



**URGENT/
TOP PRIORITY**

SEVENTH CENTRAL PAY COMMISSION

No.G.11016/1/2014/F3
Government of Puducherry
Finance Department

Puducherry, the 06.06.2014

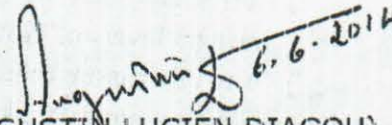
Sub: FD - Furnishing of reply for the questionnaire
devised by the Seventh Central Pay Commission -
Reg.

The Seventh Central Pay Commission has been constituted vide Resolution No.1/1/2013-E.III(A) dt.28.02.2014 of Ministry of Finance, Department of Expenditure, Government of India. The Terms of Reference of the Seventh CPC are available on <http://7cpc.india.gov.in>

2. In order to elicit the views of State Governments on various issues indicated in the Terms of Reference, the Seventh CPC has devised a questionnaire and the State Governments have been requested to furnish the reply for the questionnaire on or before **15.06.2014**.

3. In this regard, the Head of Departments are requested to furnish their comments on the enclosed questionnaire of Seventh CPC (2 Nos.) urgently on or before **10.06.2014** through special messenger/fax so as to furnish a consolidated reply to the Commission within the scheduled date.

//By Order//


(P. AUGUSTIN LUCIEN DIAGOU)
Under Secretary(Finance)

Encl.: As above.

To

1. All Secretariat Departments.
2. All Heads of Departments.
3. The Collector, Karaikal
4. The Regional Administrator, Mahe/Yanam.

Copy to:

1. All Secretaries to Government.
2. The PS to Chief Secretary

*The Directr, Information & Technology dept.
- For uploading in website.*

Questionnaire for State Governments

- 1) Has your State Government adopted the recommendations of the Sixth Central Pay Commission insofar as employees of the State are concerned?
- 2) Whether the recommendations of the Sixth Central Pay Commission/ Pay Commission that were adopted were fully accepted, partly accepted or modified? What are the key areas of variation in adoption of the recommendations?
- 3) What was the date of effect of adoption of the recommendations of the last Pay Commission's recommendation?
- 4) How significant has been the impact of the adoption of the recommendations of the Sixth Pay Commission on the fiscal position of the State in terms of key fiscal parameters.
- 5) Broadly, within what time frame was the State Government able to absorb the impact of implementation of the previous Pay Commission's recommendations?
- 6) Would the State Government like to share any good practice that it has adopted in the recent past with regard to:
 - (a) regulation of pay
 - (b) payment of allowances
 - (c) payment of pensions
 - (d) fostering excellence in the public governance system
 - (e) strengthening training and capacity building of employees
 - (f) provision of insurance coverage to a class of employees etc.
- 7) What has been the experience of the State Government with regard to outsourcing at various levels of Government and methods for streamlining it?
- 8) Any other issue relevant to the Seventh Central Pay Commission on which the State Government may like to share its views?

7th CPC Questionnaire

1. Salaries

1.1 The considerations on which the minimum salary in case of the lowest Group 'C' functionary and the maximum salary in case of a Secretary level officer may be determined and what should be the reasonable ratio between the two.

1.2 What should be the considerations for determining salary for various levels of functions falling between the highest level and the lowest level functionaries?

2. Comparisons

2.1 Should there be any comparison/parity between pay scales and perquisites between Government and the private sector? If so, why? If not, why not?

2.2 Should there at all be any comparison/parity between pay scales and perquisites between Government and the public sector? If so, why? If not, why not?

2.3 The concept of variable pay has been introduced in Central Public Sector Enterprises by the Second Pay Revision Committee. In the case of the Government is there merit in introducing a variable component of pay? Can such variable pay be linked to performance?

3. Attracting Talent

3.1 Does the present compensation package attract suitable talent in the All India Services & Group A Services? What are your observations and suggestions in this regard?

3.2 To what extent should government compensation be structured to attract special talent?

4. Pay Scales

4.1 The 6th Central Pay Commission introduced the system of Pay Bands and Grade Pay as against the system of specific pay scales attached to various posts. What has been the impact of running pay bands post implementation of 6th CPC recommendations?

4.2 Is there any need to bring about any change?

4.3 Did the pay bands recommended by the Sixth CPC help in arresting exodus and attract talent towards the Government?

4.4 Successive Pay Commissions have reduced the number of pay scales by merging one or two pay scales together. Is there a case for the number of pay scales/ pay band to be rationalized and if so in what manner?

4.5 Is the "grade pay" concept working? If not, what are your alternative suggestions.

5 Increment

5.1 Whether the present system of annual increment on 1st July of every year uniformly in case of all employees has served its purpose or not? Whether any changes are required?

5.2 What should be the reasonable quantum of annual increment?

5.3 Whether there should be a provision of variable increments at a rate higher than the normal annual increment in case of high achievers? If so, what should be transparent and objective parameters to assess high achievement, which could be uniformly applied across Central Government?

5.4 Under the MACP scheme three financial up-gradations are allowed on completion of 10, 20, 30 years of regular service, counted from the direct entry grade. What are the strengths and weaknesses of the scheme? Is there a perception that a scheme of this nature, in some Departments, actually incentivizes people who do not wish to take the more arduous route of qualifying departmental examinations/ or those obtaining professional degrees?

Performance

6. What kind of incentives would you suggest to recognize and reward good performance?

7. Impact on other organizations

Salary structures in the Central and State Governments are broadly similar. The recommendations of the Pay Commission are likely to lead to similar demands from employees of State Governments, municipal bodies, panchayati raj institutions & autonomous institutions. To what extent should their paying capacity be considered in devising a reasonable remuneration package for Central Govt. employees?

8 Defence Forces

8.1 What should be the considerations for fixing salary in case of Defence personnel and in what manner does the parity with civil services need to be evolved, keeping in view their respective job profiles?

8.2 In what manner should the concessions and facilities, both in cash and kind, be taken into account for determining salary structure in case of Defence Forces personnel.

8.3 As per the November 2008 orders of the Ministry of Defence, there are a total of 45 types of allowances for Personnel Below Officer Rank and 39 types of allowances for Officers. Does a case exist for rationalization/ streamlining of the current variety of allowances?

8.4 What are the options available for addressing the increasing expenditure on defence pensions?

8.5 As a measure of special recognition, is there a case to review the present benefits provided to war widows?

8.6 As a measure of special recognition, is there a case to review the present benefits provided to disabled soldiers, commensurate to the nature of their disability?

9 Allowances

9.1 Whether the existing allowances need to be retained or rationalized in such a manner as to ensure that salary structure takes care not only of the job profile but the situational factors as well, so that the number of allowances could be at a realistic level?

9.2 What should be the principles to determine payment of House Rent Allowance?

10. Pension

10.1 The retirement benefits of all Central Government employees appointed on or after 1.1.2004 are covered by the New Pension Scheme (NPS). What has been the experience of the NPS in the last decade.

10.2 As far as pre-1.1.2004 appointees are concerned, what should be the principles that govern the structure of pension and other retirement benefits?

11. Strengthening the public governance system

11.1 The 6th CPC recommended upgrading the skills of the Group D employees and placing them in Group C over a period of time. What has been the experience in this regard?

11.2 In what way can Central Government organizations functioning be improved to make them more efficient, accountable and responsible? Please give specific suggestions with respect to:

- (i) Rationalisation of staff strength and more productive deployment of available staff,
- (ii) Rationalisation of processes and reduction of paper work,
- (iii) Economy in expenditure

12. Training/ building competence

12.1 How would you interpret the concept of "competency based framework"?

12.2 One of the terms of reference suggests that the Commission recommend appropriate training and capacity building through a competency based framework.

- a) Is the present level of training at various stages of a person's career considered adequate? Are there gaps that need to be filled, and if so, where?
- b) Should it be made compulsory that each civil service officer should in his career span acquire a professional qualification? If so, can the nature of the study, time intervals and the Institution(s) whose qualification are acceptable, all be stipulated?
- c) What other indicators can best measure training and capacity building for personnel in your organization? Please suggest ways through which capacity building can be further strengthened?

13. Outsourcing

13.1 What has been the experience of outsourcing at various levels of Government and is there a case for streamlining it?

13.2 Is there a clear identification of jobs that can be outsourced?

14. Regulatory Bodies

- (i) Kindly list out the Regulators set up under Acts of Parliament, related to your Ministry/ Department. The total number of personnel on rolls (Chairperson and members + support personnel) may be indicated.
- (ii) Regulators that may not qualify in terms of being set up under Acts of Parliament but perform regulatory functions may also be listed. The scale of pay for Chairperson /Members and other personnel of such bodies may be indicated.
- (iii) Across the Government there are a host of Regulatory bodies set up for various purposes. What are your suggestions regarding emoluments structure for Regulatory bodies?

15. Payment of Bonus

One of the terms of reference of the 7th Pay Commission is to examine the existing schemes of payment of bonus. What are your suggestions and observations in this regard?
