance to Chowkidars

7.83 Special allowance amounting to ₹400 is being given to the chowkidars working in all the departments of GoP w.e.f. 1.10.2010. No such type of allowance is being given to Chowkidars in GoI.

7.84 The Commission recommends that the allowance being given to Chowkidars may be retained and paid at the enhanced rate of ₹ 800/- per month.

City Compensatory Allowance

7.85 Compensatory Allowance is defined in Rule 2.13 of the Punjab Civil Service Rules, Volume I, Part I as "an allowance granted to meet personal expenditure necessitated by the special circumstances in which duty is performed." City Compensatory Allowance and Rural Area Allowance are covered under this definition.

7.86 City Compensatory Allowance was first sanctioned by the Punjab Government w.e.f. 1st August, 1954 to government employees stationed at Chandigarh. This was continued till 1st April, 1963 but was reintroduced on 1st July, 1964 at varying rates and ultimately revised in July 1982 on percentage basis.

7.87 This allowance was started as Chandigarh Compensatory Allowance to mitigate hardship faced on account of higher cost of living and other difficulties during the initial years of development of the city. The allowance was subsequently extended to other classes of cities in the State on the recommendations of the Fourth Punjab Pay Commission on the pattern of the 5th CPC. However, this allowance was abolished by the Central Government on the recommendations of the 6th CPC. Likewise, the Fifth Punjab Pay Commission after having examined the issue, observed that there is no rationale now for this allowance and, therefore, had recommended its abolition.

7.88 It may be mentioned that the rates of City Compensatory allowance vary from ₹100/- to ₹240/- per month for different categories of employees in various classes of cities in Punjab and the rates for those posted in cities outside the State with population of 50 lakh and above, are from ₹90/- to ₹300/- per month w.e.f. 1st September, 1997.

7.89 When examined in the present context of enhanced pay packages of employees these rates are a small portion of the overall emoluments. Accordingly, the Commission endorses the recommendation of the 5th Punjab Pay Commission that there is little justification or rationale for the continuance of this allowance.

Demand for certain new allowances

7.90 Different employees' associations demanded enhancement of payment of existing allowances to specific categories of employees. This issue stands considered in the preceding paragraphs while discussing individual allowances in detail. However, memoranda of other employee associations have sought grant of new allowances such as Risk allowance, Odd Job allowance, Administrative allowance, Children Education allowance, Diet allowance, Radiation Risk allowance, Non Practicing allowance for some additional categories of employees, Academic allowance, Sewer allowance, Stationery allowance, Incentive allowance for teachers etc.

7.91 It will be noted that a fairly large number of allowances are already being paid to GoP employees. There could well be a case for their reduction but the Commission has been very sparing in so recommending being mindful that most of these allowances have been continuing since long and have come to be accepted as

a part of carry home benefits. At the same time, the Commission would be very hesitant to consider grant of new allowances unless there is overwhelming justification therefor, which has invariably never been the case.

CHAPTER 8

PENSION AND RETIREMENT BENEFITS

8.1 Concept of Pension

8.1.1 Pension has been an integral part of the pay package of government employees and is a payment for long years of service rendered as public servants. It provides financial security and stability post retirement and together with medical allowance and reimbursement is a safety net during their advancing years.

8.1.2 In this regard, the decision of the Hon'ble Supreme Court in D.S Nakara and others Vs. Union of India (AIR-1983-SC-130) is considered as a land mark judgment by the Supreme Court of India, which concluded as follows:-

"(i) That pension is neither a bounty nor a matter of grace depending upon the sweet will of the employer and that it created a vested right by virtue of statutory rules enacted under Article 309 and Article 148 of the Constitution.

(ii) That the pension is not an ex-gratia payment but it is a payment for the past service rendered.

(iii) That it is a social welfare measure rendering socio-economic justice to those who in the hey-day of their life ceaselessly toiled for the employer on assurance that in their old age they would not be left in lurch."

8.1.3 Other important judgments of the Supreme Court are as recorded in Indian Ex-Services League & Other Vs Union of India & Others (1991 (2) -SSC-104) wherein the Supreme Court held that the decision in the Nakara case has to be read as one of a limited application and its ambit cannot be enlarged to cover all claims made by retirees or a demand for an identical amount of pension to every retiree. In

Vasant Gangaramsachandan Vs. State of Maharastra & Others [1996 10 SSC 148] the Supreme Court reiterated that pension is not a bounty of the State. It is attached to the officer and it cannot be arbitrarily denied.

8.1.4 The Fourth Central Pay Commission adopted the definition of the term "Pension" as follows:

> "A pension is a series of periodical payments to a person, usually payable monthly, for life for past services of himself or another."

8.1.5 The Fourth Punjab Pay Commission adopted the above definition and observed the "despite brevity, it still covers not only superannuation pension, but also family pension, compensation pension etc. Consequently, the term "pension" was employed to define superannuation pension which is payable to a government employee who has earned it by rendering long and efficient services and, therefore, can be said to be a deferred compensation for services rendered." It is in this background that the matter relating to pension and retirement benefits are being examined in this chapter.

8.1.6 The elements of Pension and post retirement benefits that have been taken up for examination particularly with reference to the demands of the pensioners include **superannuation pension, family pension, minimum pension, commutation of pension, enhanced family pension, additional old age pension, death cum retirement gratuity, ex-gratia grant, earned leave encashment, travel concession, fixed medical allowance, constant attendance allowance and parity of pre-01-01-2016 and post 01-01-2016 pensioners.**

8.2 Brief Background

8.2.1 The system of pension and other retirement benefits has progressively evolved over time during the past fifty years or so and the generally liberal approach of successive central and state pay commissions and governments has led to the simplification of rules and procedures for the benefit pensioners. The number of pensioners as well as the expenditure on retirement benefits has also increased manifold during this period. The number of pensioners in the State has gone up from 26266 as on 1.1.1978 to 238500 (approx.) in 2007-08. Correspondingly the expenditure in the same year was of the order of ₹2400 cr per annum.

8.2.3 Pension and other retirement benefits constitute an important component of the committed expenditure where the aggregate outgo on salaries, wages, pension and other retiral benefits alone constitutes more than 70% of total revenue receipts in 2012-13. The expenditure will increase again as a consequence of further revision of pay packages and pension. The expenditure on pensions and other retiral benefits as a package of total revenue receipts is shown in the table below:-

Expenditure on Pension & other Retiral Benefits (₹ in crore/percentage)

2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
5309	5657	5966	6277	7249	7833	8773
(22.30)	(21.61)	(18.65)	(17.92)-	(18.61)	(18.90)	(18.31)

[Source: State Finance Accounts (Various years), Punjab]

8.2.4 The number of pensioners has further risen as under:-

Sr. No.	As on	No. of Pensioners
1.	31.03.2006	166037
2.	31.03.2016	279529
3.	31.03.2020	307603

(Source: Letter dated 11.08.2020 from T&A, Finance Deptt)

8.3 Term of Reference (ToR)

8.3.1 The Commission has been mandated as per its ToR as follows:

"To examine the principles which should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications to the present and former State Government employees, appointed before January 1, 2004."

8.4 New Pension Scheme

8.4.1 With the finances of Central and State governments getting stressed, a major reform of the existing system of Pension and retirement benefits took place with the introduction of the New Pension Scheme for the government employees, who joined service on or after 1st January 2004. The fundamental difference is that while the Old Pension Scheme was based on the principle of unfunded defined benefits, being totally government funded, the New Pension Scheme is based on a mixture of defined benefits and defined contribution with both the employees and the government funding this scheme according to a system of contribution sharing.

8.4.2 As per its terms of reference, the Commission is mandated to examine issues concerning pension and retiral benefits of present and former GoP employees appointed before January 1, 2004 and is clearly not expected to examine the issues relating to the New Pension Scheme.

8.5 Public Notice

8.5.1 In response to the Public Notice issued by the Commission inviting suggestions and comments, several associations of employees and retirees submitted memoranda and also put across their views at the time of personal hearings before the Commission. A total of 26 pensioner/employees associations made their submissions and were heard by the Commission. A gist of the demands put forward is at Annexure-'F'. In the succeeding paragraphs, the Commission will examine each element of pension and other retiral benefits.

8.6 Superannuation Pension

Existing position regarding calculation of pension

8.6.1 The provisions contained in Rule 6.16 and 6.16A of the Punjab CSR Vol.-II regarding admissibility and calculation of pension reads as under:

"6.16. A Government employee retiring in accordance with the provisions of these rules before completing the qualifying service of ten years shall not be entitled to any pension but he shall be entitled to a service gratuity calculated at the uniform rate of half month's emoluments for every completed six monthly period of service.

6.16-A.(1) Full pension to a Government employee, who retires on or after the 1st day of December, 2011, in accordance with the provisions of these rules, shall be admissible after rendering a qualifying service of twenty-five years and shall be calculated at the rate of fifty per cent of emoluments or average emoluments, whichever is more beneficial to him:

Provided that the pension so calculated shall, in no case be, less than three thousand and five hundred rupees per month.

(2) In case the qualifying service of a Government employee is ten years or more but less than twenty-five years, the amount of pension shall be such proportion of the maximum pension admissible under sub-rule (1) as the qualifying service rendered by him bears to the maximum qualifying service of twenty-five years:

Provided that the pension so calculated, in no case, shall be less than three thousand and five hundred rupees per month."

8.6.2 The period of qualifying service prior to 1st December, 2011 was 33 years, which has since been revised to 25 years which benefits a larger number of retirees

by bringing them within the ambit of the scheme. Superannuation pension is to be calculated taking into account 50% of emoluments or average emoluments, whichever is more beneficial to an employee. In case the service is less than 25 but more than 10 years, pension will be reduced proportionately.

8.6.3 The term "emoluments" for the purposes of reckoning pension, has been defined in Rule 6.19-C, as under:

> "6.19-C. The term "emoluments" when used for this purpose shall mean "pay" as defined in rule 2.44 of the Punjab Civil Services Rules, Volume I, Part I including dearness pay, special pay and non-practicing allowance as determined by the orders of the Government issued from time to time, which the employee was receiving immediately before his retirement, or the date of his death.
>
> Explanation.–With effect from the 1st day of December, 2011, secretariat pay admissible to certain categories of employees borne on the establishment of Punjab Civil Secretariat and equivalent offices is also included in the emoluments for the purposes of this rule. This benefit, however, shall not be admissible to those employees who belong to other services, cadres or establishments, but are posted in the aforesaid offices."

8.6.4 There is a special provision in the rules that a Government employee, who is blind, deaf, dumb or otherwise orthopaedically handicapped or a widow, will be permitted to add a period of five years to his service for the purpose of qualifying for superannuation pension (under Rule 4.2 (4) and (5) of CSR Vol. II).

Observations and recommendations

8.6.5 The system of granting and computing pension has already been considerably liberalized as would be evident from the steps taken in this direction as indicated hereunder:-

(i) the period of qualifying service for full pension has been reduced from 33 years to 25 years w.e.f 01-12-2011;

(ii) there is a provision for some disadvantaged categories of employees to add five years to the period of their qualifying service in order to be eligible for superannuation pension;

(iii) computation of pension will be at the rate of 50% of emoluments or average emoluments, whichever is beneficial to the employee;

(iv) there is a provision of additional old age pension and family pension; and

(v) a broad-based definition of "emoluments" for calculation of pension has been included in the relevant rules.

8.6.6 All these provisions above will benefit employees/ pensioners in different ways and there appears to be no compelling reasons for effecting any further change in the existing provisions both of computing of pension or eligibility criteria therefor. However, the definition of "emoluments" may require to be changed in view of the recommendation of this Commission not to allow any add-ons such as NPA, Secretariat pay, Special pay to the basic pay of an employee.

8.7 Family Pension

Existing position regarding Family pension Scheme

8.7.1 Family Pension was introduced for GoP employees with effect from 1st July, 1964 and was admissible to the family of an employee either in the case of

death in harness or after retirement. As per Rule 6.17(1) CSR Vol. II, the normal rate of family pension calculation in respect of a government employee, who dies after retirement, would be as under:-

"6.17 (1) The rate of family pension in respect of a Government employee who dies after retirement shall be as under: –

(a) *forty per cent* of the pay subject to a minimum of three thousand and five hundred rupees if the pay of the deceased on the date of his retirement does not exceed ten thousand rupees.

(b) *thirty per cent* of the pay subject to a minimum of four thousand rupees, if the pay of the deceased on the date of retirement exceeds ten thousand rupees.

Note.– The above rates are effective from the 1st January, 2006."

8.8 Definition of family for Family Pension

8.8.1 The definition of dependent family members of an employee/pensioner entitled to get family pension is contained in Rule 6.17(3) CSR Volume II. A widowed/divorced daughter was also included in the term family on the recommendation of the 4th Punjab Pay Commission, in case her own income is less than 3500 and DA and she was entirely dependent upon the deceased employee. However, widowed/divorced daughter was excluded from the term family for this purpose w.e.f. 31.01.2016, when the revised Civil Service Rules came into force.

8.9 Enhanced Rate of Family Pension

8.9.1 In case of death of an employee in harness, Family Pension is payable at an enhanced rate for a period of fifteen years from the date of death or till the government employee would have attained the age of sixty-five years, had he

survived, whichever period is less. Rule 6.17-A CSR Volume II is relevant and is reproduced below:

"6.17-A. (1) The rate of family pension in respect of a Government employee who dies in harness, for a period of first fifteen years from the date of death or till the Government employee would have attained the age of sixty-five years, had he survived , whichever period is less, shall be as follows:–

Pay on the date of death	**Rate of Family Pension per month**
If the pay does not exceed ten thousand rupees	Sixty per cent of the pay.
If the pay exceeds ten thousands rupees	Fifty per cent of the pay subject to a minimum of six thousand rupees.

Note.–The rates mentioned in this rule are effective from the 1st day of December, 2011."

After the period prescribed in Rule 6.17-A(1), family pension is calculated at the normal applicable rates.

Observations and recommendations

8.9.2 According to the existing rules, enhanced rates of Family Pension are admissible in case of death of an employee in harness. Employee associations have raised the issue for grant of such enhanced rate of Family Pension even to the family of a pensioner, where death of retiree occurs before 65 years of age. There is the following existing provision in this regard, referred to in the 7th CPC report, for central government civilian employees:

"In the case of death after retirement: The enhanced rates of family pension are payable for a period of seven years or up to the date on which he would have attained 67 years had he survived, whichever is less."

8.9.3 The demand for a similar provision for GoP employees is reasonable and is recommended for acceptance. Further, in case of Enhanced Family Pension, the bench mark of pay of rupees ten thousand, referred to in rule 6.17(1) and 6.17A (1) is recommended to be enhanced to thirty thousand keeping in view the forthcoming increase in the pay. The other existing provisions require no further change.

8.9.4 Another issue concerns a divorcee/widowed daughter of a pensioner who was earlier included in the definition of the term "family" for the purpose of family pension, but has now been excluded, in the revised Civil Services Rules w.e.f. 31.01.2016. **It is recommended that the divorcee/widowed daughter be also included in the term "family" in case her income is less than the prescribed limit. The income limit of the dependent family members also needs to be revised to not more than ₹9000/- per month and DA.**

8.10 Minimum Pension

8.10.1 Existing minimum pension for State Government employees was fixed at ₹3500/- per month on the pattern of Central Government.

Observations and recommendations

8.10.2 The Pensioners Associations have pleaded for enhancement of minimum pension limit to the level of minimum pay for sustenance. This issue was also raised before the 7th CPC which observed that the increase in minimum pay recommended by the Commission is from the existing ₹7000/- to ₹18000/- per month which is an increase of 2.57 times over the existing level. Accordingly, the minimum pension was

recommended to be raised from ₹3500 to ₹9000. On the same analogy, the minimum pension for the State Government Employees is recommended to be fixed at the same level.

8.10.3 For the purpose of rule 6.17 (1) and Rule 6.17-A(1), the Commission recommends to enhance and replace the limits, as under:

Under Rule 6.17	**If the pay of the deceased on the date of his retirement does not exceed thirty thousand rupees.**	**forty per cent of the pay subject to a minimum of nine thousand rupees; and**
	if the pay of the deceased on the date of retirement exceeds thirty thousand rupees.	**thirty per cent of the pay subject to a minimum of twelve thousand rupees.**
Under Rule 6.17-A (1)	**If the pay does not exceed thirty thousand rupees**	**Sixty per cent of the pay.**
	If the pay exceeds thirty thousand rupees	**Fifty per cent of the pay subject to a minimum of eighteen thousand rupees.**

8.11 Commutation of pension and its restoration

Existing position:

8.11.1 Commutation of pension which was earlier available at the rate of 40% of the pension was reduced to maximum of 30% of pension w.e.f. 1.4.2014 as per Rule 11.1(1) CSR Vol-II.

8.11.2 The portion of pension commuted by a pensioner is to be restored after the completion of a period of fifteen years from the actual date of commutation as per Rule 11.1(2) CSR Vol. II.

Observations and recommendations

8.11.3 Employee Associations have represented that the commuted pension needs to be restored after 12 years and the commutation be allowed @ 40% of the

pension as was previously the case. Moreover, the existing rate of commutation is 40% for Central Government pensioners.

8.11.4 The 7th CPC has not recommended any change either in maximum percentage of commutation or in the period of restoration. It has in this context referred to the Supreme Court judgment of 09.12.1986 wherein the hon'ble court specifically observed that though the amount is recovered in 12 years yet since there is a risk factor and some of the States are restoring pension after 15 years, the existing period of restoration should be retained.

8.11.5 The Commission has no reason to differ and recommends that the rate of commutation be raised to 40% with no change in the period of restoration of the commuted amount.

8.12 Additional Pension/family pension for old pensioners/family pensioners.

Existing position

8.12.1 The old pensioners/family pensioners are entitled under Rule 6.18 of CSR Vol.II, to additional pension/ family pension according to their age at the following rates:-

Age of the pensioner or family pensioner	Rate of additional pension or additional family pension
From 65 years to less than 70 years.	5 % of basic pension
From 70 years to less than 75 years.	10 % of basic pension
From 75 years to less than 80 years.	15 % of basic Pension
From 80 years to less than 85 years.	25 % of basic pension
From 85 years to less than 90 years.	35 % of basic pension
From 90 years to less than 95 years.	45 % of basic pension
From 95 years to less than 100 years.	55 % of basic pension
From 100 years or more	100 % of basic pension

Observation /Recommendation

8.12.2 The rates of additional pension for GoP pensioners are more liberal than those of their counterparts in the GoI. The additional pension/family pension is available to the state pensioners/family pensioners at rates starting with 5% of basic pension from the age of 65 years onwards with progressively higher rates at regular five year intervals.

8.12.3 On the other hand, the provision for additional pension was introduced in the GoI only on the recommendation of the Sixth CPC from the age of 80 years and above. The 7th CPC expressed the view that the existing rates of additional pension/family pension be retained as such. Quite evidently, the provisions of additional pension in the case of GoP retirees are decidedly more liberal than the prescription in the GoI. Not only does eligibility for additional pension begins much earlier but rates at equivalent levels of age are also higher. Pensioners Associations have pleaded for enhancement of these rates, but there is insufficient justification for the same and the status quo in this regard is recommended to be maintained.

8.13 Death-cum-Retirement Gratuity:

8.13.1 The provision regarding death–cum-retirement gratuity as contained in this rule provides as under:

> "6.16-AA. (1) An employee who has become eligible for pension or gratuity under the rules applicable to him and has completed five year's qualifying service, may, on his retirement from service, be granted a gratuity not exceeding the amount specified in sub-rule (3).
>
> (2) (a) If an employee, dies while in service, a gratuity, not exceeding the amount specified in sub-rule (3), may be paid to the person or persons on whom the right to receive the gratuity is conferred under rule 6.16-B or if there

is no such person, it shall be paid in equal shares to those surviving members of a Government employee's family as detailed in rule 6.16-B who belong to categories (i) to (iv), mentioned therein except widowed daughters. Where there are no such surviving members, but there is/are surviving widowed daughters and/or one or more members of the family of the Government employee who belongs to categories (iv) to (ix), in the definition, the gratuity may be paid to all such persons in equal shares.

(3) In the case of Government employees retiring on or after the 1st day of January, 2006, the amount of gratuity shall be 1/4th of the "emoluments" of the employee for each completed six monthly period of qualifying service subject to 16½ (sixteen and a half) times the "emoluments" in the case of Group "A", Group "B" and Group "C" employees and 17½ (seventeen and a half) times the "emoluments" in the case of Group "D" employees, provided that in no case gratuity shall exceed ten lakh rupees. In the case of death of an employee in harness, the gratuity shall be admissible at the following rates: –

Qualifying Service	**Amount of Death Gratuity**
(i) Less than one year	Two times the emoluments.
(ii) One year or more but less than five years	Six times the emoluments.
(iii) Five years and more but up to twelve years	Twelve times the emoluments.
(iv) Above twelve years	Half of the emoluments for each completed six monthly period of qualifying service subject to a maximum of thirty-three times the emoluments: Provided that in no case Gratuity shall exceed ten lakh rupees".

Observations and recommendations

8.13.2 The State Government and the Central government rules pertaining to entitlement of retirement gratuity are similar. On the recommendation of the 7th CPC, the ceiling of gratuity has been enhanced from the existing ₹10.00 lac to ₹20.00 lac with effect from 1.1.2016. The 7th CPC further recommended that as has been done in the case of allowances that are partially indexed to Dearness Allowance, the ceiling on gratuity may increase by 25 percent whenever DA rises by 50 percent.

8.13.3 Accordingly the Commission recommends that the entitlement of gratuity (DCRG) to the GoP employees also needs to be enhanced to ₹20.00 lakh with the provision that this ceiling of gratuity (DCRG) may increase by 25% whenever DA rises by 50%.

8.14 Ex-gratia Grant

8.14.1 Ex-gratia Grant is provided as per Rule 2.7 of CSR Vol.II, which is reproduced as under:

> "2.7. Government may allow ex-gratia grant to the member of the family of a Government employee, including a member of All India Service serving under the Punjab Government who dies while in service as indicated in the Annexure to this Chapter. "

8.14.2 The Annexure contains provisions regulating ex-gratia grants. The following are relevant and reproduced below:

> "1. The ex-gratia grant is intended for providing relief to the family of a Government employee, paid monthly from the State revenues, whether the rates of pay are fixed on a daily or a monthly basis, who dies while in service.

2. Where death occurs in harness or the employee is permanently disabled and rendered unfit for further service, the payment of ex-gratia grant shall be made at the rate of one lakh rupees on a uniform basis.

Note.–The amount of ex-gratia grant mentioned above is effective from the 1st day of January, 2006."

8.14.3 In addition, rules 8.32 (1), (2) & (3) of CSR Vol. II provide as under:

"(1) If the death of an employee occurs on or after the first day of January, 2006, in performance of duty such as dealing with riots, terrorist's attack or enemy action, the family of such a Government employee shall be entitled to an ex-gratia grant of ten lakh rupees on a uniform basis.

(2) In case of accidental or homicidal death of a Government employee occurring on or after the 1st day of December, 2011, during the performance of duty the family of such employee shall be entitled to the ex-gratia grant of five lakh rupees on a uniform basis.

(3) The amount of ex-gratia specified in sub-rule (2), shall also be payable to a Government employee who incurs complete permanent disability during the performance of duty."

8.14.4 The 7th CPC in para 10.2.77 has recommended a common regime for payment of Ex-gratia lump sum compensation for civil and defence forces personnel. The relevant extract is as under:

(₹ in lakh)

Circumstances	**Proposed**
Death occurring due to accidents in course of performance of duties.	25 lakh
Death in the course of performance of duties attribute to acts of violence by terrorists, anti-social elements etc.	25 lakh
Death occurring in border skirmishes and action against militants, terrorists, extremists, sea pirates	35 lakh

8.14.5 Keeping in view the demands of employee associations, escalation of prices and attaching due importance to the matter, the Commission recommends enhancement of these limits as under:

Sr. No.	Category	Existing rule of CSR Vol II	Present	Recom-mended
1	Employee who dies in service	2.7	1.00 lakh	20.00 lakh
2	Death occurring due to accidents in course of performance of duties.	2.7	1.00 lakh	25.00 lakh
3	Death in performance of duty such as dealing with riots, terrorist's attack or enemy's action	8.32 (1)	10.00 lakh	35.00 lakh
4	Accidental or homicidal death of Government employee or who incurs complete permanent disability during performance of duty.	8.32 (2) & (3)	5.00 lakh	25.00 lakh

8.15 Travel Concession:

8.15.1 Travel concession is given to the Pensioners/ family Pensioners equivalent to one-month basic pension after every two years. In case both wife and husband are pensioners this benefit is admissible to one according to their option.

8.15.2 A similar provision is available for Central Government employees. There are no reasons for any change in the existing system of Travel Concession and the status quo is recommended to be maintained.

8.16 Fixed Medical Allowance

8.16.1 Punjab pensioners are being paid fixed medical allowance at the rate of ₹500/- per month in addition to the facility of reimbursement in case of indoor treatment.

8.16.2 The Commission recommends enhancement of the amount of fixed medical allowance to ₹1000/- per month for all pensioners.

8.17 Constant Attendance Allowance

8.17.1 The Fifth Punjab Pay Commission in its report has observed that "Punjab Government employees who suffer 100% disability as a result of action against extremists or anti-social elements and who are dependent on somebody for day-to-day functions may be allowed constant attendance allowance of ₹3000 per month. This should be in addition to the extra ordinary disability pension and other benefits."

8.17.2 The Seventh CPC in its report has recorded as under:

> "This allowance is sanctioned for 100 percent disablement, if in the opinion of competent medical authority, the retired employee needs the services of a Constant Attendant for at least a period of 3 months. This is subject to acceptance by the pension sanctioning authority and to the condition that the pensioner actually employs a paid attendant to look after him. The present rate of this allowance is ₹4,500 pm. No demands have been received regarding this allowance."

8.17.3 However, this allowance has been increased by a factor of 1.5 i.e. to ₹6750/- per month in the case of GoI employees.

8.17.4 The Commission recommends that on the pattern of GoI employees, this allowance in the case of GoP employees be also paid at the rate of ₹6750/- per month.

8.18 Ceiling of Earned leave encashment:

8.18.1 The employees are entitled to leave encashment at the time of retirement limited to 300 days. Some Associations have sought enhancement of the limit to 450 days.

8.18.2 The 7th CPC has referred to the fact that serving employees are entitled to encashment of earned leave up to sixty days, while in service, which is not to be deducted from the maximum number of leave encashable at the time of retirement.

8.18.3 Therefore, the 7th CPC has recommended status quo in this regard which Is recommended to be followed for the GoP employees.

8.19 Parity amongst pre and post 1.1.2016 pensioners

8.19.1 The issue of disparity in pension amongst pre-and post-2016 pensioners of comparable level has been engaging the attention of the previous Central and State Pay Commissions and has been dealt with in detail with a view to exploring the possibility of giving relief to past pensioners.

8.19.2 The Fifth CPC made a major shift in the case of past pensioners. It was of the view that the process of bridging the gap in pension of past pensioners needed to be continued so as to achieve parity over a period of time. It had accordingly recommended that pension of pre 1986 retirees may be updated by notional fixation of their pay as on 1st January 1996 by the same formula as applicable to serving employees. The consolidated pension at the time of retirement should not be less than 50 percent of the minimum pay, as revised by the 5th CPC. This principle was termed as 'modified parity'. The Sixth CPC in order to maintain the existing 'modified parity' between present and future retirees recommended that those who retired before 01.01.2006 be given the same fitment benefit as was recommended for the existing government employees.

8.19.3 The Seventh CPC took note of the fact that though the Sixth CPC proposed provision of 'modified parity' as envisaged by the Fifth CPC, yet the new pay structure based on running pay bands and grade pays introduced by the Sixth CPC, led to the bunching of a number of pre revised pay scales into a particular pay band, thereby diminishing the benefit of the intended modified parity.

8.19.4 It may be mentioned that the recommendation of the Fifth and Sixth CPCs in respect of the past pensioners were adopted by the Fourth and Fifth Punjab Pay Commissions, respectively, thereby benefitting past GoP pensioners.

8.19.5 The Seventh CPC has, in the above background, made the following recommendations :-

"i) All the civilian personnel including Central Armed Police Forces who retired prior to 01.01.2016 (expected date of implementation of the Seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the pay band and grade pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he/she had earned in that level while in service, at the rate of three percent. Fifty percent of the total amount so arrived at shall be the revised pension.

ii) The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.

iii) Pensioners may be given the option of choosing whichever formulation is beneficial to them.

It is recognised that the fixation of pension as per formulation in (at) (i) above may take a iittle time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is therefore recommended that in the first instance the revised pension may be calculated as at (ii) above and the same may be paid as an interim measure. In the event calculation as per (i) above yields a higher amount the difference may be paid subsequently."

Observations and Recommendations

8.19.6 The above observations regarding revision of pension of the past pensioners take care of the issues raised by Pensioners' associations in this regard and keeping in view the recommendations of this Commission for revision of pay structure, the methodology mentioned above can be adopted ipso facto. **Accordingly, the Commission recommends that the procedure evolved by the 7th CPC be adopted. However, the factor to be applied would be 2.59. Here the Commission is aware of the fact that in the case of pre-2016 pensioners, the higher element of 2011 re-revision in included in their existing pension, but keeping in view the dedicated service rendered by them or their kins to the State, they have been allowed to get the fixation done with the proposed factor.**

8.19.7 Accordingly, on the pattern of GoI, for the fixation of pension of pre 01.01.2016 pensioners, the pension be revised by adopting the following methodology:-

a) the pension of the pensioners, who retired prior to 01.01.2016 shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the pay band and grade pay at which they retired, at the minimum of the corresponding level in the matrix concerned. This amount shall be raised, to arrive at the notional pay of the retiree, by adding the number of increments he/she had earned in that level while in service, at the rate of three percent. Fifty percent of the total amount so arrived at shall be the revised pension;

b) another calculation will be that the existing pension as on 01.01.2016 shall be multiplied by the factor of 2.59 to arrive at an alternate value for the revised pension;

c) Pensioners may be given either of the options above whichever is beneficial to him/her. However, it is expected that the fixation of pension as per option (a) above may take a little time since the service records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. As such, it is recommended that in the first instance the revised pension may be calculated as at (b) above and the same may be paid as an interim arrangement. In the event the calculation as per (a) above is more beneficial, the same may be revised, subsequently.

CHAPTER 9

FINANCIAL IMPLICATIONS OF THE RECOMMENDATIONS

9.1 The Commission in chapters 6,7 and 8 has recommended a revised pay matrix, allowances and pensionary benefits. The pay and pension is revisable w.e.f. 01.01.2016 whereas the new allowances and the revision in existing allowances is to be paid from the date of notification by the Government. Since, for the revision of pay, option has been provided to be exercised by the GoP employees and the date of notification of allowances is not known to the Commission, it is difficult to estimate the exact increase in the wage bill and consequently on allowances, pensions and other post retiral benefits after implementation of the recommendations. However, it is estimated that annual additional expenditure would be approximately ₹3500 crores per annum.

--*

Annexure – 'A'

Government of Punjab
Department of Personnel
(Personnel Policies-III Branch)

Notification

No. 8//2014-3PP3/870821/1 Dated: 24 February 2016

The Government of Punjab has decided to appoint the Sixth Punjab Pay Commission. The Governor of Punjab is therefore, please to appoint Sh. R.S. Mann, IAS (Retd.) as Chairman. The names of other member and the Terms of Reference will be notified separately.

Dated, Chandigarh
23rd February, 2016

Sarvesh Kaushal
Chief Secretary, Punjab Government

Endst. No. 8/2/2014-3PP3/ Dated, Chandigarh

A copy is forwarded to the Controller, Printing and Stationary, Punjab Chandigarh with the request that the above notification may be please be published in the Punjab Government Gazette (Ordinary) and 50 Printed copies of the notification may please be sent to this Department for record.

(sd/-)
Superintendent

Endst. No. 8/2/2014-3PP3/ Dated, Chandigarh

A copy is forwarded to the Principal Secretary to the Government of Punjab, Department of Finance for Information w.r.t. their letter no. 7/15/2014-2FP1/106 dated 02.02.2016.

(sd/-)
Superintendent

Endst. No. 8/2/2014-3PP3/ Dated, Chandigarh

A copy is forwarded to the Director, Information and Punjab Relation Punjab, Chandigarh for information and necessary action.

(sd/-)
Superintendent

Endst. No. 8/2/2014-3PP3/337 Dated, Chandigarh 24.02.2016

A copy of the above is forwarded to Sh. R.S. Mann IAS (Retd.) for kind information # 21, Sector-9, Chandigarh.

(sd/-)
Superintendent

Annexure – 'B'

Government of Punjab
Department of Personnel
(Personnel Policies-III Branch)

Notification

No. 8//2014-3PP3/870821/1 Dated: 04 November 2016

In continuation of Punjab Government notification No. 8/2/2014-3PP3, dated 24.02.2016 vide which the Chairman of the Sixth Punjab Pay Commission was appointed the Governor of Punjab is pleased to appoint Sh. Anurag Aggarwal, IAS, as a Member Secretary in addition to his present assignment and further pleased to issue the terms of reference of the Sixth Punjab Pay Commission as follows:-

(a) To examine the principles and the date of effect thereof that should govern the structure of pay, allowances and other facilities/benefits, whether in cash or in kind, to all categories of employees in the state of Punjab to whom the Punjab Civil Services Rules, Volume I, Pat I apply, except the employees whose scales of pay have been determined on the recommendations of the University Grant Commissions;

(b) To examine the principles, which should govern the structure of pension, death-cum-retirement gratuity, family pension and other terminal or recurring benefits having financial implications to the present and former State Government employees, appointed before January 1, 2004.

(c) To examine the usefulness of Punjab Government employees Health Insurance Scheme and recommend improvements in its implementation.

(d) To examine, review, and recommend changes in the Assured Career Progress Scheme (s).

(e) To work out a comprehensive and simplified pay package for the categories of State Govt. employees, linked to the measures to promote efficiency, productivity, accountability and responsibility in the work culture and foster excellence in the public governance, discipline and transparency in Public Service.

(f) To encourage the use of new Information and Communication Technology in the functioning of the Government, the minimum qualification required for entry into Govt. service should include basic knowledge and use of computers.

(g) To curb non-productive expenditure, the Commission shall suggest a cap on expenditure on salaries, wages and pensions as a percentage of Revenue Receipts of the State and other economy measures to find the additional expenditure on the implementation of its recommendations. While doing so, new staffing structures/norms may be suggested, having regard to changed role of the Government and I.T. application.

(h) To make recommendation on the above (a to g), keeping in view the following aspects:-

(i) The economic condition of the State and the need of fiscal prudence having regard to provisions of the Punjab Fiscal Responsibilities and Budget Management Act 2003.

(ii) The need to ensure that adequate resources are available for development expenditure and welfare measures, after meeting the committed expenditure of salary, pension and interest in the State.

(iii) The commission shall work out the likely impact of its recommendations on the finances of the state Government.

(iv) The commission shall bear in view the salary hikes given to various categories of employees after the implementation of 5th Punjab Pay Commission recommendation so as to ensure fair play and equity amongst various categories of employees inter se as well as vis-à-vis the tax payer.

(i) To recommend the date of effect of its recommendations on al the above.

2. The Commission will devise its own procedure and may co-opt such Advisors, institutional Consultants and Experts as it may consider necessary for any particular purpose. It may call for such information and take such evidence, as it may consider necessary and documents and other assistance as may be required by the Commission.
3. The Commission shall have its Headquarters at Chandigarh.

4. The Commission will make its recommendations within twelve months from the date of constitution.

Dated, Chandigarh
23rd October, 2016

Sarvesh Kaushal
Chief Secretary, Punjab Government

Endst. No. 8/2/2014-3PP3/870821/2 Dated, Chandigarh 04.11.2016

A copy is forwarded to the Controller, Printing and Stationary, Punjab Chandigarh with the request that the above notification may be please be published in the Punjab Government Gazette (Ordinary) and 50 Printed copies of the notification may please be sent to this Department for record.

(sd/-)

Superintendent

Endst. No. 8/2/2014-3PP3/870821/3 Dated, Chandigarh 04.11.2016

A copy is forwarded to the Principal Secretary to the Government of Punjab, Department of Finance for information w.r.t. their letter no. 7/15/2014-2FP1/106 dated: 02.02.2016.

(sd/-)

Superintendent

Endst. No. 8/2/2014-3PP3/870821/4 Dated, Chandigarh 04.11.2016

A copy is forwarded to the Director, Information and Public Relation Punjab, Chandigarh for information and necessary action.

(sd/-)
Superintendent

Endst. No. 8/2/2014-3PP3/870821/5 Dated, Chandigarh 04.11.2016

A copy of the above s forwarded to Sh R.S. Mann, IAS (Retd.) for kind information. #21, Sector-9 Chandigarh.

(sd/-)
Superintendent

Endst. No. 8/2/2014-3PP3/870821/6 Dated, Chandigarh 04.11.2016

A copy of the above s forwarded to Sh Anurag Aggarwal, IAS for for kind information.

(sd/-)
Superintendent

Annexure – 'C'

Government of Punjab
Sixth Punjab Pay Commission

Questionnaire

1. Staffing Pattern

1.1 Kindly furnish the details of all classes and categories of posts borne on your establishment in the proforma given below:-

1	2	3	4	5	6
Sr. No.	Category	Present pay bands and Grade pay	Number of sanctioned posts as on 1.1.2006.	Number of sanctioned posts as on 31.12.2015	Number of vacant posts as on 31.12.2015.

A certificate may be given at the end that all posts existing in your Department have been indicated therein. Also give an organizational chart of your Department indicating various hierarchical levels.

1.2 In addition give category-wise number of posts filled up on contract basis along with emoluments.

1.3 Please give information regarding work charged employees, if any, along with their number and emoluments, especially in the PWD, Building and Roads, Water Supply and Sanitation and Water Resources, in the following proforma:-

Sr. No	Category of Employees	Number of Employees Working for				Existing Salary/Pay scales
		Less than 5 years	Upto 10 years	More than 10 years	Total	

1.3 Does your Department recommend any change in the old designation of any post(s)? In case any such suggestion, please indicate whether or not the proposed change involves any extra financial burden to the Government. If so, the extent thereof?

2. Pay Packages

2.1 What do you think should be the basis of determining the structure of pay, allowances and other facilities/benefits for various categories of employees?

2.2 Do you think there is any scope to move away from historic pay scales that have been revised from time to time since inception?

2.3 What steps could be taken to build in incentives to promote efficiency and productivity in the work culture and foster excellence in governance, discipline and transparency in public service?

3. Expenditure Incurred

3.1 Do you subscribe to the view that there should be a cap on the expenditure to be incurred by the State on salaries, wages and pensions as a percentage of revenue receipts? Is there any scope for further economy measures. If so, please elaborate.

3.2 Do you think there is any possibility of discontinuing any scheme(s)/ programme in your Department on account of changed circumstances?

4. Outsourcing

What has been the feedback of the Department regarding its utility, effect on efficiency and delivery of services? Based on such experience would you recommend further outsourcing and if so to what extent.

5. Attracting talent

Are emoluments payable government servants adequate to attract suitable talent? What are your observations and suggestions in this regard?

6. Anomalies/Revisions of pay scales

6.1 Pay scales of certain categories of posts were further revised after the recommendations of the 5th Punjab Pay Commission were implemented and given effect to by Govt. Order No.5/10/09-5FPI/207 Dated 27 May 2009. If so, category wise details may be furnished in the proforma below:-

1	2	3	4	5	6	7	8
Sr. No.	Name of the post	Number of Employees	Pay band /Grade Pay recommended by the 5th pay commission	Pay Band/ Grade pay sanctioned by the Government in the order dated 27/05/2009 referred to above	Revision of Pay Band/Grade Pay, subsequent to 27/05/2009 and the date, the amended pay band/grade pay was given effect to	Brief reasons for the revision	Remarks if any

6.2 Have any further anomalies been created on account of such revision indicated in column no. 6 of above proforma.

6.3 Demands arising in your Department as a result of such revisions in other Government Departments and your views in this respect.

6.4 Details of further revision, if any, under consideration of the Department/Government.

7. Grade Pay

The system of pay bands and Grade pay was introduced w.e.f 1.1.2006 on the recommendation of the last Pay Commission. Do you think the concept of Grade Pay is working satisfactorily? If not, what changes would you suggest and reasons therefor.

8. Increment

Do you think that the existing quantum of annual increment @ 3% of basic pay is reasonable? If not, what would you suggest and why.

9. Dynamic and Modified Assured Career Progression Scheme

The Dynamic and the Modified Assured Career Progression Schemes has already been introduced for various categories of employees. What is your feedback regarding their effectiveness in redressing stagnation? Do you have any suggestions to make this scheme more effective?

10. Allowances

10.1 Whether the existing allowances presently payable need to be retained, rationalized or restructured? Your views and the reasons therefor.

10.2 What do you think about the effectiveness of the system of reimbursement of medical bills? Is such reimbursement available in a reasonable time-frame? The following information in respect of reimbursement of Medical bills for the year 2017-18 may kindly be furnished.

(i) Number of claims submitted

(ii) Number of claims where payouts has been effected

(iii) Average time taken between submitting of claims and release of payment.

(iv) Was the Budget provision adequate?

10.3 What was the year wise total amount of re-imbursement for 2015-16, 2016-17 and 2017-18?

11. Health Insurance Scheme

Health Insurance Scheme for employees, was in place in 2016, but not extended beyond 31.12.2016. What was your feedback about the implementation of the scheme? Do you propose the re-introduction of the scheme, if so, reasons and suggestions therefor.

12. Facilities/Benefits

What facilities/benefits, if any, are given to the employees in your Department in addition to the pay and allowances? In case any facilities/benefits are given by your Department, please give details with amount of expenditure incurred during the years 2015-16, 2016-17 and 2017-18.

13. Pension

13.1 Would you like to suggest any changes to the Pension, Gratuity and Death-cum-Retirement scheme? If so the reasons therefor.

13.2 The Retirement benefit of State Government employees appointed on or after 1.1.2004 are covered by the New Pension Scheme. Do you think this will provide adequate financial comfort to a retiree? If not, how can it be made more effective?

14. Restructuring

14.1 Has any restructuring been effected at any time in your Department? If so, details thereof.

14.2 Please give your views on the need or otherwise of a new staffing structure having regard to the application of Information Technology or any other developments.

14.3 What level of knowledge of Information Technology should be made part of the minimum entry level qualifications of government employees?

15. Retirement Age

Please give your considered views regarding the need, if any, to revise the present age of retirement?

Annexure – 'D'

ਨੰ: 7/67/2019-5FP1/949

ਪੰਜਾਬ ਸਰਕਾਰ

ਵਿੱਤ ਵਿਭਾਗ

(ਵਿੱਤ ਪ੍ਰਸੋਨਲ-1 ਸ਼ਾਖਾ)

ਮਿਤੀ, ਚੰਡੀਗੜ੍ਹ: 03.07.2019

ਸੇਵਾ ਵਿਖੇ,

(1) ਸਮੂਹ ਵਿਸ਼ੇਸ਼ ਮੁੱਖ ਸਕੱਤਰ, ਵਧੀਕ ਮੁੱਖ ਸਕੱਤਰ, ਵਿੱਤੀ ਕਮਿਸ਼ਨਰ, ਪ੍ਰਮੁੱਖ ਸਕੱਤਰ ਅਤੇ ਪ੍ਰਬੰਧਕੀ ਸਕੱਤਰ ਪੰਜਾਬ ਸਰਕਾਰ,

(2) ਸਮੂਹ ਵਿਭਾਗਾਂ ਦੇ ਮੁੱਖੀ ਰਾਜ ਵਿੱਚ

(3) ਸਮੂਹ ਡਵੀਜ਼ਨਾਂ ਦੇ ਕਮਿਸ਼ਨਰ

(4) ਸਮੂਹ ਡਿਪਟੀ ਕਮਿਸ਼ਨਰ ਅਤੇ ਜਿਲ੍ਹਾਂ ਅਤੇ ਸੈਸਨ ਜੱਜ ਅਤੇ

(5) ਰਜਿਸਚਰਾਰ, ਪੰਜਾਬ ਅਤੇ ਹਰਿਆਣਾ ਹਾਇਕੋਰਟ, ਚੰਡੀਗੜ੍ਹ

(6) ਸਕੱਤਰ, ਪੰਜਾਬ ਵਿਧਾਨ ਸਭਾ।

ਵਿਸ਼ਾ:- 6ਵੇਂ ਪੰਜਾਬ ਤਨਖਾਹ ਕਮਿਸ਼ਨ ਸੈੱਲ ਦਾ ਗਠਨ ਕਰਨ ਸੰਬੰਧੀ।

ਸ੍ਰੀਮਾਨ/ਸ੍ਰੀਮਤੀ ਜੀ,

ਮੈਨੂੰ ਉਪਰੋਕਤ ਵਿਸ਼ੇ ਤੇ ਇਹ ਲਿਖਣ ਦੀ ਹਦਾਇਤ ਹੋਈ ਹੈ ਕਿ ਵਿੱਤ ਵਿਭਾਗ, ਪੰਜਾਬ ਸਰਕਾਰ ਦੁਆਰਾ 6ਵੇਂ ਪੰਜਾਬ ਤਨਖਾਹ ਕਮਿਸ਼ਨ ਨੂੰ ਲੋੜੀਂਦੀ ਸੂਚਨਾ/ਡਾਟਾ ਮੁਹੱਈਆ ਕਰਵਾਉਣ ਸੰਬੰਧੀ 15ਵੇਂ ਵਿੱਤ ਕਮਿਸ਼ਨ ਸੈੱਲ ਨੂੰ ਹੀ ਪੰਜਾਬ ਤਨਖਾਹ ਕਮਿਸ਼ਨ ਦੇ ਸੈੱਲ ਵਜੋਂ ਸਥਾਪਿਤ ਕਰਨ ਦਾ ਫੈਸਲਾ ਲਿਆ ਗਿਆ ਹੈ। ਇਸ ਸੈੱਲ ਵਿੱਚ ਹੇਠ ਦਰਸਾਏ ਅਧਿਕਾਰੀਆਂ/ਕਰਮਚਾਰੀਆਂ ਨੂੰ ਅਗਲੇਰੇ ਹੁਕਮਾਂ ਤੱਕ Depute ਕੀਤਾ ਜਾਂਦਾ ਹੈ:-

Sr. No.	Name of the officer/employee	Designation	Department
1.	Smt. Paramjit Kaur	Deputy Director	Planning
2.	Sh. Lalit Goyal	Research Officer	Planning
3.	Sh. Gurmeet Singh	DSO	ESO
4.	Sh. Balwinder Singh	Steno	Planning
5.	Sh. Jaspal Singh	Junior Scale Stenographer	Planning

2. ਇਸ ਸੈੱਲ ਦਾ ਗਠਨ ਮਾਨਯੋਗ ਵਿੱਤ ਮੰਤਰੀ ਜੀ ਦੀ ਪ੍ਰਵਾਨਗੀ ਉਪਰੰਤ ਕੀਤਾ ਗਿਆ ਹੈ।

ਵਿਸ਼ਵਾਸ਼ਪਾਤਰ

(ਸਹੀ/-)

ਉੱਪ ਸਕੱਤਰ, ਵਿੱਤ

ਮੀਮੋ ਨੰ: 7/67/2019-5FP1/950 ਮਿਤੀ, ਚੰਡੀਗੜ੍ਹ: 03.07.2019

ਉਪਰੋਕਤ ਦਾ ਇੱਕ ਉਤਾਰਾ 15ਵੇਂ ਵਿੱਤ ਕਮਿਸ਼ਨ ਸੈੱਲ ਨੂੰ ਭੇਜਦੇ ਹੋਏ ਹਦਾਇਤ ਕੀਤੀ ਜਾਂਦੀ ਹੈ ਕਿ ਇਹ ਸੈੱਲ 15ਵੇਂ ਵਿੱਤ ਕਮਿਸ਼ਨ ਦੇ ਕੰਮ ਕਾਜ ਦੇ ਨਾਲ 6ਵੇਂ ਪੰਜਾਬ ਤਨਖਾਹ ਕਮਿਸ਼ਨ ਨੂੰ ਲੋੜੀਂਦੀ ਸੂਚਨਾ/ਡਾਟਾ ਮੁਹੱਇਆ ਕਰਵਾਉਣ ਦਾ ਜਿੰਮੇਵਾਰ ਹੋਵੇਗਾ। ਇਹ ਵੀ ਹੁਕਮ ਕੀਤੇ ਜਾਂਦੇ ਹਨ ਕਿ ਸਬੰਧਤ ਅਧਿਕਾਰੀ/ਕਰਮਚਾਰੀ ਅਪਣੀ ਤਨਖਾਹ ਅਤੇ ਹੋਰ ਭੱਤੇ ਆਪਣੇ ਵਿਭਾਗਾਂ ਤੋਂ ਹੀ ਡਰਾਅ ਕਰਨਗੇ ਅਤੇ ਆਪਣੀ ਹਾਜ਼ਰੀ ਰਿਪੋਰਟ ਨਿਮਨਹਸਤਾਖਰ ਨੂੰ ਪੇਸ਼ ਕਰਨਗੇ।

(ਸਹੀ/-)

ਉੱਪ ਸਕੱਤਰ, ਵਿੱਤ

Annexure – 'E'

QUESTIONNAIRE FOR THE FINANCE DEPARTMENT

1. Please indicate, Department-wise, with an abstract at the end, the total revenue expenditure and total the wage-bill during the years 2005-06 to 2015-16 showing the ratio between the two. The data on the wage bill may include the following-

   (i) Expenditure on emoluments and various allowances separately for different categories of employees,

   (ii) Expenditure on pensions,

   (iii) Expenditure on fixed Medical Allowance and expenditure on Medical reimbursement.

2. (i) Please indicate the year wise total revenue receipts, during the period 2005-06 to 2016-17, also bringing out the revenue gap, if any.

   (ii) In case the current Revenue deficit is being met through market borrowings or a portion of the wage bill is financed through these borrowings, what is the estimate on the additional financial cost to the State government over and above the wage bill.

   (iii) What is the assessment of the FD as to when the State is likely to become Revenue neutral or surplus? Is additional employee cost factored into this assessment?

3. (i) Please indicate the total capital expenditure incurred year-wise, during the period 2005-06 to 2016-17 and the extent to which it was funded from State's own resources, Central Government Schemes/projects or from funds raised / received from external agencies such as World bank, ADB etc.

(ii) Please give the percentage of such expenditure incurred on staff in current year on the staff component, if any, not including expenditure on staff on the work charged establishment.

4. (i) Whether there are existing norms for sanctioning ministerial posts in various Departments in the Secretariat, offices of the Heads of Departments, District Offices and other field establishments. Does the Finance Department contemplate any revision in such norms for right-sizing the staff requirements especially in view of the latest technological developments and skill improvements ? Details of steps taken in this direction in recent years may be furnished.

(ii) How does the number of employees as a percentage of the State population and the per employee cost compare with GOI and other States?

5. (i) Is there any policy in place for right-sizing staff strength at various levels?

(ii) What was the category-wise total number of State Government employees and total number of pensioners as on 01-01-2006 and 01-01-2016 respectively?

6. (i) In the view of the Finance Department is there scope to rationalize allowances, such as those mentioned below –:

(a) House-rent Allowance;

(b) City Compensatory Allowance

(c) Conveyance Allowance

(d) Special Allowance/Pay

(e) Uniform Allowance

(f) Non-practicing Allowance ; and

(g) Any other type of allowance not covered by (a) to (g) above.

(ii) Please indicate the expenditure incurred from the year 2005-06 to 2015-16 separately for each of the above allowances;

7. (i) How does the pay structure of common categories of the State Govt. employees compare with their counterparts in the Central Govt.? Is there any indication of an excessive disparity in the emoluments of similar categories of services of the State and Central Government employees?

(ii) Please indicate the pay scales as on 01-01-2006 and 01-01-2012 in the case of each relevant category of State Government employees as compared to Central government pay scales of similar categories of services.

8. (i) Revision of pay scales of certain categories of State services was effected by the government in year 2011 after implementation of recommendations of the Fifth Punjab Pay Commission in year 2009. What were the reasons for each of those revisions?

(ii) Please supply the category-wise and department-wise details with numbers of employees covered in each category by these revisions of pay scales along with the additional financial implications.

9. (i) The Government introduced special allowance for employees working in the Civil Secretariat and the offices of Punjab Vidhan Sabha, Financial Commissioner Secretariat, Punjab Raj Bhawan, Office of the Legal Remembrance and the Punjab Public Service Commission w.e.f. 01.10.2010. Which was revised on 01.12.2011. From the same Government date, decided that Secretariat allowance shall be converted into Secretariat pay. The rate of Secretariat pay were later further revised in December 2011.

(ii) What was the rationale for allowing special allowance for selective offices of the State Government and converting it into special pay and the financial implication thereof.

10. (i) Annual Career Progression Scheme for Government employees as per recommendations of the 4th Punjab Pay Commission, i.e. 8,16,24,32 years Scheme, was already in existence when Government introduced another ACP Scheme of 4,9,14 years applicable from 01-11-2006. What was the rationale behind the introduction of such a scheme?

(ii) What was the additional financial implications introduction of the new Scheme?

Annexure – 'F'

The following is the gist of the demands put forward by various associations in the context of rates of pension and other retirement benefits especially with various suggestions in respect of pre 01.01.2016 pensioners as mentioned below:

Demands regarding Pension

Sr. No.	Name of Union	Demand
1.	Punjab Civil Secretariat	1. Pension of pre-1.1.2016 pensioners may be revised with a benefit of 40% as in case of previous pay Commission. So the pension may be revised to existing pensioner by multiplying 2.65 or by fixing the notional pay with reference to pay band and Grade pay at which they retired.
2.	Punjab Government Pensioner Association (Regd.) Punjab	1. Full pension may be given to pre-1.1.2016 pensioners who have rendered 25 years of service. 2. Full pension with reference to re-revision of pay w.e.f. 1.12.2011 may be given. 3. Pension of pre-1.12.2011 should be re-revised by multiplying 3.06 instead of 2.57 as in most of the employees pay scale enhanced w.e.f. 1.12.2011 4. Government of India revised the pay scales of Central Government Employees by multiplying formula of 2.57,2.62,2.72,2.78,2.81 whereas the pension has been revised by multiplying formula of 2.57 which resulted in loss to pensioners so pension should be revised by fixing the pay on notional basis in the revised pay fixation formula
3	Punjab Government Pensioner Association Regd. Punjab.	1. Pension should be revised in case of Pre-1.1.2006 Retirees by multiplying 2.72, and those who retired between 1.1.2006 to 30.11.2011 by multiplying 2.67, and further who retired between 1.12.11 to 31.12.2015 by multiplying 2.62. Or by adding number of increments in the revised pay matrix notionally and pension should be calculated 50 % on the pay so arrived whichever is beneficial to the retiree.
4	Pensioners and Senior Citizens Welfare Association (Regd.) Mohali	1. There may be a complete parity of Pension of pre and post-1.1.2006 pensioner. 2. Full pension on completion of 20 years of service in all including pre-2006 pensioners. 3. Merger of 50% DA as DP when at increases more than 50% of pay/ pension.
		1. Full Pension at the rate of 50 % of last pay or 10

		Months average pay whichever is beneficial may be granted in case of service is more than 20 years. 2. Pension of pre-1.1.2016 retirees should be revised with a minimum 40 % increase as in case of 4th and 5th pay commission. So the pension of existing pensioner may be revised by multiplying formula of 2.65 instead of 2.57 or by fixing the pay on notional basis in the revised pay band / pay matrix as in done by Central Government. 3. There should be parity between pre-2006 and post 2006 pensioners.
7	Punjab Government College Retired Teachers Welfare Association, Chandigarh.	1. Full pension after completion of 20 Years' service may be allowed in all cases of pre-2006 retirees.
6.	Punjab Pensioner Association Roopnagar. Punjab Raj Pensioners MahaSangh	1. Minimum Pension should not be less than Rs. 13000/- 2. Full Pension should be 60 % of last pay in case service is 20 years or above. 3. In the case of Pre-1.1.2016 retirees Pension should be revised by multiplying 2.65 or 50% of notional pay in the revised pay scale/pay matrix whichever is beneficial to the pensioner. 4. Minimum pension of pre-2006 retirees should not be reduced pro-rata in case service is less than 33 years as in the case of Central Government Pensioner.
8	Punjab Pensioner's Welfare Union Mukerian.	1. Pension may be fixed by adding 5% IR for Pre- 1.11.06 retirees. 2. Pre-1.1.2006 Pensioners may be given the benefit of re-revision of Pay as on 1.12.2011and also 50% pension to all without any condition of 33 Years' service. 3. Pension of pre 1.12.11 and 1.11.2006 may be revised by multiplying 2.72 of the existing pension; or 4. Pension may be fixed after notional fixation of pay in the respective Pay grade as in case of Center Government.
9	Punjab Government Pensioner's Joint Front Punjab SAS Pensioners Welfare Association.	1. Pension of Pre-1.1.2006 and 1.12.2011 may be revised with reference to re-revision of pay during 2011 by fixing the pay notionally. 2. Additional benefit of ½ % may be given in pension for each completed six monthly in case of qualifying service is more than 33 years. 3. Minimum pension should be calculated by adding 10 increments in pay scale. 4. Condition of 33 years' service should be withdrawn in case of pre 1.12.11 retiree in view of decision of Hon'ble High Court in LPA 352 of 2014 Punjab Government Vs. AP Sharma.

		5. Pension should be revised by multiplying 3.33 of existing pension. 6. Punjab SAS Pensioners welfare Association demanded revision by multiplying 3.50 of existing pension.
10	Roadways Pensioners and Family Welfare Association.	Pension of pre-1.1.2016 may be revised by multiplying 3.25 of existing pension and 5% increase may be given every year.

Demands Regarding Family Pension

Sr. No	Name of Union	Demand
1	Punjab Civil Secretariat	Family pension at enhance rate upto the age of 65 Years or 15 years whichever is earlier may be allowed in case death during service or death after retirement.
2	Pensioners and Senior Citizens Welfare Association (Regd.) Mohali	1. Widow / Divorced daughter may also be included in family as per recommendations of 4th Punjab Pay Commission.
	Government Pensioners Association	1. Family pension at enhanced rate 60% should be given on pay upto 30000/- and 50 % if pay exceeding 30,000/- 2. Higher rate of family pension is admissible in case of death while in service however this benefit was also admissible in case death of pension before the age of 65 Years which may be given to pensioners death also.

Minimum Pension

Demanding regarding restoration of cumulated portion of pension

Sr No.	Name of Union	Demand
1	Punjab Civil Secretariat	1. The demand of union is that commutation may be allowed at the of 40 % instead of 30 % available at present. 2. Commuted table introduced w.e.f. 17.08.2009 for an

		employee retiring at the age of 58 years is around 100 month pension and recovery is being made in 180 months resulted in 19 % PA Interest rate. The union demand that commuted amount may be recovered along with 8 % interest which is applicable in HBA.
2	Pensioners and Senior Citizens Welfare Association (Regd.) Mohali	Restoration of Commuted portion should be made after 12 years from the date of commutation.
3	Government Pensioner Association. (Regd.)	1. Commutation be allowed upto 40% of pension as in case of Center Government. 2. Restoration of Commuted portion of pension should be done when amount paid fully recovered.
4	Punjab Government College Retired Teachers Welfare Association, Chandigarh.	1. Restoration of Commuted amount after 12 years.
5	Punjab Pensioner's Welfare Union Mukerian.	1. Restoration of Commuted amount after 12 years.

Demand regarding Enhanced Family Pension

Sr. No	Name of Union	Demand
	Punjab Civil Secretariat	Family pension at enhance rate upto the age of 65 Years or 15 years whichever is earlier may be allowed in case death during service or death after retirement.
2	Pensioners and Senior Citizens Welfare Association (Regd.) Mohali	2. Widow / Divorced daughter may also be included in family as per recommendations of 4th Punjab Pay Commission.
	Government Pensioners Association	1. Family pension at enhanced rate 60% should be given on pay upto 30000/- and 50 % if pay exceeding 30,000/- 2. Higher rate of family pension is admissible in case of death while in service however this benefit was also admissible in case death of pension before the age of 65 Years which may be given to pensioners death also.

Demands regarding Additional Old age Pension

Sr. No.	Name of Union	Demand
1	Punjab Pensioner's Welfare Union Mukerian.	Old Age allowance may be increased 2% annually.
2	Punjab Govt. Pensioner Join front	Old age allowance may be increased at the age of 75,80, 85 and 90 Years of age to 30 %, 50% 75% and 100 % respectively.

Demands regarding Death-cum-Retirement Gratuity

Sr. No.	Name of Union	Demand
1.`	Punjab Pensioner's Association Regd.	Limit of DCRG may be increased to 20 lac. Limit of 25 % amount of DCRG may be increased as and when DA reaches 50%

Demand Regarding Ex-gratia

Demands Regarding Travel Concession

Sr. No.	Name of Association / Union	Issue
1	Punjab Secretariat Services Retired Officers Association Regd. Chandigarh	Travel Concession being given one month basic pension after two years may be enhanced to 1+ 1/3rd of Basic Pension after every two years.
2	Punjab Pensioner's Welfare Union Mukerian.	Travel Concession may be given Basic Pay+ OA+DA
	Punjab Govt. Pensioner Joint Front	Travel Concession may be given every year instead of two Years.

Demands regarding Fixed Medical Allowance

Sr. No.	Name of Association / Union	Issue
1	Punjab Secretariat Services Retired Officers Association Regd. Chandigarh	1. Medical Test should be reimbursed as outdoor. 2.Fixed Medical allowance given at present Rs. 500/- PM may be revised to 1500/- PM w.e.f. 1.1.16
2	Punjab Government Pensioner Association (Regd.) Punjab	1. Reimbursement of Chronic Diseases / Biological Tests may be recommended. 2. All Medical Tests, like Ultrasound, MRI, Blood Sugar, X-ray etc. should be reimbursed as Outdoor patient. 3. Fixed Medical Allowance may be enhanced to 2000/- and further revision as and when DA reaches 50 % automatically.
3.	Pensioners and Senior Citizens Welfare Association (Regd.) Mohali	1. Cashless scheme for Medical Treatment for pensioners may be introduced with improvements and without any limit as in case of Central Government or Army Health insurance Scheme. 2. Fixed Medical Allowance may be linked with price index.
4	Government Pensioners Association Regd.	1. Powers to issue Chronic Disease Certificate may be given to District Medical Board. 2. Reimbursement of cost of Medical Test on the advice of authorized Medical Attendant be allowed as per rates already fixed as an outdoor patient.
5	Punjab Government College Retired teachers Welfare Association, Chandigarh.	1. Health insurance Scheme may be implemented with improvements, without any limit /ceiling on expenditure for treatment at impaneled Hospitals. 2. FMA may be linked with price index. 3. FMA may be increased to 2000/-
6	Punjab Pensioner's Welfare Union Mukerian.	1. FMA may be increased to 2000/- 2. Medical reimbursement amount should be paid within one month after the claim is submitted. 3. Reimbursement on Chronic Treatment including Tests should be paid within one month or cash less facility in Government Hospitals may be provided.
7	Punjab Govt. Pensioner Joint Front	1. Increased in rate of hearing aid, denture, and lens. 25 % increase in rates automatically be DA reaches 50% 2. Cashless Scheme for Pensioners with smart card facility who are suffering from serious ailments. 3. Reimbursement of Medical claim may be given within one month after submission of claim. 4. Fixed Medical claim may be increased to 2000/-

8	Roadways Pensioners and Family Welfare Association.	1. Fix Medical allowance may be increased to 5000 PM as almost 80 % Pensioners are suffering from diseases.

Demands regarding Constant Attendant Allowance

Parity of pre 01.01.2006 and post 01.01.2006

Miscellaneous issues raised by Associations

Sr. No.	Name of Association/ Union	Issue
1.	Punjab Secretariat Services Retired Officers Association Regd. Chandigarh	1. Pension may be exempted from Income Tax. or to create separate Head for pension which will facilitate to provide some exemptions to pensioners. 2. Pay Scales of Deputy / Under Secretary and Special Secretary may be enhanced to 7800 as is done in other cases w.e.f. 1.1.2016 notional basis.
2	Pensioners and Senior Citizens Welfare Association (Regd.) Mohali	1. Government should abide by the decisions of Hon'ble High /Supreme courts in favour of pensioners and be implemented in all similar cases to avoid costly litigation. 2. Accountability at all levels in the Government Departments 3. Dearness allowance should be given on central pattern without delay. 4. Pension should be free from income tax on the pattern of MLA/ MP's. 5. Full Pension is given at the rate of 50% which should be increased to 60% of last pay drawn in case of service is 20 Years Qualifying service similarly family pension be granted 50 % instead of 30 % of last pay. Most of the country like Pakistan, Bangladesh and Indian States like Karnatka, Orissa, Tripura, Tail Nadu and West Bangal pension is calculated 60% to 70 % of last Pay. 6. House Rent allowance may also be allowed to pensioner on the pattern of Government employees. 7. Administrative Tribunal may be set for State for speedy and affordable justice. 8. There should be uniformity in the retirement age of all

		central and State Employees. 9. New Pension Scheme should be scrapped as it discriminates between old and new employees. 10 Old age home should be constructed in all districts.
3	Sh.B.K.Jain Individual Sh. Amrik Singh Retired Assistant Bussowal Tehsil Sultanpur Distt. Kapurthala	Handicapped conveyance allowance may be given to Handicapped retired pensioners as in case of employees w.e.f. 1.1.1996
4	Punjab Government College Retired teachers Welfare Association, Chandigarh.	1. House Rent allowance may be given to Pensioners. 2. Pension and allowances may be exempted from income tax on the pattern of MLA/MPs 3. In Future as and when DA crosses 50% may be treated as Dearness pay/ pension. 4. Scale of Principals in UGC may be included in 32 grades mentioned in ready reckoner.
5	Punjab Pensioner's Welfare Union Mukerian.	1. Leave encashment limit may be increased from 300 days to 450 days. 2. 100 % Handicapped Pensioners may be given Special allowance of Rs. 4500/- for helper. 3. Physically / mentally handicapped dependent Children may be add in PPO as Family Pensioner.
6	Punjab Govt. Pensioners Joint front	1. Interim relief as and when pay commission is appointed. 2. Pay Commission may be appointed after 5 years. Instead of 10 Years at present. 3. Dearness allowance may be paid within 3 months from its become due otherwise Interest for delayed period at the rate of 8%
7	Roadways Pensioners and Family Welfare Association.	Free family pass to Roadways Employees as the same benefit is being given by Haryana, Himachal and CTU
8	Sh. I.D.Kalra	Government Employee when allowed to merge in Public Sector undertakings in public interest under rule 5.3 of CSR Volume II have an option to get 1/3rd of pension commuted against the service rendered in Government and remaining 2/3rd pension can be drawn as lump sum as terminal benefit in lieu of pension. As per Hon'ble Supreme Court order dated 1.5.1998 in Contempt Petition NO. 530/97 in WP No. 11855/85 GOI vide letter No. 1/59/P&PPW(1) dated 14th July 1998 issue instructions that such retiree can get his 1/3rdcommuted portion restored after 15 years. Now the 6th Punjab Pay Commission may consider the issue.