



NATIONAL CONFEDERATION OF OFFICERS' ASSOCIATIONS (NCOA)

(National forum of the executives of Central Public Sector Enterprises)

Registered under the Trade Union Act 1926 Reg.No.DNE 707

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K. Ashok Rao, Chief Patron. KSN. Raju and G.L.Jogi, Advisors

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1. Affordability: The revision of Basic Pay and Retirement benefits shall not be linked to affordability. The affordability clause for Pay revision shall be applicable for revision of Perks & Allowances and PRP only. Non implementation of Pay revision will result in exodus of employees & Enterprise will not be able to attract competent executives. This will result in making the Enterprise Sick.

2. Fitment Benefit: The 3rd PRC had recommended that the fitment benefit 15% on Basic pay plus DA after 10 year revision. This is based on the Pay revision implemented to Central Government employees.

It may please be noted that 30% fitment benefit on Pay plus DA was extended to Executive in CPSEs after 10 year revision in 2007.

NEC demands, 15% fitment benefit on Pay plus DA be extended for the notional Pay revision in Jan 2012 and further 15% fitment benefit on Pay plus DA be extended for the revision in Jan 2017.

3. Pay Scales: The Pay Scales recommended by the PRC are reasonable and satisfactory.

4. Bunching: In case of Bunching, the principle recommended by the PRC is rational. However, the difference between of Pre revised Basic Pay plus DA shall be added to the starting point of the revised scale and not Basic alone.

5. HRA: The rates of HRA as a % of Basic pay as existing shall be continued. By continuing the same % of basic pay as HRA, we are only indexing it. It may please be noted that the House rents have increased more than the All India Consumer Price Index for Industrial Workers and there is no rational in decreasing the %.

As and when the DA increase by 50%, the DA shall be merged with Basic Pay, and HRA shall be calculated on this.

6. Perks & Allowances: The PRC had recommended to reduce the Perks & Allowances to 35% of Basic Pay. They also recommended that cost incurred on infrastructure facilities is not to be charged within the recommended ceiling on Perks & Allowances. It had recommended 50% perks taxation for company owned accommodation shall be loaded within the prescribed ceiling. Expenses incurred towards usage of Telephone cab allowed to be compensated outside the ceiling. Non practicing Allowance (NPA) for Medical officers shall be reduced to 20% and NPA shall not be considered for HRA.

The Perks & Allowances Ceiling is 50% of Basic Pay for the last 20 years and the recommendation to bring it down to 35% is not reasonable. This Perks & Allowances are market driven and this % has gone up in private sector during the last 20 years. It may please be noted that this is a ceiling and Enterprises based on their affordability will fix the percentage. In view of this NEC demands the Ceiling shall be revised 40%.

Perks taxation for housing accommodation shall be borne fully by the Enterprise and shall not be loaded to the ceiling of Perks & Allowances.

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- 1. PRP:** The committee has only addressed the Performance Related Pay for Executives based on the Profitability. **We demand that the PRP shall also have an additional component based on the improvement on Productivity**

PRC Had recommended that CPSEs should ensure that the PRP / Incentive / Ex-gratia (in lieu of bonus) payment to unionized workmen should not exceed the PRP pay out to entry level of non-unionized supervisors / executives, as applicable in respective CPSEs.

NEC demands that in case the PRP / Incentive / Ex-gratia (in lieu of bonus) **payment to unionized workmen exceeded** PRP pay out of entry level of non-unionized supervisors / executives, **it should be considered as an anomaly and the difference amount shall be paid to the Executives / Supervisors as protection of PRP.**

- 2. Superannuation Benefits:** The contribution of 30% of Basic Pay plus DA for superannuation benefit is not sufficient as the Pension is becoming very marginal. The 3rd PRC recommendation of additional amount beyond Rs. 10 lakhs for gratuity shall be allowed outside the limit of 30% is not sufficient.

NEC demands, that the contribution for superannuation benefit shall be increased to 35% of Basic Pay plus DA.

For meeting the requirements of Medical benefits to retired employees, a corpus shall be created immediately with 3% of PBT as recommended by 3rd PRC.

3. General:

Government should realise that it is essential to revise the Pay of employees of loss making & Sick Enterprises in line with the market and keep the employees motivated, if they really wanted to revise the Enterprise. Only if the management wants to make an Enterprise Sick and liquidate it, the Pay is not revised & salaries are not paid, so that the employees leave on their own. Government as a Model Employer should not follow this unethical practice.

Ten percent of funds obtained through disinvestment in CPSEs shall be earmarked for payment of salaries to loss making and Sick Enterprises. 15% of funds obtained through disinvestment in CPSEs shall be earmarked for revival package of Sick and loss making CPSEs.

We would like to meet you personally and explain the ground realities. We request you Sir, to kindly give us a hearing sometime during next week at your convenience,

With Kind Regards,

Yours Sincerely,

(Baby Thomas, Secretary General)

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