

RAILWAYS SENIOR CITIZENS WELFARE SOCIETY

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No. RSCWS/ CHD/ Memorandum / AIRF

Dated: 30-1-2011

Shri S. G. Mishra,
General Secretary, AIRF,
New Delhi (In camp at Chandigarh)

Dear Com. Mishra,

Subject: Problems of Pensioners - especially those residing in & around Chandigarh

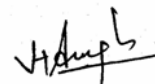
We welcome you at Chandigarh – in this Annual General Body Meeting of RSCWS. It is very nice of you to have spared time for us – in spite of your busy schedule. We offer our warm felicitations on your recent retirement from Railway service but we are confident and pray that you will continue to serve the cause of the Railway employees, Pensioners and the working class as a whole for long years to come.

We take this opportunity to place before you some of the Problems of Pensioners in general & especially those residing in and around Chandigarh:

1. Extension of Revised Entitlement of Passes to Retirees at par with post from which they retired
2. Early Setting up of Seventh Pay Commission
3. Pension should be net of income Tax as recommended by the Vth CPC (*vide Para 167.11*)
4. Merger of DR with pension when it goes above 50%
5. Pension to Disabled & sickly pensioners be disbursed at their residence as per RBI guidelines
6. Make RELHS an open-ended scheme – preferably without lock-in period
7. Inordinate delay in issue of Revised PPOs to Pre-2006 by the Divisions & Workshops
8. Repeated Reference should not be required by Railway Doctor in case of Chronic cases referred to Specialists in Government / Private Hospitals
9. Empanelment of Specialised Private Hospitals in & around Chandigarh
 - i) Automatic and timely extension of Empanelment of Hospitals already approved by Rly Board
 - ii) Benefit of empanelment for all Railway Beneficiaries instead of localized area.
 - iii) Empanelment of some Hospitals for left out Specialties
10. a) Delay in settlement of Reimbursement Bills for Medical Treatment
b) Lack of transparency in settlement of Reimbursement Bills for Medical Treatment
11. a) Delay in settlement of Reimbursement Bills for Medical Treatment:
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12. Reduction in charges for Rest Houses and Holiday Homes for Retired Railway Officials
13. Refund by IRWO of Excess payment received by it for Phase II Panchkula & settlement of account thereof.

With best wishes,

Yours fraternally,



Harchandan Singh
Secretary General, RSCWS

Copy for inf. & n/a to: Sh C. S. Bajwa, Divisional Secretary, NRMU, Ambala Division
Encl; BRIEF JUSTIFICATION FOR DEMANDS

BRIEF JUSTIFICATION FOR DEMANDS & PROBLEMS OF PENSIONERS

1. **Extension of Revised Entitlement of Passes to Retired Railway men at par with serving employees:** Orders on Revised pay limits for entitlement of Passes & PTOs on the Railways have been issued vide RBE 03-2011 Dated 6-1-2011. These orders are based fully on Revised Grade Pay of Sixth Pay Commission. Grade Pay 4200 & above will get 2 AC Privilege Pass, Grade Pay 2800 3AC Privilege Pass, Grade Pay 1800, 1900, 2000, 2400 one set out of three sets Privilege Passes will be 3AC, Grade Pay 1900, 2000 & 2400 will get 3 AC Duty Pass while traveling on duty. These orders should also be extended to the Retired Railway men – at par with the serving employees working on the post from which one retired. This will provide some relief to Retired Railway employees of Group C & D in their old age.

2. **Early Setting up of Seventh Pay Commission:** Government had already conceded to effect wage revision in PSUs after every 5 years. Same criteria should be applied in case of Central Government employees. Disparity with PSUs & Corporate Sector have increased further since Sixth CPC due to revision of wages in PSUs w.e.f. 2007 and it will substantially increase further w.e.f. 2012 when the next Pay Revision is affected in PSUs.

Government is not ready to remove the Anomalies caused after Sixth Pay Commission – as apparent from the deliberations in the JCM / NAC & DAC etc. D.A would exceed 50% w.e.f. January, 2011, but merger of DA is not proposed to be done due to retrograde recommendations of the Sixth Pay Commission to the contrary. Seventh Pay Commission should, therefore, be set up forthwith for revision of wages and Pensions from 1st January, 2011. *(A detailed note on the subject is attached herewith for consideration.)*

3. **Pension should be net of income Tax as was recommended by the Vth CPC vide their Para 167.11** Inflation erodes the real income or Pension and the DA / DR is paid to protect the real income. Income Tax erodes major part of already inadequate pension thus defeating the very purpose of the DA / DR. To enable pensioners in the fag end of their lives to live honorably, they should be spared from paying Income Tax – as recommended by Fifth Pay Commission (*vide Para 167.11*).

4. **Merger of DR with pension when it goes above 50%:** In case of the working personnel most of their allowances automatically go up by 25% whenever D.A. goes above 50%. As pensioners do not get any allowances (except DA), they will feel cheated if DA is not merged with Pension from 1-1-2011 - since DA will go above 50% from January 2011.

5. **Pension to Disabled & sickly pensioners be disbursed at their residence in as per RBI guidelines:** Quite a number of pensioners, due to physical/mental disability or due to sickness, are unable to go to Pension disbursing agency. Though in such cases RBI has provided for payment of pension at their residence, in actual practice Bank authorities avoid doing so.

6. **Make RELHS an open-ended scheme without lock-in period:** (like CGHS) which should be available without any hassle to all past pensioner/family pensioners including the secondary Family Pensioners who are given medical facilities at par with other pensioners, by CGHS & ECHS i.e. the Ministry of Health & Family Welfare & the Ministry of Defence.

7. **Inordinate delay in issue of Revised PPOs to Pre-2006 by the Divisions & Workshops:** Revised PPOs were to be issued suo-moto to all Pensioners / Family Pensioners (as was done after every Pay Commission in the past) (*in terms of Railway Board's Letters No. F(E)III/2008/PNI/12 dated 8-9-2008, 18-11-2008 & 2008/ACII/21/20 dated 19-8-2009 & 29-10-2009; and DOP&T (P&PPW) OM No. F.No. 38/37/08-P&PPW(A) dated 01-09-2008 (circulated vide RBE 105-2008).*

But it is regretted that over 2 years have passed since the issue of Railway Board's letters cited above and one year had passed since the expiry of the targeted date (of 30-9-2009) fixed by the Railway Board for issue of PPOs to Pensioners & Family Pensioners, the Revised PPOs have not been issued to a large majority of Pensioners & Family Pensioner by most Divisions and Workshops – causing needless hardship to the Pensioners & Family Pensioners as well as anxiety and

uncertainty especially about the “Additional Pension” after 80 years of age particularly in case of widows – as their age is not recorded in the old PPOs and it is very difficult to get the same admitted by the Banks – especially in the old age with frail health.

It is, therefore, requested that - all concerned - may please be advised to ensure issue of Revised PPOs to all Pre-2006 Pensioners & Family Pensioners suo-moto, at the earliest – (irrespective of the fact whether the Pensioners & Family Pensioners had applied for the same or not) as per Board’s orders cited above, in order to mitigate the present and future hardship of the Pensioners / Family Pensioners.

8. Repeated Reference should not be required by Railway Doctor in case of Chronic cases referred to Specialists in Government / Private Hospitals: It should not be required to get referred by the Railway Doctor in Chronic cases to Specialists in Government / Private Hospitals – every time a patient has to go to them for review or further treatment – as it causes much hardship & inconvenience to the patients – especially in old age. Railway Board should issue clear instructions in this regard.

9. Empanelment of Specialised Private Hospitals in & around Chandigarh

There are serious problems being continuously faced by nearly 4000 Railway beneficiaries (including serving employees, pensioners and their families) due to lack of Medical facilities for them in the tri-city of Chandigarh, Panchkula & Mohali and nearby townships of Kharar, Kurali, Ropar & Morinda as well as the Ambala Division in general.

These problems are more acute in case of Senior Citizens and their dependents due to restrictive movement on account old age & due to allied weaknesses, ailments and other problems. It is, therefore, very necessary to empanel some of the Specialised Private Hospitals for Railway Hospital.

i) Fortis Hospital, Mohali is only recognized for Cardiology & Cardiac Surgery. Its empanelment expired in September, 2010. But extension was approved in December, 2010 after much chasing by GS NRMU personally – even though Hospital applied for the extension in July 2010. This caused much hardship to the patients in the intervening period. System needs to be rationalized to avoid such gaps.

ii) IVY Hospital Mohali was empanelled for Cancer, Kidney, Obstetrics and Gynaecology. Its agreement is expiring in February, 2011. They have already applied for extension. Early decision thereon is requested.

iii) Empanelment of some Hospitals for left out Specialties: It is requested that Empanelment of some Hospitals in and around Chandigarh - for specialties other than those covered with Fortis and IVY Hospitals - may please be considered to avoid hardship to the Railway Beneficiaries requiring Medical treatment – especially in their old age.

a) IVY Hospital Mohali has also applied for other Specialties (besides the above mentioned four Specialties). Decision thereon is still awaited.

b) Alchemist Super-specialty Hospital, Sector 21, Panchkula has also applied for empanelment by Railways for all the major Specialties including Cardiology and Cardiac Surgery (Interventional and Non-Interventional procedures), Joint Replacement Surgery, Orthopedics, Neurosurgery and Neurology, Nephrology and Dialysis, Gastroenterology. Early decision thereon is requested.

c) Railway Board may please be urged to issue orders for the following to all concerned:

- i) Automatic and timely extension of Empanelment of Hospitals already approved by Railway Board.
- ii) Benefit of empanelment for all Railway Beneficiaries instead of localized area.
- iii) Empanelment of some Hospitals for left out Specialties

10. Upgrading of “Lock Up Dispensary” Chandigarh: The orders for upgrading of “Lock Up Dispensary” Chandigarh, are not being implemented – in spite of sanction for the same both by the Railway Board in this years Budget to the level of Semi-specialty Hospital and in spite of sanction of funds for up-grading it to Health Unit last year itself.

The work of Upgrading of “Lock Up Dispensary” Chandigarh may please be got expedited – including provision of requisite Infrastructure & Staff.

11. a) Delay in settlement of Reimbursement Bills for Medical Treatment: There is invariably a lot of delay at every level in settlement of Reimbursement of Bills for Medical Treatment of Railway Beneficiaries. Back references are made invariably at each level – and documents are asked for from the Claimants – even when these are already submitted with the Claim Form or are not enlisted in the official Guidelines attached with the Claim Form.

System needs to be streamlined – with definite Guidelines, Specified Time Schedule and fixing of responsibility for delays for settlement of Claims for Reimbursement at each level.

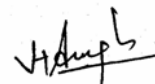
b) Lack of transparency in settlement of Reimbursement Bills for Medical Treatment: Substantial deductions are made from the Reimbursement of Bills for Medical Treatment – without assigning any reason. This tantamount to lack of transparency. It leads to uncalled for practices.

Claimants should invariably be advised the reasons for rejection of any part of the Medical Claim – indicating the Rules under which the Claim is rejected.

a. Reduction in charges for Rest Houses and Holiday Homes for Retired Railway men:

Retired Officials are charged at higher rates for stay in some of the Railway Rest Houses and Holiday Homes than the serving employees e.g. Rameshwaram etc. This is unjustified and this anomaly should be removed early and charges be adequately reduced for retire officials – preferably lower than the serving employees – due to reduced income and need for a greater leisure in old age.

b. Refund by IRWO of Excess payment received by it for Phase II Panchkula & settlement of account thereof: IRWO is not refunding large amounts of money charged in excess by it for Phase II Panchkula & not settling the account thereof – even more than six years after the completion thereof – only because some allottees have filed a court case on some issue – due to which all are suffering. At least those who are not involved in the court case(s), should be given the refund forthwith along with interest thereon and their account should be settled – at the most subject to the final decision of the said court case(s).



Harchandan Singh
Secretary General, RSCWS

Time to setup Seventh Pay Commission

There is a long pending demand for a wage revision every 5 years or rather a continuous process of wage revision through a Permanent Pay Body and the demand was rightly conceded by Fifth Pay Commission – though not accepted by the Government. Date of implementation of 6th CPC has completed 5 year on 1-1-2011. It is, as such; time to set up Seventh Pay Commission.

PARITY OF PERIODICITY FOR WAGE REVISION WITH PSUs

The Government has already conceded to effect wage revision in PSUs after every 5 years. The disparities with PSUs & Corporate Sector have increased further since Sixth Pay Commission submitted its Report as the PSUs got a big wage hike w.e.f. 2007 thus increasing the gap further with Central Government employees. The disparity will be further increased as the next wage review in PSUs is due in 2012 and the wage disparity can be just visualized especially due to fast improvement in economy & heavy inflation.

It is imperative that the same criteria for revision of wages every 5 years as adopted in PSUs, should be adopted for revision of wages and pension of Central Government Employees and Pensioners.

DA component in the wages would exceed 50% w.e.f. January, 2011. But merger of DA will not be done (as in the past) due to retrograde recommendations of the Sixth Pay Commission not to merge the DA on reaching 50% but to give only a nominal increase of 25% in some Allowances – other than DA & HRA.

Anomalies in Sixth CPC Report are not expected to be removed - except by a Pay Commission - since the Government is apparently not ready to agree on any of the major issues of concern.

The other view point on demand for Seventh CPC is that since decision on some of the issues arising after Sixth Pay Commission and its anomalies are pending for a final decision, as such it is not appropriate to demand Seventh Pay Commission at this stage. But the Government may take its own time in accepting the demand for Seventh Pay Commission. In the meanwhile the pending issues could be sorted out in the Anomalies Committees or other Forums (like JCM or DC). In any case, the outstanding issues can be referred to the next Pay Commission. As such, the demand for Seventh Pay Commission needs to be pursued effectively – especially keeping in view the heavy inflation and other aspects mentioned above.

Fourth CPC recommended a Permanent Machinery to undertake periodical review of the pay, allowances and conditions of service of Central Government employees.

VIEWS OF PREVIOUS PAY COMMISSIONS

Fifth CPC in Chapter 171 had recommended that the “Government may set up a Constitutional body, which should be responsible for maintaining and updating the basic data on pay and allowances of Government employees and to review the pay scales and rates of allowances and other related matters on a continuing basis.”

Fifth CPC further proposed that the mandate for such a Pay Body should be to suggest revision of pay scales every year by merger of dearness allowance or with reference to the cost of living index.

The only argument that Govt. can possibly have against the suggestion is that the Govt. will be required to spend more on pay and allowances than it does now, because of the lag between the need for pay revision and the actual revision itself. This is a false argument and fails to take into account the simmering discontent that such a palpably unjust mechanism engenders among its employees.

Fifth Pay Commission recommended that “It would be in the fitness of things if the Permanent Pay Body is given a constitutional status and authority, as is the case with the Finance Commission.” Fifth CPC also mentioned in Para 171.13 of its report that: “In the Chapter on Dearness Allowance we have suggested that each time the CPI increases by 50% over the basic index used by the last Pay Commission it should be converted into Dearness Pay. Such DP should be counted for all purposes, including retirement benefits.”

It is regrettable that the Sixth Pay Commission in Para 4.1.18 of its report, had recommended that the DA should not be merged on reaching 50% (and an increase of 25% in some Allowances be given – other than DA & HRA). The Merger of DA on crossing 50% was proposed to be discontinued on the ground that the Increments had been recommended to be on percentage basis (instead of fixed ones in each Scale earlier). It was further contended by the Sixth Pay Commission that the Base point for calculating the Consumer Price Index should also be raised if the DA was to be merged.

Both these contentions of Sixth Pay Commission were not only inconsistent with the recommendations of the previous Pay Commissions; these were also against the established laws of

economics on which the very concept of grant of DA and merger thereof after reaching a reasonable level were based – to avoid wage erosion and its distortion.

The demands for Merger of DA after reaching 25% and revision of DA after every 3 months instead of 6 months were also summarily rejected by the Sixth CPC. But the worst part of it was that while the Sixth Pay Commission found merit in the recommendations of the Fifth Pay Commission that the “DA should be paid net of Taxes”, Sixth CPC failed to make any further comment or recommendation thereon. As such the Government found it convenient to ignore it all together.

As mentioned earlier, there seems to be no possibility to get the anomalies of Sixth Pay Commission removed – keeping in view the response of the Government in various Forums – including JCM – National Council, National Anomalies Committee (NAC) & SCOVA etc.

Seventh Pay Commission should, therefore, be set up forthwith for revision of wages and Pensions from 1st January, 2011. There is strong justification for the same and we hope that this will soon find many Trade Unions to take up the issue in right earnest.

As it happens always - whenever a new idea is floated it takes time for the people to accept it. But the efforts must go on sincerely and earnestly. This is one such issue which needs to be pursued effectively to its logical conclusion at the earliest