

TELEPHONE : 23365912 (P&T)
23343493 (P&T)
81-22270 (Rly.)
81-22769 (Rly.)
Fax : + 91-11-23363167

A.I.R.F.

TELEGRAM : RAILWAYMEN
E Mail:-airfindia@yahoo.co.in
E Mail:-airf@ndb.vsnl.net.in



All India Railwaymen's Federation

(Estd, 1924)

4, STATE ENTRY ROAD,
NEW DELHI-110055
INDIA

1. (a) Denial of modified parity to pre-2006 pensioners as recommended by VI CPC and accepted by the Government of India
- (b) Denial of equitable fitment benefit to the pensioners at par with serving employees as recommended by VI CPC and accepted by the Government of India

Ref: DoP's O.M. F.No.38/37/08-P&PW(A) dated 1.9.2008 and O.M. F.No.38/37/08-P&PW(A) Pt.1 dated 3.10.2008

The VI CPC had made a fair recommendation for granting equal fitment benefit to the serving employees and the pensioners, and the relevant para of the VI CPC reads as under:-

Para 5.1.47

- (a) “However, in order to maintain the existing modified parity between present and future retirees, it will be necessary to allow the same fitment benefit as is being recommended for the existing Government employees. The Commission, accordingly, recommends that all past pensioners should be allowed fitment benefit equal to 40% of the pension”.

The tables were accordingly issued vide para 4.1 of DoP's OM dated 1.9.2008, wherein basic pension drawn on 1.1.2006 was increased by 40% and termed as Consolidated Pension, which works out to be 2.26 times of pre-revised basic pension with an effective increase of 21.5%.

- (b) It was further laid down by the VI CPC that -

“The fixation as per this table will be subject to the provision that the revised pension, in no case, shall be lower than fifty percent of the sum of the minimum of the pay in the pay band and the grade pay thereon corresponding to the pre revised pay scale from which the pensioner had retired. To this extent, a change would need to be allowed from the fitment shown in the fitment table”.

These recommendations were duly accepted by the Government of India and the objective of the same has been set at naught in the implementation orders issued by the DoP, thereby principle of equity has been virtually denied. The operative orders issued vide DoP's O.M. dated 3.10.2008, that minimum of

the pay in the Pay Band to be taken as minimum of the pay in the Pay Band “irrespective of the pre-revised scale of pay” has reduced the legitimate pension of pre-2006 pensioners, created difference in the fitment benefit which was intended to be the same for serving employees and the pensioners and resulted in difference in pension between pre and post-2006 pensioners retiring from the same scale/grade as is apparent from the following table:-

Pay Band/ Scales	Difference in pension p.m. of pre and post 2006 pensioners
PB 1 (S 4 – S 8)	Rs 165 to 500
PB 2 (S 9 – S 15)	Rs 465 to 1100
PB 3 (S 16 - S 23)	Rs 570 to 1400
PB 4 (S 24 – S 29)	Rs 1145 to 3650

It would, therefore, be fairly justified that the pensions of pre-2006 pensioners be fixed so that it is not less than 50% of the sum of minimum of pay in the pay band and the grade pay thereon corresponding to pre-revised pay scale from which the pensioner had retired, as recommended by the VI CPC, as this alone will ensure same fitment benefit as given to serving employees and restore equal modified parity between pre and post 2006 pensioners.

2. **Fixed Medical Allowance of Rs.1200 p.m. to Central Government Pensioners(at par with EPF Organization under Ministry of Labour) in view of high cost of medicines**

Railway Pensioners have been provided with Rs.300 p.m. as Fixed Medical Allowance vide DoPP & PW O.M. No.4/252008-P&PW(D) dated 26.5.2010, circulated vide Railway Board’s letter No.PC-V/2010/A/Med./1 dated 29.6.2010. This amount being quite inadequate does not meet the requirement of day-to-day medical expenses incurred on the treatment of old-age pensioners not requiring Indoor treatment. In fact, this defeats the very purpose for which the said Allowance is purported to be paid as defined in the O.M. under reference.

Employees Provident Fund Organization, under Ministry of Labour & Employment, has enhanced the amount of Fixed Medical Allowance from **Rs.600 p.m. to Rs.1200 p.m.** for Outdoor treatment, vide its circular No.HRM-V/12(1)2003/FMA/Vol-II dated 11.01.2010.

It would, therefore, be largely justified that the amount of Fixed Medical Allowance be increased to **Rs.1200 p.m.** for Outdoor treatment of the Central Government Pensioners and Railway Pensioners and their dependents, as has been done in the case of EPF Organization to mitigate their hardship.

3. **Pension should be Net of Income Tax as Recommended by the V CPC:** Pensioners are entitled for the payment of DA/DR on their basic pension. To protect their income, which erode gradually on account of market inflation, deduction of Income Tax on the income eats away major part of already inadequate pension, thereby defeating the very purpose of payment of DA/DR to compensate the inflation.

With a view to enable pensioners, to live honourably at the fag-end of their life, they should be exempted from the payment of Income Tax, as already recommended by the V CPC vide para 167.11.

4. **Pension to disabled and sickly pensioners be disbursed at their residence as per RBI's guidelines:** It may be seen that a number of pensioners are not in a position to go to Pension Disbursing Agency because of their physical/mental disability or sickness. The RBI has, therefore, rightly provided for the payment of pension at the residence of such pensioners, but this practice is not in vogue.

It is, therefore, desired that the Banking Authorities should make arrangements for the disbursement of pension to the pensioners with physical/mental disability or sickness as already provided for by the RBI.