

CHAPTER III

PAY DETERMINATION, FIXATION, PROMOTION AND CONNECTED MATTERS.

3.1 Whenever a Pay Revision Commission/Committee is set up, be it at the level of the State or Centre, the expectations of the employees, who are the ultimate beneficiaries of the Commissions' recommendations, are manifold. Invariably, such Commissions are appointed by the Government in power as a result of pressure from the employees who, represented by their Unions, periodically lay a claim for higher wages on the ground that inflation and the high cost of living warrant a change in the wage structure. Such demands are not confined to Governments alone. We find the same in Public Sector Undertakings, Banks, and Industrial Undertakings etc. Therefore, there is nothing new regarding the appointment of a Pay Commission to suggest to the Government what best can be done to improve the overall conditions of service.

3.2 Setting up of a Pay Revision Commission is however only a temporary solution and should not be considered as a panacea to the problem of real wages getting periodically eroded as a result of inflation in the economy. The Vth Central Pay Commission, which was the most recent of the Central Pay Commissions, observed in this context as follows:-

“Pay Commission is a peculiarly Indian institution today Historically, it is a successor to the Royal Commissions set up during the British period for various purposes, including for pay revision, like the Atchison Commission (1886 – 1887) and the Islington Commission (1912 – 1915). The practice of setting up of Commissions at intervals with the specific objective of revising pay and allowances of Government employees has been discontinued by most, if not all countries of the world including the United Kingdom. We have the unique distinction of having a cumbersome and centralized system of determination of basic pays that remain unchanged for more than a decade at a time reinforced by instalments of dearness allowance which are released every six months. Most countries have now switched over to negotiated pay settlements at the decentralized departmental level in which the salaries are revised every year after taking into account all factors, including the change in the cost of living index. We shall in a subsequent chapter deal with the question of what would be a better system of pay revision”.

The number of Pay Commissions set up in Kerala is far more numerous than in the Centre, so much so that pay revisions are anticipated every five years.

3.3 In view of the above observations of the Central Pay Commission it has become necessary to evolve an alternative method to deal with the difficulties of wages not keeping pace with increases in the cost of living. This aspect of finding an alternate method other than appointing a Pay

Commission is to be considered by the Central Government. One possible way out of this predicament is to evolve a formula of merging predetermined percentages of DA to the basic scale and reworking rates of increment in the scales of pay. In Kerala avoidance of constituting Pay Commissions at frequent intervals becomes imperative when one considers the inevitability of any Pay Commission ultimately ending up by recommending not only a general hike in salary but also an overall improvement in service conditions leading to higher allowances, improved rates of increments, more liberalized norms for ratio and grade promotion etc. all of which are contributory factors leading to a large outflow from the State exchequer only to meet establishment costs.

- 3.4** The latest figures for Kerala State indicate that at current levels of salary and pension, the quantum and percentage of such expenditure to the State's own revenue and total revenue receipts are:-

CONSOLIDATED STATEMENT ON RECEIPT AND EXPENDITURE

Sl. No	Receipts and Expenxiture	2004-05	2005-06	2005-06	2006-07
		Actual	Bud.Est	Rev.Est	Bud.Est
<i>Fiscal Indications</i>					
i)	Expenditure of Salaries	5345.58	6268.03	6350.02	7153.00
ii)	Expenditure of Pensions	2600.77	3209.35	3282.27	3781.83
iii)	Salaries & Pensions as % of SOR	81.23	79.31	86.43	90.84
iv)	Salaries & Pensions as % of TRR	58.86	57.01	58.04	59.74

- 3.5.** This would indicate that there is hardly any elbow room for Government to take up more innovative welfare schemes especially for those who are below the poverty line. Thus, even though the bureaucracy constitutes, to a large extent the backbone of society, and, the well being of the bureaucracy will have a multiple effect on the economy, it has to be borne in mind that even if it is presumed that out of each of the approximately 5 lakhs government employees there are four others who depend upon the government employee for maintaining a fair level of living, the total numbers in this sector will be only around 25 lakhs. If another 10 lakhs are added as pensioners, family pensioners and their dependents, the total in all would be around only 35 lakhs, which is just around 12% of the total population of the State. There would be a similar category working in Public Sector Undertakings, Universities, Banks, Co-operative institutions and in certain quasi Government institutions. Numbers of such people are not easily ascertainable. Nevertheless, it cannot be very different from the total number of government employees. The undeniable truth, which cannot be brushed under the carpet, is that while catering to this segment of the population, a large percentage of the population, which could be as high as 65 to 70 have to be taken care of by the State with a much smaller outlay, since the lion's share of the resources are preempted for salaries and pensions. Pay revision effected by the State is likely to be followed by

revisions in Public Sector Undertakings/Autonomous Bodies/Universities. In order to keep control over such increases the Commission suggest that prior Government approval should be made a necessary precondition before extending such increases to these undertakings/bodies.

- 3.6. The Pay Revision Commission has therefore to keep an eye on the resource position of the State before formulating its recommendations, because capacity of the State to ‘give’ is a condition precedent to any award. The Terms of Reference of the present Pay Commission have very appropriately touched upon this aspect and it would be worthwhile to repeat the last paragraph of GO Ms No. 115/2005/Fin dt. 14//3/2005 which reads as follows:

‘While formulating the recommendations, the Commission shall consider the financial capacity of the State Government and the observations and recommendations of the 12th Finance Commission as well as the State Finance Commission’

- 3.7 Of particular importance, is the reference made to the 12th Finance Commission since the committed expenditure especially that of salaries, pensions etc. of the State, including revision, are expected to be taken care of by a rational allocation of revenues from the Centre both by the devolution formula and by ear-marking specific amounts under article 275 of the constitution so that the revenue gaps in the State could be covered. Since however, the 12th Finance Commission has already given its recommendation and the total revenue receipts of the State have been calculated on the basis of the forecast made on the recommendations of the Finance Commission, whatever additional out flow results in consequence of the current Pay Commission’s recommendations, will have to be taken care of only by a future Finance Commission. Since that is some time away the present Pay Revision Commission has therefore to handle the some what unenviable task of balancing on the one hand legitimate aspirations of the employees and the paying capacity of the State on the other, before it evolves a pay structure that does justice to both.

- 3.8 The Terms of Reference of the present Commission also require the Commission to consider the civil service in its entirety and to offer specific suggestions on how it could be made more efficient and socially accountable. This clause of the Terms of Reference is indicative of the fact that the task of the Commission cannot be confined merely to suggest revision in pay but also to consider specific areas where reforms are needed for overall improvement of the civil services. It is axiomatic that only a well-paid government servant will be happy and contented and be capable of delivering satisfactory services to the best expectations of the public. In fact a public servant should be assured of a reasonably good salary, fair working conditions, adequate promotion opportunities followed by wholesome retirement benefits. All these ingredients should be taken as a single package by the Commission before embarking upon a formula for evolution of a pay structure, including allowances, fixation benefits etc.

PAY STRUCTURE

3.9 Evolution of a reasonably good salary structure is perhaps the single most crucial task of the Pay Revision Commission. Several well-established factors come into play for determining the minimum starting salary. The previous Pay Revision Commission conducted a detailed analysis on the various parameters involved in the determination of the pay structure. These points are relevant for the present Commission also. To recapitulate, the issues considered by the previous Pay Revision Commission are as follows:-

Factors Governing Fixation of Minimum salary.

The following factors seem to be relevant in fixing minimum salary.

- i. Age of Entry. Average age.*
- ii. Marital Status. Proportion of employees who are married.*
- iii Family size. 3, 3.5 or 4 adult consumption units.*
- iv. Educational qualification, skill level, training taken*
- v. Nature of duties and responsibilities – job content and value.*
- vi. Minimum needs of consumption consisting of a diet that ensures a certain amount of calories which is considered adequate and other needs of clothing, shelter, transportation, entertainment etc. which are also considered essential for reasonably decent living.*
- vii . Expectations of employees regarding the minimum level of living.*
- viii. Per capita Income as well as percapita disposable income both in money terms as well as in real terms, and,*
- ix. Comparable wages based upon the concept of fair comparison.*

3.10. Almost all the employee Associations who appeared before the Commission raised the point regarding the progressive increase in the age of entry into Government service. This has resulted in demands for a fairly reasonable starting salary and a more liberal formula for calculating the terminal benefits. The Commission examined this aspect carefully and although late entry into civil service is not in the interest of an efficient civil service, the upward movement of the average age of entry is a factor, which has necessarily to be kept in mind while ultimately determining the pay structure as well as factors relating to pension.

3.11. Educational qualification is in today's context an important criterion for determining the salary level. It was a revelation, that came to light while holding discussions with the government employees, that personnel with qualifications, much higher than those prescribed for the entry level, are invariably found in most departments. This is partially on account of the fact that a career in Government service, as a means of livelihood, is still an attractive proposition to the ordinary person and so irrespective of job opportunities elsewhere in the private sector, persons with higher qualifications apply for government jobs where the qualification needed is much lower. There is also a tendency for special rules in many departments being amended to the extent of upgrading the qualification level at the entry point. Higher qualifications will undoubtedly improve the overall quality of civil service but at the same time over qualified

people occupying posts at low levels of the salary structure will cause a certain amount of frustration in a rank conscious, status oriented bureaucracy which can adversely affect the efficiency of the civil service. The Commission considered this issue in some detail and is of the view that over qualified people could be considered for higher responsibilities selectively assigning promotion quotas to those with higher qualifications. In other words, if there is a promotion post for which a higher qualification than the lower post is required, and if the percentage reserved for promotion is inadequate such percentage can be enhanced so that promotion opportunities could be availed of by those who are more qualified than what is required to man the lower post. This will have to be considered department-wise and all that the Commission can do is to make a general recommendation in this matter.

3.12 The minimum salary will have to bear a functional relationship with the wage structure in the economy as a whole and will therefore be dependant on the wage levels in the economy. The unskilled worker draws a minimum wage according to the minimum wage notification. Taking an average of 25 to 28 days work in a month the amount of wages such a worker earns could be an index to determine the minimum that a last grade employee draws while entering government service. The last grade employee does not require skill or qualifications, which are normally associated for jobs at higher levels. The total emoluments, including DA, HRA CCA and other allowances that the last grade employee can draw is a comparable figure for the wages earned by an unskilled worker. This figure can help in arriving at the minimum salary. As one advances upwards in the hierarchical set up, it is only natural that expectations also soar high for improvement in monetary benefit. It is necessary to ensure that there are tangible improvements in emoluments and conditions of service as one moves up the ladder. There are certain posts in Government where higher qualification like post-graduation, would qualitatively improve the service. This is true of mainly technical and scientific departments. . The Commission is therefore of the view that, on a selective basis, persons with Postgraduate degree either before entering service or during service should be rewarded with some monetary benefit which could be in the form of a higher starting level or grant of advance increments. The details of these recommendations are contained in the concerned Chapters dealing with specific departments.

3.13. Certain jobs in Government require special skills which are acquired either before entry into Government service or by way of training within the department, prior to the first posting. The possession of such skills should be deemed to be an asset since the need for such a skill has a close relationship with the duties expected to be discharged by the government employee. The starting scales of posts requiring special skills have therefore been correspondingly adjusted upwards. As far as post entry training is concerned most of the representatives of Unions desired that such periods should be counted for all service benefits like time bound higher grade, pension etc. Such a demand is not unfair and the

Commission recommend that this may be considered favourably by the Government, if necessary by amending the special rules.

- 3.14.** The nature of duties and responsibilities to be shouldered is also an important criterion to determine the salaries of the various posts in Government departments. During the inter action that the Commission had with employee representatives there were persistent demands that taking note of equal qualification, the scales of pay should be equated irrespective of the duties and responsibilities. The Commission is of the view that this demand is not quite in order since mere possession of academic or other qualifications should not entitle a person to a salary level of another in which the job responsibility is much more. This aspect has been examined in some detail by the IVth Pay Commission of West Bengal in which Shri. S.C. Chanda, Member has given a general note based on the guidelines issued by the Supreme Court which is reproduced. He has stated as follows: -

“In the Civil Appeal Nos. 2023, 2024 and 2025 of 1990 with I.A. Nos. 7 – 9 of 1991 (Govt. of W.B. vs. The W.B. Registration Service Association the Apex Court of India observed,.....”.One of the basic principles for pay fixation is that salary must reflect the nature of duties & responsibilities attached to the post”. The Hon’ble Court further observed “.... But educational qualification is only one of the many factors which has relevance to pay fixation. The complexity of the job to be performed and the responsibilities attached thereto entitles to great weight in determining the appropriate pay scale for the job”. The Hon’ble Court also considered the factors which may have to be kept in view for proper job evaluation viz (i) the work programme of his department (ii) the nature of contribution expected of him (iii) the extent of his responsibility and accountability in the discharge of his diverse duties and function (iv) the extent and nature of freedoms/limitations available or imposed on him (v) the extent of his dependence on Superiors for the exercise of his powers (vi) the need to co-ordinate with other departments etc.

Following the principles as laid down by the Supreme Court as above, and the principles of pay determination as reflected in Part I of Volume I of our Report, I have, for some posts, allocated different scale of pay with proper analyses, which may be found in the appropriate places in this part of the Report.”

The above principle, according to the Commission, is appropriate in the Kerala context also and accordingly while making recommendations on the pay scales, overall responsibilities and duties have been kept in mind.

- 3.15** All previous Pay Commissions have customarily referred to the 15th Industrial Labour Conference (ILC) held in 1957 regarding the need to take into account the minimum needs of an ordinary worker/employee for fixing wages/ emoluments. Despite the passage of time the crux of the recommendations, which fixed the minimum calorific requirements of

2700 for a family of four consisting of two adults and two children, 72 yards of clothing and other inevitable requirements like rent, fuel, electricity etc., still holds good. Accordingly, most of the Unions who gave memoranda to the Commission tended to highlight this aspect and have estimated the minimum emolument level varying from Rs 5430 per month to Rs 5760/- per month. These estimates include expenses for education of children and other miscellaneous items of expenditure needed to generally improve the quality of life. They also include the expenditure for house rent. The basic salary plus DA plus HRA at the entry level for the last grade employees should according to their estimate be around Rs 5500/- per month.

- 3.16.** This figure is corroborated through the statistics available for calculating the monthly earnings of workers in the field of construction/agriculture/loading and unloading/mining taking estimates of 23, 24, 26 and 28 working days per month. The Directorate of Economics and Statistics regularly publishes such data in accordance with the principles of minimum wages in the concerned sectors. The latest figures from the Directorate for skilled and un-skilled workers in the organized sectors are as follows:-

<i>Average monthly salary for</i>	23 days.	24 days.	26 days	28 days.
Agriculture.	3132	3268	3540	3813
Construction.	3300	3444	3731	4018
Loading/Unloading.	3377	3524	3818	4112 (*)

(*) Workers are also eligible for DA based on Central index

- 3.17.** The other relevant statistical input for determining the minimum salary is regarding the per capita income of the State both in real terms and at current prices. These details have already been given by the Commission in its interim report, which is at Annexure I. The upto date figures do not make much difference and it could be established that on an average, emoluments earned by a government employee, are better than that of an ordinary citizen.

- 3.18.** These statistical indicators no doubt contribute valuable data to calculate, on a rational basis, what should be the minimum salary. However, there has to be some equation on a comparative basis between the first salary scale of the Centre and the State. From 1992, the accent of the Pay Equalisation Committee and the previous Pay Revision Committee 1997 has been to try and equate the States' scales with that of the Centre. It is now well established that a one to one equivalence cannot be established between the State and the Centre even if the posts are carrying the same designation. This is because, the mode of recruitment, qualification, job responsibilities, financial jurisdictions etc. are different. Wherever there are comparable posts an equalization of the scale is possible. Where no such equalization is possible the nearest equivalent of Central scale, which could either be lower or higher than the States' scale, at least at the starting level can be taken as the corresponding scales. If such equivalence is established, the present level of emoluments, excluding HRA and CCA, drawn by the Central Government employee can be a reasonable yardstick

to determine the scale of pay at the State level. The lowest scale of pay at the Centre is 2550-3200 and the next scale 2610-3540. Lowest scale in the State is 2610-3540. The Central scale of 2610-3540 can be notionally fixed as 3915-5310 by merging 50% of DA. This notional figure at the lowest level provides another index to determine the minimum of the State scale.

3.19 Minimum pay scales in Kerala from 1966 onwards have been the following:-

**1966 - 60-80, 1968 -75-130, 1973 -200-285, 1978 - 280-400,
1983 - 550-800, 1988 -750-1025, 1992 -775-1065, 1999- 2610-3680**

No co-relationship can really be established from these figures. However, all previous Commissions took into account issues like basic minimum requirements for an average family, cost of living etc.

3.20 The Commission, considered all these parameters including the quantum of interim relief sanctioned and decided that the minimum starting salary should be Rs 4300/-. As far as the maximum is concerned, it was felt that the existing ratios, that is, the disparity ratios may be retained. The previous Pay Revision Commission has discussed in elaborate detail on the factors, which ought to be considered while fixing the maximum of the pay scales. The conclusion of a study conducted by the I.I.P.A. were not accepted by the Commission on the ground that in a progressive and socialist oriented society, as is prevalent in Kerala, consumption levels cannot be markedly different for various segments of the population. The Commission ultimately accepted the existing disparity ratios, ie. ratio of minimum in lowest scale to minimum of highest scale, maximum of lowest scale to maximum of highest scale, minimum of lowest scale with maximum of highest scale and maximum of lowest scale with minimum of the highest scale. These ratios, as they exist are, 1:7.61, 1:6.29, 1:8.65 and 1:5.54. It is observed that in Government of India these ratios are wider making the gap between the lowest scale and the maximum much more pronounced. The present Commission felt that by and large the existing ratios need not be altered. However for sake of convenience, the ratio between the maximum in the lowest scale to the maximum of the highest scale is proposed to be reduced from 1:8.65 to 1:7.85. Thus, the maximum would be Rs. 33,750/- pm. At present there are 27 pay scales in this State. On examining these scales, the Commission felt that some of the scales are close to each other and this result in dissatisfaction particularly when an incumbent is eligible for time bound higher grade. The additional amount drawn as a result of grade promotion becomes negligible. Further, at times, the promotion posts, carrying higher duties and responsibilities are only marginally above the lower time scale. The previous Pay Commission examined the question of merging a few scales but gave up the idea fearing that it might upset exiting ratios and grade promotions. However, it was felt that by and large a rational approach towards merger can obviate these problems. Accordingly, the Commission, decided to reduce the number of existing pay scales from 27 to 24, the details of which are as follows:-.

3.21 The present 27 pay scales are as follows:-

Sl. No.	Scales of pay (1997)
1	2610-60-3150-65-3540-70-3680
2	2650-65-3300-70-4000-75-4150
3	2750-70-3800-75-4625
4	3050-75-3950-80-5230
5	3350-80-3830-85-5275
6	3590-85-4100-100-5400
7	4000-90-4090-100-6090
8	4500-100-5000-125-7000
9	4600-100-5000-125-7125
10	4600-100-5000-125-5750-150-8000
11	5000-125-5750-150-8150
12	5250-125-5750-150-8150
13	5500-150-6100-175-9075
14	5800-150-6100-175-9425
15	6500-175-7550-200-10550
16	6675-175-7550-200-10550
17	7200-200-7800-225-11400
18	7450-200-7650-225-11475
19	7800-225-8475-250-12975
20	8250-250-9250-275-13650
21	10000-300-10600-325-15150
22	12000-350-12700-375-15325
23	12600-375-15600
24	14000-400-18000
25	14300-400-18300
26	16300-400-18300
27	16300-450-19900

3.22. Out of these scales upto S-14 relate to non-gazetted employees. It was felt by the Commission that where the difference between the scales is very narrow they could be clubbed. However, it was not possible to do so in all cases because the types of employees drawing certain scales had to be kept in distinct scales taking into account their functional responsibilities. As an example, the first three scales ie. S1 to S3, though close to each other, relate to Class IV employees Grade II and I and a few class III employees and the S3 scale relates to certain skilled categories in class III. The difference between the scales of pay S-9 and S-10 ie. Rs 4600-7125 and Rs.4600-8000, is only in the maximum of the scales. It was felt that if these two scales are clubbed it will not cause much repercussions although the incumbents in the lower scale will stand to benefit. It was therefore decided to have a single scale of Rs 4600-8000 instead of the current two scales.

3.23. The two other scales not having much difference are S15 at 6500-10550 and S16 at 6675-10550. In particular, the maximum of both these scales is the same. However, it was noticed that the latter scale is meant for professional categories at the entry level making it distinct from the first level gazetted post. It was therefore decided to retain these two scales.

- 3.24.** The two other scales not having much difference are S22 and S23. Of this, S22 carrying the pay scale of Rs. 2000-15325 is seen to be granted for a handful of officers. There is little meaning in maintaining a scale just for a few numbers and hence they may be allowed the higher scale of S23 ie. Rs.12600-15600.
- 3.25** The scales of pay namely S26 at 16300-18300 and S27 at 16300-19900 do not have much difference. The former is meant for certain major heads of departments like the Director of Health Services, Special Secretary in the Law and Legislature Secretariat, Chief Engineer in Public Works Department etc. S27 is meant only for the Chief Engineer of PWD who is the senior-most Engineer holding the charge of administration. The Commission is therefore of the view that there is no need to maintain the scale of pay for a single officer on a conditional basis. There is every reason to merge these two scales also. Accordingly the pre revised scales would be reduced to 24 in numbers for the purpose of evolving revised scales.
- 3.26.** Having fixed the minimum starting salary and the maximum the next important issue is in relation to the rates of increment and the span of each scale. The increment rate is a crucial determinant in any pay scale and if it is a reasonable amount it can serve the purpose of at least partially alleviating the hardships that the employees face in the context of increasing prices. Thus, the regular grants of dearness allowance instalments and the salary increment rate should suffice to keep pace with the cost of living. The rate of increment should however be evolved on a rational basis. The Commission took into account the current rate prevailing in the Central scales of pay. It was noted that even after 50% of the dearness allowance was merged with basic pay as dearness pay, the rate of increment has not changed. It is likely that the rates of increment would be changed only when there is a new pay structure, possibly after the next Central Pay Commission. At present the rates of increments both in the Centre and in the State are more or less evenly matched for eg, the rate of increment to begin with in the lowest scale of the State is Rs.60/-. Although for the lowest post in the Centre the rate of increment is Rs.55/-, the rate of increment is Rs.60/- for the equivalent scale of Rs 2610 – 3540 in the Centre. At the highest level while the rate of increment in the State is Rs. 450/-, it is Rs.650/- in the Centre. However, this is applicable to the scale of Rs.24500-26000, which is a scale far above the maximum in the State. The corresponding central scale to the maximum of States' scale can be taken as Rs. 16400-20900 wherein also the rate of increment is only Rs 450/-.
- 3.27.** Now that the States' scales are proposed to be revised the rate of increment can be matched only with a notional central scale because as mentioned earlier the rate of increments have not been changed in the Centre
- 3.28** The Commission conducted a few exercises to determine an appropriate rate of increment in a new pay structure. The rates of increments vary from Rs 60–65 in the lowest two scales and increases to Rs 400 and 450 in

the higher scales. Percentage-wise this works out to 2.3% of basic pay at the lowest level and upto 1.90 percentage at the maximum of the lowest scale where the rate of increment is 70 rupees. The corresponding percentages are 11.08 and 9.82 at the highest two pay scales. Percentage variation is one of the parameters, which could determine the increment rate. However, it was found that the percentages are not uniform in the various pay scales and that adopting percentages may not reflect the real intent in the matter.

3.29 The other parameter that could be considered is what can be considered as the rate of acceleration over the span of the scale. The rate of acceleration varies from scale to scale and it is observed that there is no correlation in the rates with the scale-to-scale increase. The rates of acceleration of the existing pay scales is given in the Table below:-

<i>Sl. No.</i>	<i>Scales</i>	<i>Span</i>	<i>Minimum Increment Rs</i>	<i>Maximum Increment. Rs</i>	<i>% of increase from minimum to maximum.%</i>
1	2610-3680	17	60	70	16.67
2	2650-4150	22	65	75	15.38
3	2750-4625	26	70	75	7.14
4	3050-5230	28	75	80	6.67
5	3350-5275	23	80	85	6.25
6	3590-5400	19	85	100	17.65
7	4000-6090	21	90	100	11.11
8	4500-7000	21	100	125	25
9	4600-7125	21	100	125	25
10	4600-8000	25	100	150	50
11	5000-8150	22	125	150	20
12	5250-8150	20	125	150	20
13	5500-9075	21	150	175	16.67
14	5800-9425	21	150	175	16.67
15	6500-10550	21	175	200	14.29
16	6675-10550	20	175	200	14.29
17	7200-11400	19	200	225	12.5
18	7450-11475	18	200	225	12.5
19	7800-12975	21	225	250	11.11
20	8250-13650	20	250	275	10
21	10000-15150	16	300	325	8.33
22	12000-15325	9	350	375	7.14
23	12600-15325	8	375	375	0
24	14000-18000	10	400	400	0
25	14300-18300	10	400	400	0
26	16300-18300	5	400	400	0
27	16300-19900	8	450	450	0

It can be seen that while the minimum rate of acceleration is 6.25, the maximum is as high as 50, while in the highest five pay scales it is nil since there is no difference in the rates of increments within the span. No uniform percentage can be adopted to evolve a suitable increment rate from this parameter.

3.30 The Commission therefore decided that the rate of annual increment can be derived from the existing rates by adopting a formula which bears resemblance to the traditionally adopted method of evolving a pay scale which is by merging a portion of the DA. The percentage of DA taken for merger, as is mentioned elsewhere in the report is 59. Analogous to the merger of DA at 59% an exercise was done to take the existing lowest rate of increment which is Rs.60/- and add 59% of this figure to the existing rate which works out to Rs.95/-, rounded off to Rs.100/- as the minimum rate of increment. Applying the same formula throughout would again cause distortions and would result in rates of increments being disproportionately high for higher scales. Therefore, keeping in mind the basic formula, rates of increment were progressively stepped up as multiples of ten, which not only makes calculation simpler but also helped in the formulation of a master scale, which is:-

4300-100-4400-110-4510-120-4990-130-5510-140-5930-150-6680-160-7480-170-7990-200-9590-240-10790-
 (1) (4) (4) (3) (5) (5) (4) (8) (5) (4)
 280-11910-340-13610-380-16650-450-20700-500-23200-550-25400-600-26600-650-33750
 (5) (8) (9) (5) (4) (2) (11)

3.31 Accordingly the corresponding new pay scales which would be 24 in number would be sub scales of this master scale and would be the following:-

Sl.No.	2005 proposed	Span
1	4300-100-4400-110-4510-120-4990-130-5510-140-5930	13
2	4400-110-4510-120-4990-130-5510-140-5930-150-6680	17
3	4510-120-4990-130-5510-140-5930-150-6680-160-7480	16
4	4990-130-5510-140-5930-150-6680-160-7480-170-7990	21
5	5510-140-5930-150-6680-160-7480-170-7990-200-8590	20
6	5930-150-6680-160-7480-170-7990-200-9590	22
7	6680-160-7480-170-7990-200-9590-240-10790	22
8	7480-170-7990-200-9590-240-10790-280-11910	21
9	9 and 10	--
10	7990-200-9590-240-10790-280-11910-340-12930	20
11	8390-200-9590-240-10790-280-11910-340-13270	19
12	8790-200-9590-240-10790-280-11910-340-13610	18
13	9190-200-9590-240-10790-280-11910-340-13610-380-15510	21
14	9590-240-10790-280-11910-340-13610-380-16650	22
15	10790-280-11910-340-13610-380-16650-450-18000	20
16	11070-280-11910-340-13610-380-16650-450-18450	20
17	11910-340-13610-380-16650-450-19350	10
18	12250-340-13610-380-16650-450-19800	19
19	12930-340-13610-380-16650-450-20250	18
20	13610-380-16650-450-20700	17
21	16650-450-20700-500-23200	14
22	22 and 23	--
23	20700-500-23200-550-25400-600-26600	11
24	23200-550-25400-600-26600-650-31150	13
25	25400-600-26600-650-33100	12
26	26 and 27	--
27	26600-650-33750	11

The existing and its corresponding revised scales are shown at the end of this chapter (P.114)

3.32 The Commission, while reintroducing the master scale, took into account the fact that very recently the Andhra Pradesh Pay Commission had also formulated a master scale which was accepted by that Government. The master scale of Andhra Pradesh is as follows:-

3850-100-4150-110-4480-115-4825-125-5200-135-5605-145-6040-155-6505-170-7015-185-7570-200-8170-215-8815-235-9520-255-10285-280-11125-295-12010-315-12955-330-13945-360-15025-390-16195-420-17455-450-18805-485-20260-525-21835-560-23515-600-25315-650-27265-700-30765.

3.33 It can be seen that the master scale we have evolved is more attractive than the one given to the employees of Andhra Pradesh. While reintroducing a master scale the Commission took note of the observation of the Vth Kerala Pay Commission, which conceded the demand that “all persons drawing the same pay, on whichever scale, should draw the same increment”. The Commission also felt that the adoption of a master scale would help to do away with many an anomaly in pay fixation. It would also ensure that all employees receive two increments uniformly on promotion from one scale to another. It is understood that apart from Andhra Pradesh the system is in vogue in Karnataka also. The previous Pay Revision Commission was not in favour of introducing a master scale and one of the main reasons mentioned was because of the fixation and refixation benefits availed of by employees when they get promoted under rule 28-A KSR Part I. We are, however, advocating a change in method for applying rule 28-A KSR, which if followed, would prevent unintended financial gain to employees. The master scale evolved will, hopefully, satisfy the aspirations of employees who have been clamouring for its reintroduction.

3.34 .The span of the scales has been worked out to fit into the master scale and oscillates between a maximum of 22 to a minimum of 11. The schedule of pay scales from class IV to class I is recommended to be as in the following table.

<i>Sl.No.</i>	<i>Schedule of pay scales.</i>
	Class IV
1	4300-5930
	Class III.
2	4400-6680
3	4510-7480
4	4990-7990
5	5510-8590
6	5930-9590
7	6680-10790
8	7480-11910
9	7990-12930
10	8390-13270
11	8790-13610
12	9190-15510
13	9590-16650

	Class II
14	10790-18000
15	11070-18450
16	11910-19350
17	12250-19800
18	12930-20250
19	13610-20700
	Class I.
20	16650-23200
21	20700-26600
22	23200-31150
23	25400-33100
24	26600-33750

PRINCIPLES FOR OPTION.

- 3.35** It is usual that a pay revision, with new scales of pay, takes effect from a date as notified by the Government. All subsequent appointments or promotions should consequently be deemed to have been made only against the revised scale of pay. It is seen that in all earlier pay revisions, the employees had facilities to exercise option to elect to come over to the revised scales with effect from any date convenient and beneficial to them. Till that date they could retain the pre revised scale. Further, in all the earlier pay revisions, except the revision of 1992, the employees had opportunities to exercise option to the scales of pay in respect of the lower post and higher post simultaneously, (ie. with effect from the same date) enabling them to enjoy the benefit of pay revision in the lower post and consequent fixation of pay, under the rules in KSR, in the higher post.
- 3.36** In the case of the last Central pay revision, the facilities for option were allowed only in respect of one existing scale. Option was not allowed to persons who were appointed, or promoted to higher posts, on or after the date of effect of the pay revision. The central rules also stipulate that option once exercised shall be final. Re-option is allowed only if there is any new event causing revision of existing scale, such as change of pre revision scale held by the incumbent. In no case re-option is allowed after a subsequent pay revision takes effect. In Kerala State however, owing to various demands by the employees, Government have allowed employees to exercise option in respect of more than one scale of pay and to exercise revised option for previous pay revisions even after a subsequent pay revision has taken effect. This liberal approach has been extended in the matter of exercising revised option even for grade promotions ordered prior to the pay revision.
- 3.37** Permission for option and re-option is given essentially because such exercise of option brings in extra monetary benefit to the employee, which may not be discernible at first sight. However, the monetary benefits after re-option can become quite appreciable in the long run, even if it might require refunding some amounts drawn on account of the benefit of pay revision or grade promotion. An illustration of such a benefit can be seen in the accompanying examples:-

EXAMPLES SHOWING THE EFFECT OF RE-OPTION

Eg.A.

Pay as per original option.			Pay as per Re-option.		
<i>Date.</i>	<i>Pay.</i>	<i>Pay scale.</i>	<i>Date.</i>	<i>Pay.</i>	<i>Pay scale.</i>
13.3.92.	1650	1230-2150	1.3.92	1650	1230-2150
13.3.92 (92 PRO)	1800	1520-2660	1.3.93	1710	do.
			1.3.94	1770	do.
			1.3.95	1830	do
			1.3.96	1910	do
			1.3.97	1990	do
1.3.97 (97 PRO)	6200	5000-8150			
13.3.97 (25 Yr.Gr) (Opted II promotion)	6500	5250-8150	13.3.97	2150	1250-2230
			25 Yr.Gr,		
			13.3.97	2360	1600-2660
			'92 PRO		25 Yr. Gr.
			13.3.97	6950	Scale of 92
			97 PRO		PRO 5250-8150. (25 Yr. Gr. of '97 PRO

EXCESS PAY DUE TO RE-OPTION. (Exercised in 1997)

<i>Date.</i>	<i>Pay as per original option.</i>	<i>Pay as per re-option.</i>	<i>Excess pay.</i>
13.3.97	6500	6950	450
01.3.98	6650	7100	450
01.3.99	6800	7250	450
01.3.00	6950	7400	450
01.3.01	7100	7550	450

Eg.B.

27/3/1992 (20 Yr.Grade)	1650	1220-2150	27.3.92	1650	1220-2150
27/3/1992 (92 PR)	1800	1520-2660	01.3.93	1710	
				1770	
				1830	
				1910	
01/3/1997 (97 PR)	6200	5000-8150	01.3.97	1990	
			25 Yr.Gr.		
27/3/1997 25 Yr. Grade.	6500	5250-8150	27.3.97	2150	1250-2230
			(92 PR)	2360	1600-2660
			(97 PR)	6950	5250-8150

EXCESS PAY DUE TO RE-OPTION (Exercised in 1997)

<i>Date.</i>	<i>Pay as per Original option.</i>	<i>Pay as per Re-option.</i>	<i>Excess Pay.</i>
27/3/1997	6500	6960	450
01/3/1998	6650	7100	450
01/3/1999	6800	7250	450
01/3/2000	6950	7400	450

Eg. C

Pay as per original option.			Pay as per Re-option.		
Date.	Pay.	Pay scale.	Date.	Pay.	Pay scale.
1-3-92	1750	1520-2660	1-3-92	1590	1220-2230
1-3-93	1800		1-7-92	1650	
1-3-94	1850		1-7-93	1710	
1-3-95	1900		1-7-94	1770	
1-3-96	1950		1-7-95	1830	
1-3-97	2000		1-7-96	1910	
1-3-98	2050		1-7-97	1990	
1-7-98(97 PRO)	6500	5000-8150	1-7-98	2070	
1-7-98(20 Yr Gr)	6800	5500-9075	1-7-98(20 Yr Gr)	2230	1330-2555
			1-7-98(92 PRO)	2420	1640-2900
			1-7-98(97 PRO)	7150	5500-9075

Note:- As per clarification in Government letter No.91503/PRU-1/Fin dated 12/4/2000 the Government Order dt. 5/2/1999 was applicable to the grades which fell due and Sanctioned from 1/6/1996, but before 5/1/1998 only. As the grade was due only after 5/1/1998 it was not covered by the re-option orders dated 5/2/1999.

Statement showing the details of refund/increase in pay consequent on re-option relating to overall effect of option and re-option facilities granted to the employees of Kerla State Government:

(Eg. -A)

Date.	Original option.	Re-option	Difference Per month.	Total amount To be refunded	Total increase in pay.
1-3-1992	1650	1650	Nil		
13-3-1992	1800	1650	(-)150	1742	
1-3-1993	1850	1710	(-)140	1680	
1-3-1994	1900	1770	(-)130	1560	
1-3-1995	1950	1830	(-)120	1440	
1-3-1996	2000	1910	(-)90	1080	
1-3-1997	6200	1990	(-)4210	1630	
			Total:-	9132	
13-3-1997	6500	6950	450		5236
1-3-1998	6650	7100	450		5400
1-3-1999	6800	7250	450		5400
1-3-2000	6950	7400	450		5400
1-3-2001	7100	7550	450		5400
1-3-2002	7250	7700	450		5400
1-3-2003	7400	7850	450		5400
1-3-2004	7500	8000	450		5400
1-3-2005 to 28-2-2006	7700	8150	450		5400
				Total:-	48422
Net amount receivable due to re-option.					39294

Eg. (B)

1-3-1992	1650	1650	Nil
27-3-1992	1800	1650	(-)150	1674	
1-3-1993	1850	1710	(-)140	1680	
1-3-1994	1900	1770	(-)130	1560	
1-3-1995	1950	1830	(-)120	1440	
1-3-1996	2000	1910	(-)90	1080	
1-3-1997	6200	1990	(-)4210	3531	
			Total:-	10965	

27-3-1997	6500	6950	450	5022
1-3-1998	6650	7100	450	5400
1-3-1999	6800	7250	450	5400
1-3-2000	6950	7400	450	5400
1-3-2001	7100	7550	450	5400
1-3-2002	7250	7700	450	5400
1-3-2003	7400	7850	450	5400
1-3-2004	7550	8000	450	5400
1-3-2005 to				
28-2-2006	7700	8150	450	5400
				Total:-
				48222
Net amount receivable due to re-option.				37257

State showing the details of refund/increase in pay consequent on re-option.

Eg. ©

Statement showing the details of refund/increase in pay consequent on re-option.

Eg. ©

Date.	Original option.	Re-option.	Difference Per month	Total amount to be refunded.	Total increase In pay.
1-3-92	1750	1590	(-)160	640	
1-7-92	1750	1650	(-)100	800	
1-3-93	1800	1650	(-)150	600	
1-3-93	1800	(-)90	720		
1-3-94	1850	1710	(-)140	560	
1-7-94	1850	1770	(-)80	640	
1-3-95	1900	1770	(-)130	520	
1-7-95	1900	1830	(-)70	560	
1-3-96	1950	1830	(-)120	480	
1-7-96	1950	1910	(-)40	320	
1-3-97	2000	1910	(-)90	360	
1-7-97	2000	1990	(-)10	80	
1-3-98	2050	1990	(-)60	240	
			Total:-	6520	
1-7-98	6800	7150	350		4200
1-7-99	6975	7325	350		4200
1-7-00	7150	7500	350		4200
1-7-01	7325	7675	350		4200
1-7-02	7500	7850	350		4200
1-7-03	7675	8025	350		4200
1-7-04	7850	8200	350		4200
1-7-05 to	8025	8375	350		4200
28-2-06				Total:-	33600
	Net amount receivable.				27080

3.38 The reasons prompting an employee to exercise rights of option and re-option are many, but essentially they are for obtaining larger monetary benefits. The Commission undertook a study to gauge the reasons and extent of such benefits and has come to the conclusion that broadly the reasons are:-

- (1) to earn more weightage by waiting till reaching the period required for getting maximum weightage.
- (2) to earn a higher fixation of pay with reference to the higher pay in the existing scale and
- (3) to exercise option simultaneously in the revised scale in respect of the lower post and higher post.

3.39 While it is only reasonable that an employee should be given a fair opportunity to exercise a right of option for coming over to the revised scale, it should be ensured that unintended financial benefits do not accrue to him since the basic intention of a pay revision would be defeated if there is no control over the matter of exercising option, through which certain employees reap a harvest. The Pay Revision Commission 1997 was also aware of such a phenomenon and mentioned the following in para 15.10 and 15.11.

“It has come to the notice of the Pay Revision Committee that despite definite direction in each pay revision order that re-option will not be allowed the facility is being extended by Government so liberally that requests for re-option for pay revisions as far back as 1978 are still being received by Government. The processing of such request involves Government machinery from the lowest unit to the Secretariat and consumes a lot of man-hours. Although Government had issued specific order in G.O.(P) No. 101/80(167)/Fin. Dated 30/01/1980 laying down conditions under which re-options can be allowed it is seldom confined to the items indicated therein. The Pay Revision Committee is of the view that this unhealthy practice should be stopped by Government taking a firm stand that no further chances for re-option will be allowed for past revisions except in cases involving Court orders and retrospective promotion.”

“It is with this end in view that the Pay Revision Committee has taken a conscious decision to recommend to allow six months time for exercise of option to the current pay revision and no extension need be given to this time-limit.”

3.40 It has been noted that in respect of pay revision orders issued by the Government previously, the conditions of options are initially rigid, as in the case of the Central pay revision orders. However, these conditions are frequently changed by subsequent orders. Even after 1998-pay revision permission for re-option in respect of 1973, 1978 and 1983 revision was granted upto 31/12/1991 by Government vide order No. GO (P) 509/91/Fin. Dated 24/09/1991. During the period from September 1984 to June 1999 it is seen that 37 general orders were issued by the Government allowing re-option for 1973, 1978, 1983, 1988 and 1992 pay revision and grade promotions. Besides these orders, several sanctions have been issued to individual employees. Even after the issuance of 1997 Pay Revision Order Government sanctioned permission to exercise option/re-option for 1992 Pay Revision to those employees who could not exercise re-option for time bound grade promotion sanctioned after 01/03/1992 due to the prevalence of cut off date of 31/05/1996 – vide GO (P) 399/99/(178)/Fin dated 05/02/1999. Taking advantage of the G.O. dated 05/02/1999 many employees, especially teachers who did not even come under the purview of the said G.O. filed re-option for grade promotions, which fell due before 31/05/1996. This was done intentionally to take advantage of the better benefit of 1997 pay revision order The increment

rates as per 1997 pay revision order were far better when compared to those of 1992 pay revision order.

Pay Revision.

Rate of increment.

1992 Pay revision. Rs.12-14-20-25-30-40-50-60-75-100-125-150

1997-Pay revision. Rs.60-65-70-75-80-85-90-100-125-150-175

200-225-250-275-300-325-350-375-400-450.

3.41 When such options were allowed, employees who initially opted for a date between 01/03/1992 and 31/05/1996 for pay revision 1992 postponed options to a date after 01/03/1997 after surrendering the benefit of 3 or 4 increments in the 1992 scale so that they could get the benefit of the better rate of increment allowed in the 1997 Pay Revision scale and higher pay fixation benefits. It is needless to point out that indiscriminate changes in the option formulae will result in unexpected financial commitment to the Government. A number of options and consequent fixation of pay at higher stages on the basis of the 05/02/1999 orders were noticed in audit, which necessitated rectification of errors, by the departmental officers. It is therefore necessary to lay down the principles for option and re-option before the revised pay scales as recommended by this Commission come into effect.

3.42 One of the terms of reference of the Commission is to examine whether fringe benefits and other service benefits enjoyed by State government employees shall be continued and if so to what extent and what period. Two of the fringe benefits which are latent and not available to the Central government employees are:

- (a) Permission to exercise option to the next promotion post subsequent to the pay revision and
- (b) Permission for option or re-option in the pre revision scales even after a subsequent pay revision

3.43 In order to avoid accrual of unintended benefits the Commission recommend that the State Government employees may be allowed to exercise option subject to the following:

- (a) A Government servant holding a post under the Government on the day before the date of coming into effect of the pay revision may exercise option to continue in the existing scale till the date on which he earns his next increment in the existing scale of pay or until he vacates his post or ceases to draw pay in that scale, whichever is earlier. The date of effect of the option shall not in any case go beyond one year from the date of order of pay revision.
- (b) In the case of a Government servant who died on or after the date of coming into effect of the pay revision, but before exercising option, he may be deemed to have opted for the revised scale from the most beneficial date as desired by the Head of office, Accountant General or the department, as the case may be.
- (c) Promotions and appointments made on or after the date of pay revision shall be deemed to have been made in the revised scale and pay regulated on that basis. The Government servant is not entitled to exercise option in respect of the scale of pay of the post in which he is appointed/promoted.

- (d) The option to retain the existing scale shall be admissible in respect of one existing scale only. On subsequent reversion, the Government servant concerned may exercise option in respect of the lower post also on condition that such option will be exercised within three months from the date of reversion, failing which he will be deemed to have opted for the scale with effect from the date of pay revision.
- (e) If a Government servant exercises option to come over to the revised scale with effect from a date beyond one year from the date of pay revision such option shall be deemed to be invalid and shall be treated as a failure to exercise option and he shall be deemed to have exercised option with effect from the date of pay revision.
- (f) The option shall be exercised in writing and communicated to the Head of office or the Accountant General, respectively by the non-gazetted officers and gazetted officers, within six months from the date of pay revision order failing which the government servant will be deemed to have opted for the scale with effect from the date of coming into effect of the pay revision and pay fixed on that basis.
- (g) A government servant who is out of India on leave or deputation or foreign service, on the date of pay revision order shall exercise option in writing within three months from the date of his taking charge of the old post.
- (h) A government servant, who is under suspension on the date of coming into effect of the pay revision shall exercise option within three months from the date of return to duty on re-instatement or within six months from the date of pay revision order whichever is later.
- (i) Option once exercised shall be final and permission for re-option will not be granted on any account.
- (j) Heads of departments and offices shall give proper guidance to their subordinates to select the most beneficial dates for exercising option, since re-option will not be allowed for rectification of the wrong option already exercised or for other reasons.
- (k) In cases where persons promoted after the date of pay revision, have been given retrospective promotion with effect from a date in the pre-revision period, they will exercise option in respect of the revised scale of the post within three months from the date of orders sanctioning such promotion. They will be eligible for arrears if any, also on condition that if the promotion is notional arrears will be admissible from the actual date of promotion only.
- (l) The next increment in the revised scale shall accrue on completion of one year from the date of option.
- (m) D.A, fitment benefit etc. which are to be added to the pay in the existing scale for the purpose of fixation of pay will be determined with reference to the pay as on the date of pay revision irrespective of the date of option exercised by the employees.
- (n) Heads of departments and offices should be given the responsibility to see that the contents of the pay revision orders are communicated to their subordinates, including those who are on leave, deputation and on foreign service, so as to enable them to exercise option within the time-limit specified in the pay revision order. The fixation rules may be published prominently in Notice Board.

FIXATION FORMULA.

- 3.44** In order to switch over to the revised scales of pay from the existing scales, specific rules are to be framed.

The fixation rules are appended at the end of this Sub Chapter.

- 3.45** In the last pay revision, fixation of pay in the revised scale was done by adding to the basic pay, on the date of option, 148% DA together with fitment benefit at the rate of 10% and service weightage at the rate of 1% for every completed year of service, subject to a maximum of 20%. This pattern was consistent with the fixation formulae adopted by earlier pay revisions also, except for the 1992 Pay Equalisation Committee. In all the pay revisions from 1973, the practice of merging a part of DA was followed for fixation. The pay fixation formulae adopted from 1973 pay revision are briefly outlined in the following paragraphs:

1973 Pay Revision merging DA and Adhoc increase that accrued upto 01/5/1973 (Date of effect – 01/7/1973).

Weightage was allowed at the rate of one increment for 7 years of total service, subject to a maximum of 3 increments, limiting however the total benefit to Rs 50/-. It was also provided that on account of fixation of pay in the revised scales, every employee, irrespective of the length of service, should get a minimum benefit of Rs 15/-

1978 Pay Revision merging DA upto 272 points that existed on 01/4/1975 (Date of effect 01/7/1988)

Weightage was allowed at the rate of one increment for every completed 10 years of total service subject to a maximum of two such increments, provided that the monetary benefit of the total of such advance increments shall not be more than Rupees 50/-. The amount of advance increment shall be the one appropriate to the level where the existing emolument reaches in the revised scale.

1983 Pay Revision merging DA upto 488 points that existed on 01/5/1983 (Date of effect 01/7/1983).

Weightage was allowed at the rate of ½% of the basic pay (pre-revision) for each completed year of service, subject to a minimum of 5% and a maximum of 15%, provided that in no case, shall the minimum be below Rs 50/- and the maximum, above Rs 150/- .

1988 Pay Revision merging DA and Adhoc DA for 608 points that existed on 01/1/1985 (Date of effect – 01/7/1988)

Weightage was allowed at 1/3rd% of basic pay (pre-revision) for each completed year of service, subject to a maximum of 10%, provided

however that in no case, should the minimum be below Rs 60/- and the maximum above Rs. 250/-

1992 Pay Revision or Pay Equalisation Committee (Date of effect 01/3/1992)

In this revision, no portion of DA was merged in pay nor any weightage granted. The pay in the revised scale was fixed by adding an amount representing 7% of the basic pay in the existing scale of pay, subject to a minimum of Rs. 75/- and a maximum of Rs. 250/-, to the existing basic pay. The pay so arrived at shall be fixed in the revised scale, at the next higher stage, in all cases. There is also provision for granting additional increments, in the revised scales, in cases of bunching, for more than 5 consecutive stages in the existing scales.

3.46

PAY REVISIONS OF THE CENTRAL GOVERNMENT EMPLOYEES

Turning to the Central Pay Revisions, there have been 5 Central Pay Commissions. The first was in 1946, before Independence, second in 1957, third in 1973, fourth in 1983 and the fifth in 1996. The 1957 Central Pay Commission adopted the scheme of revision merging the bulk of DA in respect of salaries below Rs. 300/- and the entire DA in other cases. This recommendation was adopted by the Government of India. The present pattern of reckoning DA in formulating the revised scales was first adopted in the 1973 Central revision, brought into effect from 01/1/1973. In this revision, the new scales were evolved based on the cost of living index of 200 points for 12 months ending October 1972. The 4th Central Pay Commission recommended merger of DA at 608 points of AICPI; with pay from 01/1/1986. The 5th Central Pay Commission effected merger of DA at 1510 points in pay, for computing the revised pay on 01/1/1996.

3.47

It can be seen that the fixation benefits allowed in the earlier revisions of 1946 and 1957 were only nominal. In the Central revision of 1973, a 5% increase in basic pay subject to a minimum of Rs. 15/- and a maximum of Rs. 50/- was allowed, besides the benefit of advance increments in the revised scales, for bunching in every 5th consecutive stage in the existing scale. In the Central revision effected from 01/1/1986, the fitment benefit given was 20% of the pre-revision pay subject to a minimum of Rs. 75/-. In the last Central revision ordered from 01/1/1996, fitment at 40% of the existing basic pay, besides bunching benefit for every 4th consecutive stage in the existing scales has been provided. Further, every Central Government employee is also ensured atleast one increment in the revised scale for every 3 increments in the pre-revision scale.

3.48

In the State, pay revisions from 1973, formulated revised scales after merging DA upto certain points.

The result of the tapering nature of the DA formula was ie. Lower percentage neutralization for higher pay ranges, that the percentage of the quantum of DA merged in the pre revision pay became higher in the lower

pay ranges when compared with the quantum in percentage terms at the higher levels. This phenomenon to a certain extent, caused disparity in the aggregate monetary benefit due in pay revisions as between new entrants and seniors in service. This is a built in snag in the type of formulae adopted, which cannot be obliterated altogether. Another reason for such disparity that occurs in almost all pay revisions is on account of the improving minima of the revised scales which many a time confers higher monetary benefit to fresh entrants than seniors with longer service. In fact, after 01/1/1996, when the latest pay revision orders of the Central Government became effective, it has been noticed that there are cases of persons with higher basic pay and longer service getting comparatively lesser monetary benefit than their compeers with lower basic pay and lesser service.

3.49 In order to tackle this problem the only feasible solution is to make provision in the fixation rules that suitable and reasonable monetary compensation be provided by granting a premium for the total service rendered by the employee in the form of weightage/advance increments. Even this may not tackle the problem fully. However a pragmatic approach to minimize the differences is required.

3.50 Taking into account the revised pay structure suggested by the Commission and the quantum of DA proposed to be merged, which is 59%, the Commission conducted a few exercises and ultimately decided that the fitment benefit may be restricted to 6% of existing basic pay but subject to a minimum of Rs .350/-. As far as weightage is concerned it was felt that those employees who have put in more service should be given reasonable benefit as in the case of the central pay fixation rules wherein it has been mentioned that on fixation of pay in the revised scale, every employee is to be ensured with a benefit of atleast one increment in the revised scale for every three increments in the pre revision scale of pay. There has been a long standing complaint that in every general revision senior employees having longer service get lesser monetary benefit than their compeers. In order to avoid this complaint the Commission recommend that on fixation of pay every State employee should get atleast one increment in the revised scale for every four increments in the pre revision scale subject to a maximum of four such increments. The longevity of service will be duly taken care of by the natural process of earning a higher level of salary in a time scale/scales, which would ensure that juniors do not normally overtake seniors. In such an eventuality the seniors' pay will be fixed at the level drawn by the juniors as personal to him. There can, however, be a few cases where the junior and senior draw the same scale. The present formula and the weightage in the form of increments as proposed by the Commission would confer fairly attractive monetary benefits for a large number of employees.

3.51 A couple of illustrations given below would clarify the matter.

(A) Class IV employee with 10 year service.

Basic pay in the present scale of 2650-4150	=	Rs 3300
Revised scale. 4400-6680		
Existing emoluments less interim relief ie. Pay+DA @ 64%	=	Rs 5412
Fixation in new scale Pay	=	3300
DA merged at 59%	=	1947
Fitment at 6%	=	350 (Minimum)
Total:	=	5597
Next stage.	=	5650
Add 2 increments.	=	280
Total basic pay	=	5930

A junior with 4 years service drawing Rs.2910 as basic pay will have his pay fixed as follows:-

Pay= 2910 59% DA merger = 1717 Fitment @ 6% -Minimum=350

Total	4977
	=====
Next stage. =	4990
Add increment=	130

Total basic pay=	5120
	=====

The senior draws a higher basic pay.

(B) Persons with 4 years service in the scale of 4600-8000 - Revised scale = 7990 – 12930

Basic pay = 5000	DA merger @59%	=2950	Fitment = 350	= Total:- 8300
Next stage	=	8390		
Add increment.	=	200		
Total basic pay	=	8590		

Person with 2 years service in the same scale.

Basic pay = 4800	DA merged @ 59%	= 2832	Fitment = 350	Total:-7982.
Next stage. = 7990	Total basic pay	= 7990		

Senior draws a higher basic pay.

Case of a person getting promoted to the scale of 7200 – 11400 after 23 years of service.
Revised scale is 11910–340-13610-380-16650-650-19350..19350.

Basic pay = 7200	DA merger @ 59%	= 4248	Fitment @ 6%	= 432
	Total:	=	Rs. 11880	
Next stage.	11910			
Add increments (4)	1360			
Total basic pay.	13240			

On R. 13240/- he is entitled to 5% DA = Rs. 662/- making total of Pay+DA =Rs. 13902/-
The extra amount or increase he gets is Rs. 2094/-
(This illustration is given to show the extra monetary benefit on account of pay revision)

3.52 To summarise the position, fixation in the revised scale is recommended to be made in the following manner:-

An amount representing 59% of DA, at index average 501 points with CPI base 1982 = 100 will be added on to the basic pay in the pre revised scale. 6% of the basic pay on the date of option will be further added subject to a minimum of Rs.350/-. Thereafter the revised pay will be fixed in the new scale at the next stage. If the amount calculated is not a stage and if it is less than the starting point of the revised scale it will be fixed at the minimum of the revised scale. If it is a stage it will be fixed at that point. Thereafter advance increments will be given in the revised scale at the rate of one increment for every four completed years of service subject to a maximum of four increments.

3.53 Rules for fixation of pay in the revised scales

1. The revised scales of pay shall come into force with effect From 1.7.2004.
- 2 Existing scale for the purpose of these rules is the scale of pay . immediately prior to 1.7.2004.
3. Existing emoluments for these rules shall be the total of:-
 - (i) Basic pay in the existing scale as on the date of change to the revised scale including the increments, if any, accruing on such date in the existing scale. Stagnation increments shall also be reckoned for this.
 - (ii) Personal pay, if any, not specifically ordered to be absorbed in future increase of pay.
 - (iii) Special pay drawn in lieu of higher time scale of pay provided there is no special pay attached to the revised scale.
 - (iv) 59% of the Dearness Allowance admissible on such pay (vide such rule (i), (ii) & (iii) above)

Note:-Special pay, in addition to pay drawn in the existing scale shall not be reckoned for fixation of pay in the revised scale.

4. To the existing emoluments computed above shall be added an amount equal to 6% (six percent) of basic pay towards fitment benefit. If the amount computed as above falls short of Rs. 350/- the fixation should be so made as to ensure that the employee gets a minimum benefit of Rs.350/- in basic pay.

5(a) Service weightage.

To the pay so fixed, one increment for each completed 4 years of service, subject to a maximum of 4 increments in the revised scale will be added.

Note:- (i) Service for the purpose of this rule means service (where protection of pay is allowed) including broken periods of service qualifying for normal increments in the scales of pay. Time spent on leave not counting for normal increment will not be reckoned. Service during the period of bar on increment without cumulative effect will also be reckoned.

If the amount arrived at under rule 5(a) above is more than the maximum of the revised scale, the pay shall be fixed at the maximum of the revised scale and the difference shall be treated as personal pay and it will not be absorbed in future increase in pay on account of granting increments. This personal pay will count for all purposes, namely, fixation of pay, calculation of leave salary, drawal of allowances and pension.

- 5(b) Interim relief drawn shall be adjusted from the arrears
6. In cases, where a senior Government servant promoted to a higher post before 1.7.2004 (excluding time bound higher grade) draws less pay in the revised scale than his junior promoted to the higher post after 1.7.2004, the pay of the senior employee shall be stepped up to the level of the pay of the junior with effect from the date on which the junior draws more pay, provided that:-
- (i) The senior and the junior employees should belong to the same category and should have been promoted to the same category of post;
 - (ii) The pre-revised and revised scale of pay of the lower and higher posts in which they are entitled to draw pay should be identical;
 - (iii) The senior Government servant at the time of promotion has been drawing equal or more pay than the junior;
 - (iv) The anomaly should have arisen directly as a result of the introduction of the revised scale of pay;
 - (v) The anomaly should not have arisen due to the option exercised on different dates.

Note;-

- (i) ***If in the lower post, the junior employee was drawing more pay in the pre-revised scale than the senior, the senior to such junior will have no claim over the pay of the junior)***
 - (ii) ***In case where pay of an employee is stepped up in terms of clause 6 above, the next increment shall be granted after completing the required service of one year in the new scale.***
7. All appointments and promotions made on or after 1.7.2004 shall be deemed to have been made in the revised scale of pay.

However, if an employee wishes to opt for the revised scale of pay of his promoted post ie. the next immediate promotion post assumed on or after 1.7.2004 he will be permitted to opt for the revised scale of the promotion post with effect from the date of promotion and his pay in the revised scale will be fixed on the basis of the pay he drew in the pre-revision scale of the promoted post on that date. This benefit will be restricted to the employees who were promoted between 1.7.2004 and to the date of issue of order.

Employees who were promoted on or after 1.7.2004 cannot be allowed to exercise option of the feeder post beyond the date of such promotion.

8. Provisional employees recruited through the employment exchanges who were in service on 30.6.2004 and continued thereafter shall be eligible for the minimum of the revised scale of pay only.

Date of next increment.

9. The next increment of an employee whose pay has been fixed in the revised scale of pay shall accrue on completion of one year from the date of option.
10. An employee whose increment is withheld for want of declaration of probation on 1.7.2004 or on the date of change over to the new scale will also be allowed the benefit of fixation of pay notionally counting the increment accrued but withheld, in relaxation of Rule 37 D(b), Part I Kerala Service Rules, subject to the condition that the next increment after such fixation will be allowed only after he is declared to have satisfactorily completed his probation and the period of approved service required to earn an increment.
11. In the case of an employee whose pay has been reduced with effect of postponing future increments, fixation of pay in the revised scale will be allowed on the basis of the option exercised by him but he has to remain in that pay till the expiry of the period of reduction. The pay will, however, be fixed on the date of expiry of the period of reduction. The next increment in such cases will be allowed only on completion of approved service required to earn an increment from the date of such fixation.
12. An employee can exercise option to come over to the revised scale of pay with effect from 1.7.2004 or with effect from any subsequent date he opts.
13. The option in writing is to be exercised within a period of six months from the date of Government orders revising the scales of pay.
14. The option is to be filed with the officer competent to fix his/her pay in the form appended.

15. The option once exercised shall be final. In the case of subsequent reversion (after the exercise of option as per these rules), the employee will be allowed to exercise option in respect of the lower post also, provided such option is exercised within a period of three months from the date of orders of reversion.

Re-option will not be allowed for past pay revision except in the cases involving retrospective promotion.

16. An employee is allowed to exercise option only in respect of existing scale. If no option is exercised within the said period of six months of the date of Government orders revising the scale of pay of the Government employees, the date of effect of pay revision orders, ie 1.7.2004 shall be treated as the date of option and the Officer competent to fix his/her pay is to proceed accordingly. No subsequent option shall be entertained.
17. If an employee dies before the expiry of the time fixed for option and without exercising option, the officer competent to fix his/her pay in the revised scale of pay shall fix his/her pay with effect from the date which is more advantageous to the survivors of the deceased. If the deceased is a Gazetted Officer the head of department and if the deceased himself was the head of department, the Secretary to Government concerned, in consultation with the Accountant General (A&E) will fix the date of option of the deceased employee, which is found to be more advantageous to the beneficiary.
18. An employee on leave or on deputation or under suspension will be allowed to exercise option within a period of six months from the date of return to duty.
19. Persons whose services were terminated on or after 1.7.2004 and who could not exercise the option within the prescribed time limit on account of death, discharge on the expiry of the sanctioned posts, resignation, dismissal or discharge on disciplinary ground are entitled to the benefits of the aforesaid rules.

(See Rules for fixation of pay)
FORM OF OPTION.

* I,.....
hereby elect to the revised scale of
Rs.....with
effect from.....

or

* I,.....hereby elect
to continue in the existing scale of pay of
Rs..... of my substantive/officiating post
mentioned below till.....200...

Signature:

Name:

Designation:

Station:

Office/Department.

Date:

* To be scored off if not applicable.

RELATIVITIES AND CONNECTED ISSUES.

3.54 Having formulated a pay structure followed by a fixation formula the Commission had to take into account certain specific issues relatable to the assignment of constituent pay scales to identifiable cadres or individual posts. The task was by no means easy when viewed in the context of the demands emanating from various categories of personnel arguing for particular scales of pay on the grounds of equal qualification and training or the averment that there was equivalence in the scales of pay of certain corresponding categories which got eroded in subsequent pay revisions.

3.55 The Commission gave anxious consideration to these issues and ultimately took the stand that recruitment qualification, job requirement, skill level, the specificities of a particular organization in which the incumbent has to be fitted and the general attributes and qualities required of the holder of the post are to be viewed in their totality to determine the appropriate pay scale. This approach of the Commission resulted in the identification of three clear issues which are:-

- (a) should higher qualifications at the entry level be given due recognition as an incentive for quality improvement in the bureaucracy.
- (b) should there be parity at all levels among professional categories so that the best candidate would be attracted to any professional service of Government.
- (c) Should existing relativities be changed to restore relativities that existed earlier.

Each of these issues is examined in the following paragraphs.

- 3.56** Whether offering incentives for acquiring higher qualifications is to be encouraged has been a topic which has been debated in various fora for a long time. Those supporting such incentives do so on the ground that individuals, who are in possession of higher qualifications will be enabled to enhance their skill and ability which in turn will help to improve the overall quality of work in the department where he serves. While there can be no two opinions about this aspect of the individual, existence of such an incentive scheme across the board could create administrative difficulties since the nature of higher qualifications and the particular posts against which such qualified persons are to be appointed can become contentious. This is particularly true when one takes into account the current trend of over qualified people applying for even ordinary Government jobs. It is not unusual to find graduate and even post-graduates occupying posts in the lowest categories which is attributable to the unemployment situation and the persistent aspiration for getting into Government service as a means to livelihood.
- 3.57** The Commission considered the matter in detail and came to the view that incentives to any individual having higher qualification should be confined to those cases where the possession of Doctorate/Post-graduate degrees will enhance the skill and knowledge of the individual which will directly benefit the department as well as that section of the public who are to be served by that department. This reasoning has been accepted by the previous Pay Revision Commission also and it was in this context that the last Pay Revision Commission recommended the grant of specialist allowance or Post-graduate allowance to the Medical officers in the Health services department. A close reading of the scheme by which such specialist allowance was granted would indicate that it is available only to Assistant Surgeons/Surgeons who work against specialist cadre posts. It needs no emphasis that the concerned department will have to take pains to carefully identify the specialist posts against which alone drawal of specialist allowance is permissible. At present specialist allowance of Rs 450/- per month is granted to Assistant Surgeons and Rs.750/- per month to Surgeons appointed to the designated Specialist cadre posts. However, the concerned Medical officer has the option to opt for an alternate post-graduate allowance which is Rs 300/- and Rs 450/- per month respectively for Assistant Surgeons and Surgeons. This option is apparently given to the Medical personnel since the post-graduate degree or even a Doctorate which one possesses may not be in the subject assigned to the specialist cadre. In such circumstances he can opt instead for the post-graduate allowance. In any case, the availability of an allowance is an incentive for acquiring higher knowledge which in turn is directly beneficial to the public at large, many of whom will come within the umbrella of the specialist subject, particularly these days when there are specialists and super specialists in abundance.
- 3.58** The Commission is of the view that the same principle can be extended to a few other areas like Research and development and Education above

higher secondary level subject to the condition that the allowance is restricted for higher qualification in the area or subject allotted to the employee. Similarly in certain scientific subjects like biotechnology and Computer Software development, possession of post-graduate degree should be rewarded as an incentive. The Commission would therefore recommend that the existing higher qualification incentive and specialist allowance in respect of Doctors in the medical profession may be continued and that this rate may be increased suitably with the condition that higher qualifications in subjects not relevant to their posting should disentitle them to the incentive allowance. In other departments like Education, Research & Development, Biotechnology and Software development, the incentive may be fixed as one increment for post-graduate level qualification and two increments for qualifications like Doctorate etc., which are above post-graduate level.

- 3.59** The Commission had neither the time nor the resources to make an exhaustive study of the appropriate posts where such incentives could be offered. The Commission therefore suggests that a core group of officers may be set up by the Government to identify the posts other than in the medical profession working against which incentives as proposed could be offered for possession of higher qualifications like post-graduate or post graduate. The same group could also identify in each department, promotion posts requiring higher qualification than in the feeder categories, and suggest to reserve specific quota for qualified persons in the feeder category as has been suggested in para 3.11.
- 3.60** The next important point that arose for consideration of the Commission is regarding the demand for parity at all levels among the professional categories. These categories consist of doctors in allopathy, homoeo and other practioners in the Indian system of medicine like Ayurveda, Unani, Sidha etc. veterinary doctors, engineers and agricultural graduates.
- 3.61** It was noticed by the Pay Commission that despite the long standing demand for professional parity, the State Government have been giving higher remuneration to the Allopathy Doctors and Dental Surgeons compared to other professional categories which was earlier in the form of advance increments but which at present consists of a higher scale of pay along with increments based on the recommendations of a one man Commission called Dr. Prathapan Commission. The representatives of all other categories, particularly Veterinary and Engineering made a forceful plea to the Commission that there should be no difference at the entry level between themselves and Allopathy Doctors. The Central Government has granted such parity except in the case of the Agricultural Graduate. An examination of the Central scales shows that the pay of Medical Officers possessing MBBS/BAMS/BHMS, the Veterinary Officer and Engineer at the entry level is Rs.8000-13500 but the entry level scale for an Agricultural Graduate is only Rs. 6500-10500.
- 3.62** The States' scales are much lower, but the scale of pay of the Assistant Surgeon in the Medical or Dental line is Rs. 7200-11400 with two

increments which means that the Assistant Surgeon will start with a pay of Rs. 7600/-. The other categories have the same starting scale of Rs. 6675-10550.

3.63 The Central Pay Commission considered in detail the question of introducing parity between Medical Doctors and Veterinary Doctors and in para 55.291 of the report has stated the following:-

“On the question of upgrading the Veterinary Officers uniformly and bringing them at par with medical doctors, we observe that a degree in Veterinary Science is comparable to an MBBS degree and holders of these degrees in both cases are registered and authorized to practice medicine, authenticate health certificates and give evidence as experts under the Indian Evidence Act. We also feel that there is no apparent reason to keep one of the two categories in a lower status. We, therefore, recommend that posts requiring a degree of B.V.Sc. & AH with registration in the Veterinary Council of India as the minimum essential qualification may be placed in a common entry grade corresponding to the existing entry scale applicable to General Duty Medical Officers and Dental doctors under the Government of India. Veterinarians should have complete parity with Dental and General Duty Medical Officers, as given in Annexe 55.9, in terms of pay scales and career prospects. In the matter of NPA, there is a small difference in the slabs over which a rate is applicable, resulting in Veterinary Officers getting lower NPA at some stages of the basic pay. In view of the suggested parity, educational and practice requirements, and the need to be available even outside duty hours for domestic and farm animal health care, we recommend that Veterinary Officers should also be paid a Non-practising allowance at the rate of 25% of their basic pay as has been recommended for medical doctors”.

3.64 The Veterinary Officers of the State taking a cue from these observations of the Vth Central Pay Commission had approached the Honourable High Court of Kerala with a Writ petition demanding similar treatment for the State. The Hon. Court however did not take a final view in the matter and instead passed an order directing, among others, the Pay Commission to apply its mind over the issue.

3.65 The Commission discussed this issue at some length in order to formulate its view in the matter. In Kerala, entrance examinations for admission to professional courses are taken annually by a large number of students aspiring for a professional career. These examinations are not only popular but highly competitive. Separate examinations are held for the Engineering stream. The results of these entrance examinations are published in the local news papers with much fanfare. The students who come out at the top generally opt for the Medical/Dental courses, and only those who are not able to gain admission for either Medical courses go in for subjects like Agriculture, Veterinary Science, Homoeo or Indian systems of medicine. This is a reality which the Commission took cognisance of and it is indicative of the superior position that the Medical profession enjoys among other professions. Although there are separate

examination for medical and engineering the reality is that a top position in the medical entrance examination carries with it a higher prestige value. Perhaps the reason is that a medical profession is rated higher in society today than an engineering profession. Further, the demands on an allopathy doctor and the consequent pressure on him, in terms of time and effort, is evidently much higher than those in other professional fields.

- 3.66** Another reason for placing the Medical course above the other categories is the fact that in Kerala the availability of Primary Health Centres, taluk and district level hospitals and accessibility of any one of such centres on a 24 hour basis make them highly relevant for the common man. The Medical Officers practising allopathy in the various specialities are on greater demand than those who are practising alternative systems of medicine.
- 3.67** The Commission therefore felt that there is no valid ground to equate the entry level posts between the Medical and Dental officers on the one hand with the Doctors in the other systems of medicine. As far as the veterinary services are concerned, although the nature and duration of the respective courses are comparable the prevalent situation is that the demand for the veterinary seats is low compared with Medical and Engineering. This prompts the Commission to take a different stand than that of the Central Pay Commission in respect of parity between Medical and Veterinary Officers.
- 3.68** Regarding parity between Medical and Engineering, although as far as the entrance examinations go, they stand almost on an equal footing, the Engineering service even today caters to the induction of diploma holders. This being the case, in the 1998 Pay Revision, separate scales were assigned to the Degree and Diploma holders, but these were cancelled on the directions of the Hon. High Court of Kerala, which probably followed the maxim of equal pay for equal work. The Medical profession also carries with it a higher risk factor. Taking all these aspects into consideration the Pay Commission is of the view that the existing difference in the pay scales between the medical/dental doctors and other professional categories may continue.
- 3.69** The third issue that the Commission considered was on the relativities between the pay scales of various departments. During the discussions that were held with the representatives of the employees organizations a common theme that came to the fore was that while the pay scale of a particular category was on par with another category for a fair length of time, such parity was disturbed by successive Pay Commissions causing a consequential erosion of status in a progressive manner. The demands were invariably related to what others get rather than justifying with reasons and logic what they should get. Several such examples were quoted. Some of them related to relativities that had existed with a common category like Junior Superintendents, the submission being that currently the Junior Superintendents draw a scale of pay much higher than what they are drawing, despite the parity that was being maintained for a

long time. The other relates to special hikes given by Government to selected categories which disturbed equations of long standing duration.. An example of this is that of the scale of pay of a Sub Inspector of police. Government had taken a conscious decision to upgrade the scale of pay of the Sub Inspector, no doubt taking note of the onerous and tiring nature of duty that a Sub Inspector is expected to perform. However, such a decision upset existing relativities leading to a clamour for rectifying the anomaly. Then again, instances were brought to the notice of the Commission that while parity existed at entry point, promotion opportunities were not uniform in the various departments and such disparities extended themselves even to time bound higher grades, resulting in cases where certain persons were drawing a larger amount after 18 years ie. in the IIInd grade, although entry levels were the same.

3.70 All these grievances might apparently contain some amount of substance in them. They have not got sufficient logic and reasons as to interfere with the existing pattern of entitlement. Wherever feasible, such variations have been incorporated in the department-wise discussion, and in doing so, care has been taken to ensure that rectification of one apparent anomaly does not trigger off a host of other anomalies.

3.71 The basic approach of the Commission was to evaluate qualification and job requirement and fix an appropriate pay scale irrespective of previous or existing relativities. Thus, merely because a certain field functionary had parity with the Junior Superintendent in the past did not mean that he had a claim for restoration of such parity. As a matter of fact in certain cases there were sufficient grounds to justify that a field functionary could even over-take a Junior Superintendent because of the nature of work and the specialist skills required. The Commission have been fair in such an approach. However, the Commission are aware that even after trying to remove anomalies through a systematic treatment some anomalies persist and quite possibly, some new ones are inadvertently created. In fact the structure of emoluments in any set-up is a veritable minefield particularly in a State where every category of employee is conscious of his rights. It is aggravated by employees going to courts of law seeking redress of their grievances. Very often failure on the part of the Government department to effectively present its stand in courts of law have lead to further anomalous situations. Even after receiving a jolt by way of adverse orders from the High Court, worthwhile steps are not followed as a result of which, anomalies not only persist but also tend to have a multiple effect in the structure of the emoluments. The result is that even having regard to the imperatives of horizontal and vertical relativities between the categories, cadres, services and posts, some times the suggested scales are not exactly in line with the courts' orders. It is therefore necessary to rectify the anomalies on a sustained and continual basis, but ad-hoc decision making by Government by which certain posts are up-graded without indicating any rationale or without any accretion to the responsibilities of the posts, should be avoided because such bestowal of selective largesse can only complicate the pay structure which is already beset with complications. Finally, it has to be mentioned that the

anomalies that dot the canvas of the structure of emoluments could be minimized by insisting on the various departments of the Government to frame well thought out special rules which take care of rewarding special skills and professionalism in the feeder category.

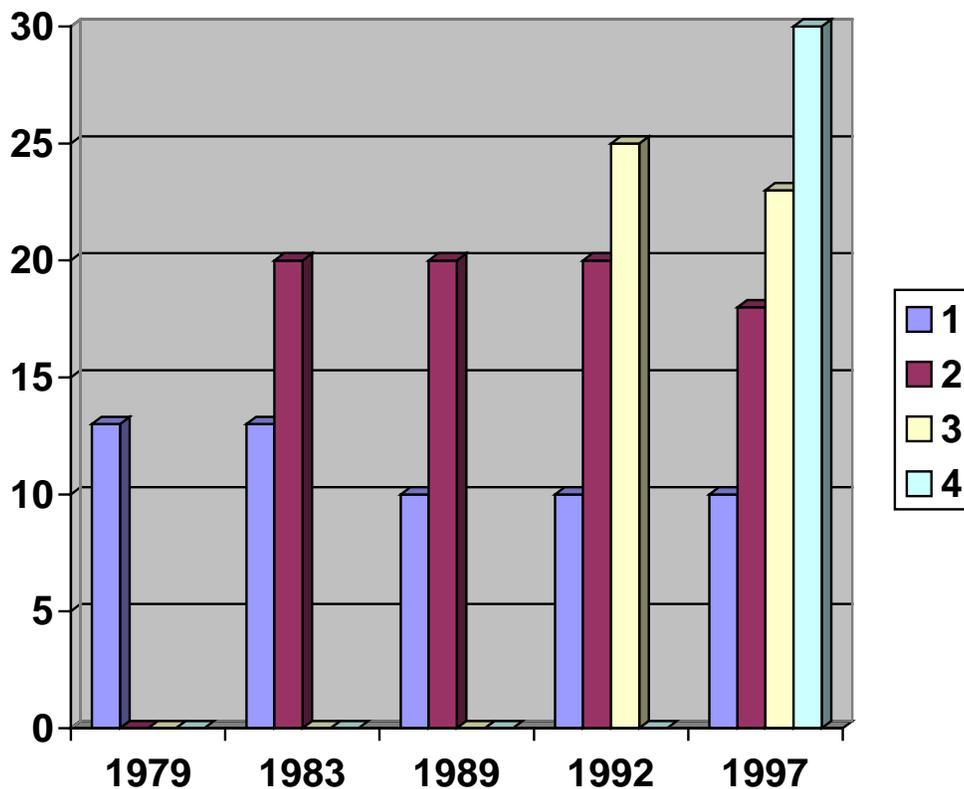
TIME BOUND HIGHER GRADES.

- 3.72** Regular and periodic promotions, after being appointed against a post is one of the most sought after aspirations of a government employee. However, most of the departments in Government have organizations which are typically pyramidal in structure having a broad base and sharply tapering towards the top, making it virtually impossible for a large majority to reach the summit, leave alone intermediate posts along the way. This results in stagnation and consequent loss of morale, which causes a drop in motivation with a resultant drop in functional efficiency. The only way to overcome this problem is by creating a larger number of posts at the intermediate and the higher level. However, the frail state of the finances prevalent in the State precludes creation of posts and in any case this is not a solution, because, as it is, the general perception is that Government offices are over staffed and that there are too many rungs in the administrative hierarchy causing delay and thereby contributing to the denial of justice. Thus while creation of posts might help in granting more promotional opportunities it has other disastrous side effects.
- 3.73** Promotion opportunities being scarce, alternate means had to be found and among them the most popular is what is today known as time bound higher grades. Time bound grade schemes with adaptations and modifications have become an integral part of the pay packet in Government. In Kerala, the principle of granting “in situ” promotion was recognized as early as 1968 in the case of teachers, when a higher scale of pay was granted after an incumbent teacher had not got promotion even after a period of 13 years in the same scale of pay. This kind of promotion does not carry with it higher duties or responsibilities. Instead it gives a higher scale and fixation benefit under rule 28-A Part I KSR. This initial foray into the scheme of ‘in situ’ promotion was quickly followed up by more and more liberal changes and successive Pay Revision Commissions widened its scope and methodology including the restrictions needed, so much so, that today Kerala State can be considered as the pioneer State in the country where the scheme of time bound higher grade is widely implemented to cover a large percentage of employees including certain specialized categories like doctors.
- 3.74** In the Central Government the scheme has had only a recent history. The Vth Central Pay Commission recommended what is known as ACPS (Assured Career Progression Scheme) under which certain categories are eligible for ‘in situ’ promotion after completion of 12 and 24 years. The scheme is expected to provide a certain amount of relief particularly to low salary level employees who have hardly any promotion opportunities. The central scheme however is much more restrictive when compared with the scheme of time bound higher grade prevalent in the State. As already

mentioned, this scheme has its origin as early as 1968, but it was only in 1979 that it was extended to a large section of the employees including a few Gazetted Officers.

3.75 There are three main ingredients that have to be taken into account for formulating the time bound higher-grade scheme. The first is the eligibility factor. This will determine the scales of pay, which can be brought within the ambit of the scheme and the number of grades against each of such scales. The second factor is in regard to the period of residency. This will determine the number of years that one has to reside in a particular scale of pay before becoming eligible for the next grade. The third factor is to decide the scales of pay of the next grade and whether these should be the scales of pay of the promotion post and if so whether only those qualified for promotion should be granted such a scale of pay and those not qualified, to be granted an intermediate scale between an existing current scale and the scale of pay of the promotion post.

3.76 All the previous Pay Revision Commissions examined the various issues connected with the time bound higher-grade scheme carefully and made several changes of all the concerned factors. The Commission does not want to retrace the history nor to dwell on the process of evolution of the scheme since these are well known. However, very briefly, the scheme of 10, 20 and 25 years of time bound higher grade came into existence with effect from 01/7/1988 based on the recommendations of the Vth State Pay Commission. A fourth higher grade to last grade employees on completion of 30 years service was introduced after 1992 Pay Equalization Committee. The position is best illustrated by the following graphic.



3.77 The position as at present is as follows:

Employees who remain in their entry posts on scale of pay ranging from Rs2610-3680 to Rs 4600-7125 will be granted three higher grades on completion of the period of qualifying service in their posts as follows with the scale of pay indicated in Table-I.

- (i) The first higher grade on completion of 10 years service in the entry post.
- (ii) The second higher grade on completion of either 8 years of service in the first promoted post or a total service of 18 years in the entry post and the first regular promotion post/time bound higher grade together, whichever is earlier.
- (iii) The third higher grade on completion of 23 years of total service in the entry post and the regular promotion post(s) /time bound higher grade(s) together.
- (iv) A fourth time bound higher grade in the scale of Rs3350-5275 will be allowed to Class IV employees on completion of 30 years.

TABLE I.

<i>Revised Pay scale.</i>	<i>First Time-bound Higher Grade in the entry post.</i>	<i>Second time-bound Higher Grade.</i>	<i>Third Time-bound Higher Grade.</i>
1	2	3	4
2610-3680	2650-4150	2750-4625	3050-5230
2650-4150	2750-4625	3050-5230	3350-5275
2750-4625	3050-5230	3350-5275	3590-5400
3050-5230	3350-5275	4000-6090	4600-7125
3350-5275	4000-6090	4600-7125	4600-8000
3590-5400	4000-6090	4600-7125	4600-8000
4000-6090	4500-7000	4600-8000	5500-9075
4500-7000	4600-8000	5500-9075	5800-9425
4600-7125	5000-8150	5500-9075	5800-9425

Note:- Date of effect will be 1-11-1998 and not from the date of order (vide GO(P)3226/98/(3)/Fin.dt.29/12/1998

3.78 Government further ordered that Class IV employees in the scale of Rs2610-3650 will be allowed a fourth higher grade in the scale of Rs3350-5275 on completion of 30 years service. (Vide GO (P) 3226/98/(3)/Fin. Dated 29/12/1998.

3.79 Those on entry posts with pay scales ranging from R.4600-8000 to Rs7450-11475 will be granted two time bound higher grades, the first on completion of 10 years of service in the entry post and the second on completion of either 8 years of service in the first promotion post or 18 years of total service in the entry post and first promotion post/higher grade together whichever is earlier as specified in the Table-II below.

TABLE-II.

<i>Revised pay scale in the entry post</i>	<i>First time-bound Higher Grade for 10 years Service in the entry post</i>	<i>Second Time-bound Higher Grade.</i>
1	2	3
4600-8000	5250-8150	5800-9425
5000-8150	5500-9075	6500-10550
5250-8150	5800-9425	6675-10550
5500-9075	6500-10550	7200-11400
5800-9425	6500-10550	7200-11400
6500-10550	7200-11400	7800-12975
6675-10550	7200-11400	7800-12975
7200-11400 & 7450-11475.	7800-12975	8250-13650

3.80 The second higher grade as mentioned in the tables will be available to all those who may get their first promotion even in a shorter span than 10 years by the operation of any of the existing norms for such promotion.

- 3.81** For direct recruits against posts carrying the scale of Rs7800-12975, one higher-grade promotion in the scale of Rs8250-13650 will be given on completion of 10 years of service. However, a direct recruit will get the benefit of 10-year time bound higher-grade promotion only if his non-direct recruit senior has been promoted. For incumbents of posts on scales of pay above Rs 7800-12975, no time bound higher grade will be allowed.
- 3.82** If there is a promotion post in respect of the categories of posts (entry) coming under pay range from Rs 2610-3680 to Rs 5800-9425 and its scale of pay is higher than the time bound higher grade proposed above, then the qualified incumbent will be given the scale of pay of the promotion post in the direct line of promotion as time bound higher grade. While assigning higher grade only qualified hands i.e., those possessing the qualification prescribed for the promotion post will get the scales of pay of regular promotion posts. Unqualified hands will be allowed the next higher scale of pay in the standard scales of pay.
- 3.83** If the scale of pay of the promotion post is lower than the time bound higher grade proposed in the Table, the time bound higher grade specified above will be given by reckoning the total service in both the lower post and promotion post together. In such cases the fixation under rule 28A, Part I, KSR for the 10-year grade will be based on the basic pay of lower post.
- 3.84** In the case of entry posts whose scales of pay are R.6500-10550 and above, time-bound higher grade scales will be as specified in the table given above. Scales of pay of promotion post will not be given as time-bound higher grade in these cases. This is applicable also in the case of employees enjoying the scales of pay R. 6500-10550 and above either by regular promotion or by time-bound higher grade.
- 3.85** In case where the scale of pay of the regular promotion post is higher than the time-bound higher grade allowed as specified in the table above, fixation of pay on promotion to the regular post will be done based on the basic pay notionally arrived at in the lower post. If the pay fixed in the revised scale of time-bound higher grade (1997 Revision) is a stage in the revised scale of the regular promotion post, the pay on regular promotion will be fixed at that stage and if it is not a stage, the pay will be fixed at the lower stage. The drop in emoluments will be protected as personal pay not to be absorbed in future increases of pay but will be treated as basic pay for the purpose of fixation of pay on promotion to higher post for Pension, Dearness Allowance etc. However the protection ordered above is allowed only at the time of fixation of pay on promotion and not on subsequent increases of pay in the higher grade.
- 3.86** The scale of pay in Column 1 of the Table above denotes the pay scale of the post to which the employees are recruited initially and the time-bound higher grades allowable on completion of prescribed periods of service on

each such entry post will be in Column 2, 3 and 4 of the tables as the case may be and not with reference to the scale of pay of the promotion post or higher post held subsequently.

- 3.87** In case the 18//23 year higher grades as per the tables above are equal to or lower than the 1st promotion post/2nd promotion post as the case may be those grade(s) will be modified and fixed at the next higher scale(s) above that of the promotion post(s) in the list of standard scales of pay.
- 3.88** Non-Teaching Staff in Aided Schools, Private Colleges and Polytechnic who come under the scheme of direct payment of salary by Government are also eligible for time-bound grade promotion subject to the above conditions.
- 3.89** The term 'entry post' shall be defined as the post to which an employee is initially appointed in Government service by direct recruitment by the Competent Authority. Appointments by transfer will also be treated as equivalent to direct recruitment for allowing the benefit of higher grade. However, promotion to a post in the direct line of promotion in a department to be made on the basis of select list prepared by the Department Promotion Committee, even if it is appointment by transfer from Subordinate Service to State Service cannot be treated as direct recruitment for allowing the benefit of time bound higher grade. A time-bound higher grade admissible will be determined with reference to the initial entry post only. Those who get regular promotion or appointment to higher post within the period specified for each time-bound higher grade will not be granted further time-bound higher grade during that period.
- 3.90** Those who relinquished or relinquish regular promotions will not be given time bound higher grades as at present.
- 3.91** All other existing general terms and conditions of ratio grade/time-bound higher-grade promotions will continue subject to the modifications issued by Government from time to time.

Teachers:

- 3.92** Teachers will be allowed three grade promotions on completion of 10, 18 and 23 years of service instead of the existing 10, 20 and 25 years. Existing scheme of time bound promotion of Headmasters of Primary and Secondary Schools will continue as such.

Doctors.

- 3.93** Assistant Surgeon/Dental Surgeon and equated categories of Health Service Department and Assistant Insurance Medical Officers (Allopathy) of Insurance Medical Service Department will be given the scales of Rs10000-15150 and Rs 14000-18000 as their 10 years and 18 years higher grade respectively.

- 3.94** During the discussions that the Commission had with the service organizations two specific demands were raised by them, namely (1) to reduce the periodicity for securing higher grade and (2) to extend the third higher grade to all categories. Some of them have also suggested to dispense with the condition of assigning an intermediary scale to unqualified hands and instead to grant the scale of pay of the promotion post as the higher grade scale to all categories.
- 3.95** The Commission examined these demands carefully and took note of the numerous clarifications issued from time to time by the Government in regard to the scheme of time bound grade promotion.
- 3.96** As regards the question of reducing the period of residency before granting a higher grade it was realised that the demand emanated from the lack of regular promotion opportunities in most departments and the trend of late entry of an employee into Government service together with the general ban on fresh recruitment, which blocks upward mobility. The Commission was of the view that there is a case for further liberalizing the scheme of time bound higher-grade promotions, for which it was felt that the best way would be by reducing the number of years in each bracket. Accordingly, the Commission recommend time bound grade promotion on completion of 8 and 16 years of service, as against the 10 and 18 years of service that exist at present. The third grade, after completing 23 years, will continue. Class IV employees will be allowed a fourth higher grade on completion of 28 years of service instead of the existing 30 years of service.
- 3.97** The Commission also noticed that in the implementation of the time bound higher grade scheme, several anomalous situations arose because some times the scale of pay of the higher grade was at close proximity with the scale of pay from which higher grade promotion was made. Further, in a few departments, promotion opportunities were brighter. In such cases an employee has the opportunity to get regular promotion before completion of 10 years and can hope to get the second higher grade after another 8 years of service which will mean that he gets a second higher grade well below 18 years whereas his counterpart, who has not been fortunate to get regular promotion before completion of 10 years can hope to get the second grade only after completion of 18 years of service In order to put at rest such grievances the Commission recommend that the second higher grade should be available, even if regular promotion has been secured before the completion of 8 years, only after completing a total of 16 years of service in the modified scheme.
- 3.98** The other change that the Commission recommend is in connection with the separate scales assigned for time bound higher grade for qualified and non-qualified personnel. The Commission is of the view that mere possession of qualification alone should not entitle an incumbent to the scale of pay of the promotion post as a time bound higher grade and that wherever promotions are made only after a select list is prepared by a Departmental Promotion Committee, eligibility for the scale of pay of the

promotion post as a time bound higher grade will be only on the basis of his inclusion in the select list. This would mean that even if a person is qualified for promotion but does not find a place in the select list he will be assigned a time bound higher grade only to the intermediate scale assigned to non-qualified hands.

3.99 The other point that has to be considered is on the difficulty being experienced in reviewing and re-fixing the pay of the employees on time bound grade when they are promoted to regular posts having the same scales or higher scales from that of the higher grade. The rules stipulate that in such cases pay in the promoted post should be based on the pay drawn in the lower feeder post and not on the basis of pay drawn in the time bound higher grade. There have been cases of wrong fixation of pay which to an extent was on account of the departmental authorities not being fully conversant with the various orders issued by Government from time to time on fixation of pay after a time bound higher grade is given. In order to remove such difficulties the Commission would suggest that persons holding time bound higher grade when promoted on a regular basis to a post on higher scale, their pay in the promoted post may be fixed at the stage next above the pay previously drawn in the time bound grade. If it is a stage the pay will be fixed at that stage.

3.100 Based on the above recommendations a new higher grade will be as detailed below:-

3.101 Employees who remain in their entry posts on scale of pay ranging from Rs 4300-5930 to Rs 7480-11910 will be granted three higher grades on completion of the period of qualifying service in their posts as follows with the scale of pay indicated in Table A.

- i) The first higher grade on completion of 8 years service in the entry post.
- ii) The second higher grade on completion of 16 years in the entry post and the first regular promotion post/time bound higher grade together.
- iii) The third higher grade on completion of 23 years of total service in the entry post and the regular promotion post(s)/time bound higher grade(s) together.
- iv) A fourth time bound higher grade in the scale of Rs 5510-8590 will be allowed to Class IV employees on completion of 28 years of service.

TABLE 'A'

Revised Pay scale.	Ist time bound Higher grade in the entry post.	2 nd time bound higher grade.	Third time bound Higher grade
4300-5930	4400-6680	4510-7480	4990-7990
4400-6680	4510-7480	4990-7990	5510-8590
4510-7480	4990-7990	5510-8590	5930-9590
4990-7990	5510-8590	6680-10790	7990-12930
5510-8590	6680-10790	7990-12950	8390-13270
5930-9590	6680-10790	7990-12950	8390-13270
6680-10790	7480-11910	7990-12950	9190-15510
7480-11910	7990-12950	9190-15510	9590-16650
7990-12950	8390-13270	9190-15510	9590-16650

3.102 Those on entry posts with pay scales ranging from Rs 8390-13270 to Rs 12250-19800 will be granted two time bound higher grades, the first on completion of 8 years of service in the entry post and the second on completion of 16 years of total service in the entry post and first promotion post/higher grade together.

TABLE 'B'

<i>Revised pay scale In the entry post.</i>	<i>Ist time bound higher grade For 8 years service in the entry post.</i>	<i>2nd time bound Higher grade.</i>
8390-13270	9190-15510	10790-18000
8790-13610	9590-16650	11070-18450
9190-15510	10790-18000	11910-19350
9590-16650	10790-18000	11910-19350
10790-18000	11910-19350	12930-20250
11070-18450	11910-19350	12930-20250
11910-19350	12930-20250	13610-20700
12250-19800		

3.103 The second higher grade as mentioned under Tables A and B above will be available to all those who may get their first promotion even in a shorter span than 8 years by the operation of any of the existing norms for such promotion.

3.104 For direct recruits against posts carrying the scale of Rs.12930-20250 to 16650-23200 one higher grade promotion in the scales as shown below will be given on completion of 8 years of service.

12930-20250	-	13610-20700
13610-20700	-	16650-23200
16650-23200	-	20700-26600

For incumbents of posts on scales of pay above Rs. 16650-23200, no time bound higher grade will be allowed.

- 3.105** If there is a promotion post in respect of the categories of posts (entry) coming under pay range from Rs.4400-6680 to Rs. 9190-15510 and its scale of pay is higher than the time bound higher grade proposed above, then the qualified incumbent will be given the scale of pay of the promotion post in the direct line of promotion as time bound higher grade. While assigning higher grade only qualified hands ie. those possessing the qualification including approval of the DPC prescribed for the promotion post wherever necessary will get the scales of pay of regular promotion posts. Unqualified hands will be allowed the next higher scale of pay above that of the scale of pay of the post held at that time, in the standard scales of pay.
- 3.106** If the scale of pay of the promotion post is lower than the time bound higher grade proposed in the Table, the time bound higher grade specified above will be given by reckoning the total service in both the lower post and promotion post together. In such cases the fixation under Rule 28 A Part I KSR for the 8-year grade will be based on the basic pay of the lower post.
- 3.107** In the case of posts which require DPC clearance for next promotion and whose scales of pay are Rs.10790-18000 and above, time bound higher grade scales will be as specified in the table given above. Scales of pay of promotion posts will not be given as time bound higher grade in these cases. This is applicable also in the case of employees enjoying the scale of pay of Rs.10790-18000 and above either by regular promotion or by time bound higher grade.
- 3.108** In case the scale of pay of the regular promotion post is higher than the time bound higher grade allowed as specified in the table above, fixation of pay on promotion to the regular post will be done based on the basic pay notionally arrived at in the lower post. If the pay fixed in the revised scale of time bound higher grade (2006 revision) is a stage in the revised scale of the regular promotion post, the pay on regular promotion will be fixed at that stage and if it is not a stage, the pay will be fixed at the lower stage. The drop in emoluments will be protected as personal pay not to be absorbed in future increases of pay but will be treated as basic pay for the purpose of fixation of pay on promotion to higher post, for Pension, Dearness Allowance etc. However the protection ordered above is allowed only at the time of fixation of pay on promotion and not on subsequent increases of pay in the higher grade.
- 3.109** The scales of pay in column 1 of the table above denote the pay scales of the posts to which the employees are recruited initially and the time bound higher grades allowable on completion of prescribed periods of service on each such entry post will be as specified in Column 2, 3 and 4 of the tables as the case may be and not with reference to the scale of pay of the promotion post or higher post held subsequently.

- 3.110** In case the 16/23 year higher grades as per the table above are equal to or lower than the first promotion post/second promotion post as the case may be that grade(s) will be modified and fixed at the next higher scale(s) above that of the promotion post(s) in the list of standard scales of pay.
- 3.111** Non-teaching staff in Aided Schools, private Colleges and Polytechnics who come under the scheme of direct payment of salary by Government are also eligible for time bound grade promotion subject to the above conditions.
- 3.112** The service rendered in the entry post and reckoned for normal increments shall be treated as the qualifying service for granting higher grades in that post.
- 3.113** The term 'entry post' shall be defined as the post to which an employee is initially appointed in Government service by direct recruitment by the competent authority. Appointments made by PSC by transfer from other categories will also be treated as equivalent to direct recruitment for allowing the benefit of higher grade. However, promotion to a post in the direct line of promotion in a Department to be made on the basis of select list prepared by the Departmental Promotion Committee, even if it is appointment by transfer from subordinate service to State Service cannot be treated as direct recruitment for allowing the benefit of time bound higher grade. The time bound higher grade admissible will be determined with reference to the initial entry post in the present department only. Service in posts having same scale will not be treated as qualifying service. Similarly in the case of employees who get inter departmental transfer, their service in the present department alone will be reckoned as qualifying service. Those who get regular promotion or appointment to higher posts within the period specified for each time bound higher grade will not be granted further time bound higher grade during that period.
- 3.114** Those who relinquish regular promotions will not be given time bound higher grades as at present.
- 3.115** The employees in the scales of pay of Rs. 4400-6680 and Rs. 4510-7480 will be eligible for reckoning their service in the last grade for allowing 23 years higher grade. This benefit will not be allowed to employees in the posts having the revised scale of Rs. 4990-7990 and above.
- 3.116** Similarly, military service which will count for civil pension of Ex-serviceman will be reckoned as qualifying service for allowing first higher grade. However ex-servicemen enjoying protection of pay will not be allowed this benefit. In that case service under State Government alone will be reckoned as qualifying service. Period of leave on loss of pay, which will not be taken, into account for granting increments will not be reckoned as qualifying service.

- 3.117** All other existing general terms and conditions of time bound higher grade promotions will continue subject to the modifications issued by Government from time to time.
- 3.118** It is desirable that Government issue a comprehensive Government order relating to granting of time bound grade promotions in supersession of all the previous Government orders so as to avoid implementational confusion in future.

RATIO PROMOTION.

3.119 Besides the time bound grade promotion, which today confers relief in the form of higher monetary benefit to a large number of Government employees, the other important avenue in relation to the upward progression of a Government employee is through what is currently known as ratio promotion. The concept of determining a ratio between a higher and lower scale of pay of common categories like Lower Division Clerks and Lower Division Typists was thought of as early as 1955 in the erstwhile State of Travancore-Cochin. The then Government introduced a ratio among Lower Division Clerks and Lower Division Typists according to which in identified administrative units like for example the Secretariat, where there were certain numbers of posts of Lower Division Clerks, a percentage of them got the rank of Head Clerk, the percentage being assigned according to seniority. This principle was modified not only in its scope but also in its application by subsequent Pay revisions right from 1957 to 1997. Thus, as at present, ratios or percentages exist against a large number of posts in almost all Government departments and so it was but natural that the employee's organizations insisted upon improving of existing ratios and the fresh introduction of ratios to additional categories.

3.120 The Commission took note of the observations of the 1997 Pay Revision Commission in regard to ratio promotion which was as follows:-

“Under ratio promotion a functionary gets a higher scale without change in functions or duties. The same objective is achieved by the existing scheme of time bound promotion under which, merely on the basis of efflux of time an employee gets a higher scale without any change in duty. The time bound promotion scheme is more equitable because its criteria viz. time spent in a grade is of universal applicability. The PRC therefore feels that the main instrument for seeking to reserve and improve the promotional opportunities should be the time bound scheme and not the ratio promotion scheme. In the light of this, Pay Revision Committee has not recommended change in the existing ratios except in rare cases”

3.121 Although the previous Pay Revision Committee did not favour the extension and improvement in the ratio promotion scheme, it was felt that in certain deserving cases, particularly where the promotion opportunities were negligible, betterment and introduction of fresh ratios could atleast partially alleviate the stagnation problems. Accordingly, a few suggestions for improving or introduction of new ratios have been made in

the concerned Chapter relating to the departments. In this connection the Commission also noted that meaningful advantages in the ratio system will accrue only when more posts are created at the lower level or when new departments are formed. Since the current economy orders of the State virtually prohibit the creation of new posts, the extra financial commitment on account of improving the ratio in selected cases will not be much.

3.122 The accompanying table showing the growth of ratio promotion of selected posts from 1955 to 1997 is illustrative of how from a zero level the ratios have improved.

Growth of Ratio Promotion (% Basis) of Selected posts)

Sl.	Designation of Employees	Years								
		1955	1958	1965	1969	1978	1983	1988	1992	1997
1	Class IV Gr I & II	0	0	0	0	1:9	1:5	1:5	1:2	1:2
2	Attender Gr I & II	0	0	0	0	1:4	1:4	1:2	1:2	1:2
3	Pharmacist/Compounder Gr I & II	0	1:6	1:6	1:6	1:5	1:2	1:2	1:2	1:2
4	Nurse Gr I & II	0	0	0	0	1:4	1:2	1:2	1:2	1:1
5	LD Clerk & UD Clerk	1:4	1:3	1:3	1:2	1:2	1:1	1:1	1:1	1:1
6	Typist Gr I & II	1:4	1:3	1:3	1:2	1:2	1:1	1:1	1:1	1:1
7	Asst Gr I & II	1:1	2:3	2:3	2:3	4:5	1:1	1:1	1:1	1:1
8	Asst Surgeon & Civil Surgeon	0	0	0	0	5:1	3:1	3:1	3:1	3:1

STAGNATION INCREMENTS

3.123 Time bound grade promotion and ratio promotions are expected to provide some relief when promotion opportunities are bleak. There are however certain cases, which are very few in number, where neither of these methods would provide relief. In such cases stagnation increments are given. At present, the scheme of stagnation increment is applicable in cases of employees who stagnate at the maximum level, when they get one increment annually for two consecutive years followed by another increment after a further two years subject to such increments not going beyond Rs. 18,300/- The previous Pay Revision Commission did not make any change to this rule. Since the number of people affected by stagnating at the maximum is not very much, the Commission did not find any reason to alter the existing scheme which may continue with the condition that maximum pay after drawing stagnation increment should not exceed Rs. 33,100/- pm.

APPLICATION OF RULE 28-A KSR PART-I

3.124 Promotions are obtained through time bound higher grade, ratio and percentages and by regular promotion against substantive vacancies. Whatever be the means of promotion, the promotee moves from an existing scale of pay to a higher scale. There are a few cases where the scales of pay of the promotion post and that of the feeder post are the same. In such cases the Commission recommend that the existing procedure of granting an advance increment in the same scale may be

continued on promotion. Whenever the rules governing fixation are contained in rules 28, 28-A and 37(a) KSR Part I.

- 3.125** Rule 28 is to the effect that when an officer holding a substantive post is promoted/appointed substantively to a higher post, his pay in the new post will be fixed at the next higher stage. Rule 37(a) KSR stipulates that when a substantive officer is promoted/appointed to officiate or an officiating officer is promoted/appointed to officiate on a higher scale, his initial pay in the higher scale will be fixed at the next higher stage with reference to the pay drawn in the lower post. Whenever there is a change of pay in the lower post i.e. when the next increment falls in the lower post after promotion and when the pay in the lower post becomes equal to or higher than the pay in the higher post, the pay in the higher post is again fixed at the next higher stage. It is generally accepted that the invocation of rules 28 and 37(a) is so infrequent that for all practical purposes, it is only rule 28-A KSR that is made applicable.
- 3.126** This rule provides that on promotion carrying a higher time scale of pay, the initial pay in that scale shall be fixed at the stage next above the pay notionally arrived at in the lower time scale of pay by increasing the actual pay drawn by the promotee in the lower time scale by one increment. A re-fixation of pay will be allowed whenever there is a change of pay in the lower time scale.
- 3.127** Rule 28-A KSR Part I was introduced with effect from 03/2/1962 and this rule applies to all promotions, substantive /officiating, to a higher scale subject to monetary limits prescribed from time to time. From 01/3/1997, 28-A fixation is applicable to all scales of pay, minimum of which is not more than Rs 12600/-. There are only four top scales of pay where the minimum is more than Rs.12600/- and consequently rule 28 A is more or less universally applicable for all promotions/appointments.
- 3.128** As a result of rule 28-A and its mode of fixation, on each promotion an employee will get generally one increment in the lower time scale and another in the promoted scale by way of stage fixation benefit besides subsequent re-fixation benefit in cases of change of pay in the lower time scale of pay. It is customary that after every pay revision, there is an increase in increment rates. So also, increases occur at the minima of the new scales of pay. The consequence is that very often, the quantum increase in fixation benefits accruing on account of each promotion will be substantial which does not form an integral part of the improvements in the wage structure and not really contemplated as a part of pay revision. Reaping unintended monetary benefits, through fixation and re-fixation has to be avoided because, when the scheme is availed of by a large section of the employees, the financial commitment to the exchequer becomes unbearable. There are cases when rule 28-A is applied in the case of promotion to more than one post on the same day and where persons are given direct promotion to the post next to the immediate higher post and rule 28-A applied in both posts. For example when a UD clerk is directly promoted to the post of Junior Superintendent his pay will be fixed

first in the intermediary post of Head Clerk under Rule 28-A and then in the post of Junior Superintendent with reference to the pay notionally arrived at in the scale of Head Clerk. Such a benefit is given even if there is no vacant post of Head Clerk. The following illustration will make the position clear and indicate the extra financial advantage derived by a UD clerk when there is an intermediary fixation.

Fixation of pay of an Upper Division Clerk, directly promoted to the post of Junior Superintendent by giving notional fixation in the intermediary post (Head Clerk)

Pay in the post of Upper Division Clerk. (Rs. 4000-90-4-90-180-6090)	Rs.5490
Notional increment.	100

	Rs.5590
Pay as Head Clerk. (Rs. 4600-100-5000-125-7125)	
Fixed at next stage.	5625
Pay in the post of Junior Superintendent. (Rs.5500-150-6100-175-9075)	
Pay as Head Clerk	5625
Notional increment.	125

	5750
Next stage	5800
<u>Fixation of pay in the post of Junior Superintendent directly in the above case.</u>	
Pay in the post of Upper Division Clerk. (Rs. 4000-90-4090-100-6090)	5490
Notional increment.	100

	5590

Pay in the post of Junior Superintendent. (Rs. 5500-150-6100-175-9075)	5650

Difference in emoluments per month = Rs. 150/-

- 3.129** In this context, it is pertinent to have a closer look at the relevant rules followed in the case of the Central Government employees in the matter of fixation of pay on promotion. The provisions in this regard are contained in Rule 22 of the Fundamental Rules (Central). This rule contemplates separate mode of fixation of pay for promotion to posts involving higher duties and responsibilities and others not involving higher responsibilities. According to F.R. 22 I (a)(i), in cases of promotion involving assumption of higher duties and responsibilities, the mode of fixation of pay followed

is similar to that of Rule 28A of Kerala Service Rules – ie., the initial pay of an employee in the time scale of the higher post shall be fixed at the stage next above the notional pay arrived at by increasing his pay in respect of the lower post by an increment at the stage at which such pay has accrued. But unlike in Rule 28A of KSR, the Central Rule does not contain provision for refixation of pay, whenever there is change of pay in the lower time scale, after promotion. This is a major variation from the State rules. But instead of refixation, the Central Rules allow option to be exercised within one month from the date of promotion, to have the pay fixed in the above manner from the date of promotion or to have the pay fixed initially at the stage of the time scale of the new post above the pay in the lower grade or post from which he is promoted, which will be refixed in accordance with the normal rules referred to (Rule 22 Ia(1)) on the date of accrual of next increment in the scale of pay of the lower post. If the promotee opts for the second alternative, his next increment in the higher scale, will fall due on the expiry of 12 months from the date of fixation of pay reckoning the accrued increment in the lower post.

3.130 According to FR 22 I(a)(2), when promotion does not involve assumption of duties and responsibilities of greater importance, the promotee shall draw, as initial pay, the stage of the time scale which is equal to his pay in respect of the old post held by him or if there is no such stage, the stage next above his pay in respect of the old post held by him. Thus in cases of promotions not involving higher duties and responsibilities, even a next stage fixation can be allowed only, if there is no such stage in the lower scale.

3.131 It can be seen that the fixation rules for promotion in the case of Central Government employees as per Fundamental Rules (Central) are more rigorous and restrictive in nature when compared to the corresponding rules in the KSRs, applicable to State Employees.

3.132 The imperative necessity for initiating action for restructuring the existing provisions in the KSR pertaining to the fixation of pay on promotion has been commented upon by the previous Pay Revision Commission. It might be worthwhile to reproduce an extract of the dissenting notes of the Chairman of the previous Pay Revision Commission, which is as follows:-

“In the light of the factors mentioned in para (2) and (3) above suitable modification in the present provisions seem desirable. This suggestion is made not because one is enamoured of the central model or because we feel that the State Rules should be a replica of the Central Rules or even because such benefits are not available in the neighbouring States as far as it could be ascertained. We do this only because the existing system does not discriminate between promotion which involve higher duties and responsibilities and promotions which do not. Promotion to a higher scale brings with it higher incremental rates, higher maximum, higher DA and a host of other benefits such as higher pension, gratuity etc. These benefits flow from all promotions and to provide for additional benefits as is now available under Rule 28A when a promotion does not involve any higher

responsibility is not reasonable. Sitting in the same chair and doing the same work an incumbent gets all the general benefits flowing from promotion plus upto 3 increments, I would therefore recommend that:

In promotions not involving change of duties and responsibilities, the benefit of fixation may be allowed and no refixation benefit need be allowed. Notional promotions should not get any fixation benefit and if solely on account of this a junior draws a higher basic pay than a senior, the pay of the senior should be suitably stepped up.

In promotions involving higher duties and responsibilities, the Rule 28A fixation benefits (without refixation benefits when increments fall due in lower scale) may be allowed when making promotions from all posts carrying scales of pay whose revised minimum does not exceed Rs.12,600/-. Notional promotions should not get the benefits of pay fixation under Rule 28A and if solely because of this, a junior draws a higher basic pay, the basic pay of the senior should be suitably stepped up.”

- 3.133** The Commission agrees with the above sentiment expressed by the Chairman of the previous Pay Revision Commission and having examined the various issues connected with rule 28 A KSR Part I the Commission would recommend the following methods of fixation of pay, so that unintended financial benefits do not accrue to certain employees.
- 3.134** In all cases of ratio – based/time bound higher grade promotions, to higher scales of pay, not involving change of duties and responsibilities, the pay in the higher time scale will be fixed in terms of Rule 37(a) KSR, Part I – ie., pay in the promoted scale will be fixed at the next stage above the pay in the lower time scale as on the date of promotion, (irrespective of whether it is a stage in the lower time scale or not.) No subsequent refixation of pay based on the change of pay in the scale of the lower post will be allowed.
- 3.135** In all cases of regular promotions from ratio based/time bound grades, to posts carrying the same or higher time scale of pay, not involving change of duties and responsibilities, the pay in the promoted scale will be fixed applying Rule 37(a), KSR, Part I – ie., pay in the promoted scale will be fixed at the next stage above the pay drawn in the scale of the post held at the time of promotion, irrespective of whether it is a stage in that scale or not. No refixation of pay based on the change of pay in the scale of pay of the lower post will be allowed.
- 3.136** In all other cases of regular promotions not covered under items (a) and (b) above, to posts having higher time scale of pay, and involving change of duties and responsibilities, the pay in the promoted scales will be fixed as per the provisions of Rule 28A, KSR, Part I. But no refixation of pay based on the subsequent change of pay in the scale of pay of the lower post, will be allowed. However, in such cases, the promotee will be given the facility for option to be exercised within one month from the date of

promotion, to have his pay fixed under Rule 28A, from the date of promotion or to have the pay fixed initially at the stage of the time scale of the new post above the pay in the lower post from which he is promoted, which will be refixed in accordance with Rule 28A, on the date of accrual of the next increment in the scale of the lower post. The next increment in the promoted scale will fall due after 12 months from the date of such refixation. If, as a result of the application of this provision, a senior employee happens to draw less basic pay in the promoted scale than his junior in the same category, who is promoted on a later date, the pay of the senior will be stepped up to that of the junior with effect from the date on which the junior draws more pay. Rule 28-A fixation benefits will not be allowed for promotion to posts carrying more than a revised minimum of Rs.20,700/-.

- 3.137** It would be necessary to amend the relevant rules in the KSR for this purpose. The Commission would go to the extent of stating that their recommendations pertaining to new scales of pay and all other matters like grade promotion, ratio and fixation are conditional to the Government, amending the provisions of the KSR as suggested.

APPROACH TOWARDS FUTURE PAY REVISIONS

- 3.138** The efforts of both the 1992 Pay Equalization Committee and that of the 1997 Pay Revision Committee were directed towards evolving a salary structure, which would be harmonious with the central pay structure. However, with the best of intentions it is not possible to establish exact equivalence on a post by post basis with the Central pay structure. The present Commission also would have liked to establish a one to one equation with the Centre but for the same reasons and the same difficulties encountered by the previous Commission, establishment of such equivalence was not possible. The advantage of establishing an equation with the Central pay structure is that periodical revisions of State pay scales can be made to be directly dependant on pay revisions in the Centre. As has already been mentioned in para 1.3 the Commission would like to emphasize that frequent pay revisions which cause a drain on the State finances is not called for. Most of the service organizations who appeared before the Commission, almost made it a point to establish that it is their prerogative to have pay scales revised every 5 years and with this line of thinking, they were of the view that the current pay revision is due with effect from 01/3/2002.

- 3.139** This line of thinking has to be changed. The previous Pay Revision Committee has also considered this aspect and has stated that such a proposition is not a credible one and cannot be sustained because of the Government's inability to withstand massive out flows in the form of salaries and pensions. In para 6.2 of its report, the previous Pay Revision Committee has stated that the next pay revision may coincide with the next Central pay revision. This recommendation of the Committee however seems to have been ignored by the Government. In any case frequent pay revisions, having intervals of 5 years, is not called for. The effect of such

a revision is that periodically the State employee equals or overtakes his counterpart in the Centre. For example when the current pay revision comes into effect an employee in the lowest scale with a few months service will draw net of HRA and CCA Rs. 4736/- **Pay + DA @ 64% = 4280 – fixed at 4510 + DA @ 5% = 4736**, which is almost the same as his counter-part in the Government of India who will be drawing only Rs. 4737/- (**Pay – 2610 Dearness Pay – 1305, DA at 21% - 822 Total =4737/-**). However, there will be a marked difference in the cases of employees who have put in longer service because they would get a weightage benefit also. It is only in House Rent Allowance and City Compensatory Allowance that the Central Government employee has an edge over the State employee.

3.140 In order to avoid pay revision every five years, one way out is to adopt a policy that all State Government posts will be equated to comparable posts in the Central Government and thereafter revision in the States' scale of pay will take place only when revision is effected at the Central level. States like Maharashtra and Tamilnadu have followed this pattern, as a result of which, they are not faced with the necessity of appointing a Pay Revision Commission at periodic intervals

3.141 In this connection it might be worthwhile to record what was done by the Government of Maharashtra. That Government took a policy decision as early as 1977 that in future, no separate Pay Commissions would be appointed by the State Government to revise the pay scales of State Government employees and others. Whenever the Central Government appointed a Pay Commission, the decisions of the Central Government on the Commissions' recommendations in regard to pay scale would be made applicable to the comparable categories of employees of the State Government. The pay fixation formulae would also be the same as in the Centre. When the Government of India appointed the IVth Central Pay Commission by a resolution dated 29/7/1983 and Government of India accepted the recommendations of the Commission with certain modifications in September 1986, consistent with the policy decision taken in 1997, the Government of Maharashtra constituted a Pay Equivalence Committee with a retired High Court Judge as Chairman and a retired Chief Secretary to Government of Maharashtra as a Member and the Special Secretary, General Administration Department as a Member. Among other terms of reference, this Committee was required to determine and recommend the comparability of posts in the State with those under the Central Government for deciding to revise the pay scales. The Committee was allowed to evolve its own procedure for deciding the comparability of posts.

3.142 This Committee conducted an exercise to identify all comparable posts, but even with the best of efforts, it was not possible to identify comparable categories for the entire spectrum of the various posts in the State. Strength-wise the identified categories constituted a substantial portion of the total number of employees of the State, although category-wise, it was only a fraction of the total number in the State. For the identified posts

there were no difficulties in recommending the relevant revised central pay scale, although there were cases where the corresponding Central scales were either inadequate or creating certain distortions. However, these were corrected by suitable adjustments in the revised scale.

3.143 Regarding the non comparable posts this Committee took recourse to several devices. One was to proceed from identified comparable posts and apply the existing relativities to them. Another was to identify comparable posts in the Union Territories and make sure that the scales of pay recommended for revision were not lower in the State than the scales in the Union Territory. Where neither of these approaches was feasible, the Committee made use of a scale-wise equation based on relevant considerations such as capacity of the revised scale to accommodate the effective equivalent of the existing scale, with some margin for betterment and in the case of some of the higher scales the known correspondence between certain State and Central scales prior to the revision was made use of to arrive at a comparable position.

3.144 The Committee, after a series of discussions with all concerned, submitted their recommendations to the Government of Maharashtra which accepted the equivalence criteria after which there have been no further Pay Revision Commissions in that State. Instead, the scales of pay of the employees were revised as and when Central scales were revised.

3.145 It might be worthwhile for the State Government in Kerala to follow a similar example for which it is necessary either to appoint a Committee to identify and declare comparable posts or if that be not feasible, an exercise can be undertaken to establish a scale to scale equivalence so that whenever there is a change in the scale of pay at the Centre there can be a corresponding change in the scales of pay in the State. Briefly the methodology could be as follows:-

Existing Central Scales are as follows:

CS-1	2550-55-2660-60-3200
CS-2	2610-60-3150-65-3540
CS-3	2650-65-3300-70-4000
CS-4	2750-70-3800-75-4400
CS-5	3050-75-3950-80-4590
CS-6	3200-85-4900
CS-7	4000-100-6000
CS-8	4500-125-7000
CS-9	5000-150-8000
CS-10	5500-175-9000
CS-11	6500-200-6900
CS-12	6500-200-10500
CS-13	7450-225-11500
CS-14	7500-250-12000
CS-15	8000-275-13500
CS-16	9000/- fixed.
CS-17	9000-275-9550
CS-18	10325-325-10975

CS-19	10000-325-15200
CS-20	10650-325-15850
CS-21	12000-375-16500
CS-22	12750-375-16500
CS-23	12000-375-18000
CS-24	14300-400-18300
CS-25	15100-400-18300
CS-26	16400-450-20000
CS-27	16400-450-20900
CS-28	14300-450-22400
CS-29	18400-500-22400
CS-30	22400-525-24500
CS-31	22400-600-26000
CS-32	24050-650-26000
CS-33	26000/- Fixed.
CS-34.	30000/- Fixed.

(Span and rates of increment are not given in the above table)

3.146 The notional Central scale would be by merging 50% of the DA. Keeping this increase in mind another table could be prepared with the following columns

1. Existing States' scale
2. Revised States' scale and
3. Effective equivalent Central scale.

In the 3rd column mention need be made only of the corresponding number of the Central scale as for example, the existing States' scale of 2610-3680 which stands revised to Rs.4300-5930 could be equivalent to either CS-4 or CS-5. The notional central scale of CS-4 is 4125-6600 and CS-5 is 4575-6885. Another example would be the existing States' scale of 4600-8000 where the effective Central scale could be either CS-8 or CS-9. The appropriate equivalent should be determined based on the nature of work, duties and responsibilities while comparing posts. If such an exercise is done it will be possible to establish for every State post, a comparable Central scale, and it might be easy to refrain from the persistent demand of appointing at frequent intervals Pay Commissions. Of course, this might necessitate acceptance of pay scales and fixation rules in which the State will have no voice. However, in the long run such a system may be worth the while.

3.147 The Commission, accordingly, recommend that either a separate Committee or a group of officers be constituted by Government to identify comparable posts between the State and the Centre and to establish equivalence to Central scales of pay for non comparable posts so that pay revision in the State are made dependent on Central pay revision, both in relation to periodicity as well as quantum benefits in scales of pay.

The existing and its corresponding revised scales (See Para. 3.31)

Sl.No.	Scales of pay (1997)	Sl.No.	proposed
1	2610-60-3150-65-3540-70-3680	1	4300-100-4400-110-4510-120-4990-130-5510-140-5930
2	2650-65-3300-70-4000-75-4150	2	4400-110-4510-120-4990-130-5510-140-5930-150-6680
3	2750-70-3800-75-4625	3	4510-120-4990-130-5510-140-5930-150-6680-160-7480
4	3050-75-3950-80-5230	4	4990-130-5510-140-5930-150-6680-160-7480-170-7990
5	3350-80-3830-85-5275	5	5510-140-5930-150-6680-160-7480-170-7990-200-8590
6	3590-85-4100-100-5400	6	5930-150-6680-160-7480-170-7990-200-9590
7	4000-90-4090-100-6090	7	6680-160-7480-170-7990-200-9590-240-10790
8	4500-100-5000-125-7000	8	7480-170-7990-200-9590-240-10790-280-11910
9	4600-100-5000-125-7125	9	9 and 10
10	4600-100-5000-125-5750-150-8000	10	7990-200-9590-240-10790-280-11910-340-12930
11	5000-125-5750-150-8150	11	8390-200-9590-240-10790-280-11910-340-13270
12	5250-125-5750-150-8150	12	8790-200-9590-240-10790-280-11910-340-13610
13	5500-150-6100-175-9075	13	9190-200-9590-240-10790-280-11910-340-13610-380-15510
14	5800-150-6100-175-9425	14	9590-240-10790-280-11910-340-13610-380-16650
15	6500-175-7550-200-10550	15	10790-280-11910-340-13610-380-16650-450-18000
16	6675-175-7550-200-10550	16	11070-280-11910-340-13610-380-16650-450-18450
17	7200-200-7800-225-11400	17	11910-340-13610-380-16650-450-19350
18	7450-200-7650-225-11475	18	12250-340-13610-380-16650-450-19800
19	7800-225-8475-250-12975	19	12930-340-13610-380-16650-450-20250
20	8250-250-9250-275-13650	20	13610-380-16650-450-20700
21	10000-300-10600-325-15150	21	16650-450-20700-500-23200
22	12000-350-12700-375-15325	22	22 and 23
23	12600-375-15600	23	20700-500-23200-550-25400-600-26600
24	14000-400-18000	24	23200-550-25400-600-26600-650-31150
25	14300-400-18300	25	25400-600-26600-650-33100
26	16300-400-18300	26	26 and 27
27	16300-450-19900	27	26600-650-33750

Master scale

4300-100-4400-110-4510-120-4990-130-5510-140-5930-150-6680-160-7480-170-7990-200-9590-240-10790-
 (1) (1) (4) (4) (3) (5) (5) (4) (8) (5)
 280-11910-340-13610-380-16650-450-20700-500-23200-550-25400-600-26600-650-33750
 (4) (5) (8) (9) (5) (4) (2) (11)