

RAILWAYS SENIOR CITIZENS WELFARE SOCIETY

(Estd. 1991, Regd. No. 1881 – Under Registration of Societies Act), Website <http://rscws.com>

IDENTIFIED & RECOGNISED BY MINISTRY OF PENSION & PENSIONERS' WELFARE (DOP&PW)

N.P. Mohan, EX CE/WR
President, RSCWS
1023, Sector 15-B Chandigarh -160015
(Ph: 2772875, 9417870544)
Email: npmohan34@gmail.com



Harchandan Singh,
Secretary General, RSCWS
HQ: 32, Phase 6, Mohali-160055
(Ph. 0172 2228306, 09569631598)
Email : rscws1991@gmail.com
harchandan_chd32@yahoo.co.in

No. RSCWS/ HO / 7th CPC/ FMA/ 2016-19

Dated: 12-9-2016

1. Finance Secretary & Secretary (Expenditure), North Block, New Delhi-110001 Email: secy-exp@nic.in
2. Secretaries of Home Affairs, North Block, New Delhi – 110001 Email: hshso@nic.in
3. Secretary Defence, 101 South Block, New Delhi – 110001 Email: defsecy@nic.in
4. Secretary Post, Deptt. of Post, Sanchar Bhawan, Sansad Marg, New Delhi 110001 Email: secy-posts@nic.in
5. Secretary Health & Family Welfare, Nirman Bhawan, New Delhi -110001 Email: secyhfw@gmail.com
6. Secretary Personnel & Training, North Block, New Delhi – 110001 Email: secy_mop@nic.in
7. Chairman, Railway Board, Rail Bhawan, New Delhi - 110001. Email: crb@rb.rail.net.gov.in

For kind consideration of the Committee of Secretaries on Allowances

Dear Sir,

Subject: Dearness Allowance – Regarding - Carrying over of ignored fractions

Reference: Para 7 of Resolution of MOF GOI Notification No. 1-2/2016-IC Dated 25-7-2016

We have to submit as under for the kind consideration of the Committee of Secretaries on Allowances in respect of the recommendation of 7th CPC made vide Para 8.17.37 its Report about Dearness Allowance (DA):

1. The existing formula for DA is unjust and weighed heavily against the employees.
2. All India Consumer Price Index (Industrial Workers), considered for determination of DA, is defective in so far as the weightage given to various items is arbitrary and not based on present day requirements of the employees or Pensioners.
3. By changing the base year to 2016 whatever advantage that had emerge out of the 7th Pay Commission will be neutralized (for example the rise of DA as on 1-7-2016 worked out to be 7% on previous base year which would have come to Rs.490 on the old Minmum Basic Pay of Rs. 7000 but it would now be only Rs. 360 i.e. 2% of new minimum Basic Pay of Rs. 18000).
4. Most importantly, the fraction of %age rise is totally ignored while declaring the revised DA. This considerably erodes the real wage every time the DA is revised. (For example the %age rise of Price Index from 1-1-2016 works out to be 2.92 but the DA as per existing system would be only 2% thus resulting in 0.92% erosion of Pay & Pension in the very first year of 7th CPC)

This is against the Law of Averages which lays down the principle that for rounding off the fraction below half may be ignored and the fraction more than half should be rounded off to the next higher point.

In any case, the fraction ignored in previous half year should be added in the next half year (for example the Average Price Index was 125.83 at the end of December, 2016. But the fraction of 0.83 was ignored and Pay rise was given only on 125%. The balance of 0.83% should be added to 2.92 for calculation the DA from July, 2016 thus DA @ 3% instead of 2% fro 1-7-2016).

5. It is, therefore, requested as under:

- a) Weight-age given to various items in the All India Consumer Price Index, may please be modified as per present day requirements.
- b) Fraction which was/is ignored for the previous half yearly slab of DA (say in January, 2016) may please be added for calculating the next slab of DA (in July, 2016).

Thanking you in anticipation

Yours faithfully,

(Harchandan Singh
Secretary General, RSCWS)