Subject: Minimum benefit on promotion - Recommendations of the Vth Central Pay Commission - Regarding.

The Vth Central Pay Commission in para 22.43 of its Report has recommended that the rules governing fixation of pay on promotion may be amended to provide an addition of basic pay in the lower grade or one increment in the lower grade, whichever is higher, and then fixation at the next stage in the higher pay scale.

2. The Federations/Associations participating in the National Council (JCM) in their list of demands submitted to the Govt. on 2nd August, 1997 relating to various recommendations of the Pay Commission had, inter-alia, demanded that the minimum benefit on promotion should be 5% of the basic pay. These demands were discussed by a Group of Ministers with the Staff Side in a series of meetings and a negotiated settlement was reached. The agreed settlement provides that recommendation regarding minimum benefit on promotion is a new principle enunciated by the Vth Central Pay Commission and the same needs to be examined by the Govt. While considering this recommendation, the demand of the Staff Side for minimum benefit of 5% of basic pay in the lower post will be kept in view.

3. The matter has since been examined. A liberal package has already been extended to the employees on recommendations of the Vth Central Pay Commission as further improved upon in regard to pay scales/fitment formula, etc. Keeping this in view and considering the substantial financial implications involved in accepting the recommendation regarding minimum benefit on promotion, has been decided not to accept the recommendation of the Pay Commission in para 22.43 of its report as sought to be improved upon by the Staff Side.
4. As per the existing provisions of FR 22(I)(a)(1), on promotion to a post carrying duties and responsibilities of greater importance, the initial pay of a Govt. servant in the time scale of the higher post is fixed at the stage next above the notional pay arrived at by increasing his pay in the lower post held by him regularly by one increment at the stage on which such pay is accrued or Rs.25 only, whichever is more. Consequent upon revision of the pay scales of the Govt. servants on the recommendations of the Pay Commission, the quantum of Rs.25, referred to in FR 22(I)(a)(1) has been reviewed and it has been decided to raise this amount to Rs. 100/- so as to ensure that every employee is assured of a minimum raise in pay of Rs.100/- on promotion.

5. These orders take effect from the date of issue.

6. Formal amendment to FR22(I)(a)(1) is being carried out separately.

7. Insofar as persons serving in Indian Audit and Accounts Deptt. are concerned, these orders issue in consultation with Comptroller & Auditor General of India.

8. Hindi version is enclosed.

(Smt. Bhavani Thyagarajan)
Director(JCA)

To,

All Ministries & Departments of the Government of India.

No.1/6/97-Pay.I

Dated the 5 July, 1999

Copies also forwarded to:

1. The Comptroller & Auditor General of India and all States under his control. (With 400 spare copies).


3. Secretaries to Union Public Service Commission/ Lok Sabha Secretariat/Rajya Sabha Secretariat/Cabinet Secretariat/Central Vigilance Commission/President's Secretariat/Vice President's Secretariat/Prime Minister's Office/Planning Commission.

4. Registrar General, Supreme Court of India.
(1)(a)(1), on

Department of Personnel & Training (AIS
Division)/JCA/Admn. Section.

5. Additional Secretary(Union Territories), Ministry of
Home Affairs.

6. All State Governments and Union Territories.

7. Secretary, National Council(Staff Side), 13-C, Feroz
Shah Road, New Delhi.

8. All Members of the Staff Side of the National Council
of JCM/Departmental Council.

9. All Officers/Sections of the Department of Personnel &
Training/Department of Administrative Reforms & Public
Grievances/Department of Pension & Pensioners’
Welfare.

10. Ministry of Finance, Department of Expenditure.

11. 300 Spare sets.

(Smt. Bhavani Thyagarajan)
Director(JCA)