



# N F I R

## National Federation of Indian Railwaymen

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Affiliated to :

Indian National Trade Union Congress (INTUC)  
International Transport Workers' Federation (ITF)

No. IV/NFIR/7<sup>th</sup> CPC/CORRES (MoF)

Dated: 23/11/2015

Shri Arun Jaitley,  
Hon'ble Finance Minister,  
134/North Block,  
New Delhi

Respected Sir,

Sub: **Seventh Central Pay Commission's Report – serious resentment among employees against retrograde recommendations – reg.**

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There is widespread disappointment and resentment among all sections of Central Government employees against the retrograde recommendations of 7<sup>th</sup> Central Pay Commission.

In this connection, the National Federation of Indian Railwaymen (NFIR) places below core recommendations briefly which have generated unhappiness and anger among the employees in Railways as well as those in other departments of the Central Government:-

### I. Minimum salary:

The Pay Commission has illogically recommended the minimum salary Rs. 18,000/- p.m. We have explained our case through JCM Staff Side memorandum and also during the meetings with the Pay Commission that the minimum wage of the employees needs to be fixed at Rs. 26,000/- p.m. While the Pay Commission has briefly discussed our proposal in Chapter 4.2 of its report, 'Determination of Minimum Pay' in para 4.2.5 & 4.2.6 (at Page 61), it is sad to state that the 7<sup>th</sup> CPC has not only mutilated Dr. Aykroyd formula for determination of minimum wages but also changed Hon'ble Supreme Court's decision wherein 25% to be added to the salary computed towards meeting the expenses on marriage, recreation, festivals, health, education etc. The housing component has also been reduced to 3%, with the aim to peg the minimum salary at Rs. 18,000/- p.m.

### II Fitment formula:

- (a) The multiplying factor 2.57 recommended by the 7<sup>th</sup> Central Pay Commission, vide para 5.1.27 (Page 77) of the Report, is totally illogical. Kind attention is invited to the pay increase granted pursuant to implementation of 5<sup>th</sup> & 6<sup>th</sup> Central Pay Commissions in the years 1996 & 2006 as placed below:-

Vth CPC	40% hike with effect from 01/01/1996.
VIth CPC	over 32% hike (1.86 multiplying factor) w.e.f. 01/01/2006

- (b) The VIIth CPC has also admitted in its report vide Chapter 4.2, para 4.2.9 (Page 63) the percentage increase of pay in the past as below:-

VthCPC	31% w.e.f. 01/01/1996
VIth CPC	54% w.e.f. 01/01/2006
VIIth CPC	14.3% (since recommended)

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The above facts, reveal that the VIIth Pay Commission has given perverse recommendation on "minimum wage" and "fitment formula", which has led to all-round dissatisfaction among employees.

**III. Abolition of Allowances:**

The Pay Commission has recommended for abolition of various allowances without looking into the background and justification on which those allowances were granted initially.

**IV. House Rent Allowance:**

Reduction of House Rent Allowance from the present ceiling of 30, 20 & 10 to 24, 16 & 8 percent for Classes X, Y & Z cities is not proper. The house rents are very exorbitant in cities and small towns.

The Railway employees are extremely unhappy over non-grant of improved pay scales inspite of the fact that their duties are unique, complex and hazardous.

NFIR, therefore, requests the Government to take steps to modify the recommendations suitably for enhancing the minimum wage and fitment formula through discussions with Staff Side Federations and see that the atmosphere of confrontation is avoided. There are also many anomalies and aberrations in the report which are required to be dealt through discussions for rectification.

Yours sincerely,

**(Dr. M. Raghavaiah)**  
**General Secretary**

Copy to Shri Suresh Prabhu, Hon'ble Minister for Railways, Rail Mantralay, Rail Bhavan, New Delhi for information and necessary action please.

Copy to the General Secretaries of affiliated Unions of NFIR.  
Media Centre/NFIR.

Vth CPC 40% hike with effect from 01/01/1996  
VIth CPC over 32% hike (1.56 multiplying factor) w.e.f. 01/01/2006

(b) The VIIIth CPC has also admitted in its report vide Chapter 4.2, para 4.2.9 (Page 63) the percentage increase of pay in the past as below:-

Vth CPC 31% w.e.f. 01/01/1996  
VIth CPC 34% w.e.f. 01/01/2006  
VIIth CPC 14.3% (since recommended)