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To Ms Meena Agarwal
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Madam,

Subject: 7th Questionnaire

Reference: D.O. No 7cpc/15/questionnaire dated 9th April 2014

'Bharat Pensioners Samaj'. One of the identified Pensioners Federation by GOI M/O Personnel, PG & Pensions-DOPPW and a stake holder. In its capacity as one of the oldest & largest Pensioners Organization with over 500 Affiliated associations, submits here under reply to items Nos 10.1 & 10.1.2 under the head 'Pension' in the questionnaire

However, as Pension is not independent of Salary suggestions for basic structure are for Salary/Pension.

Item No 10.1 New pension Scheme i.e 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?

Withdraw New Pension Scheme: for following reasons:

(i) Pension of Govt. employees is a deferred wage. Since wage paid out to them

during the course of work tenure is kept low by design, to cater for pension. (ii) He/She forgoes with interest 8.33% of govt. matching contribution to PF.

(iii) Pension is a social security measure & cannot be subjected in any way to Market risks (iii) It does not guarantee minimum return & thus lacks the basic fiber of Social Security Scheme (iv). It is in no way better than the existing Scheme (vi)It does not provide guaranteed Family Pension to dependents & disabled siblings which exist in present scheme, even in case of spouse & dependent parents where death of the employee occur in early years of service there is no adequate social security.

Item 10.1.2 i.e. As for as pre 2004 appointees are concerned, what should be the principles that govern the structure of pension and retirement benefits?

Basic structure of Pay/ Pension

1. Keeping in view the Socialistic structure of the country, constitutional provisions & to reduce vast inequality between have & have lots, it is proposed: The Ratio between maximum & minimum of Salary/ Pension be brought down to 9:1. Ensuring uniformly equal rise in Salary/Pension of all employees/pensioners, irrespective of pre- retiral status. By adopting common multiplication factor for revision of Pension/Pay, as raising the ratio between minimum & maximum of salary/pension to 1:12.85 by 6thCPC , instead of reducing it, was unconstitutional .

In order to cater to the need of talent attraction in all cadres 7th pay commission is requested to first workout the top most revised salary/pension, divide it by 9 to arrive at the minimum revised salary & then derive a uniform multiplication factor by dividing minimum of revised Salary/Pension by minimum of pre-revised salary/Pension for revision of Pay & Pension with the condition that Pension shall not in any case be less than 65% & family Pension 45% of the last Pay in Pay Band i.e. Pay in Pay Band+ GP /Pay scale or of average of last 10 months emoluments (Whichever is more beneficial) as was worked out & recommended by TECS (Tata Economic Consultancy Services) consultant to Vth CPC (Para 127.9 Vol III 5th CPC report)

2. One Rank one pension: 'Justice must be equal for all'. Otherwise, it breeds contempt, discontentment, inefficiency, corruption & finally the insurgency. We have seen it happening in Tribal areas of N.E, Chhatisgarh, Jharkand, Orisa, MP etc.

Vast inequality of income and wealth between lowest & the highest paid, violation of Article 14 has already induced contempt, discontent, inefficiency & corruption, in Civil services.

Govt. granted One Rank One Pension (OROP) to Armed forces, Judges granted it to themselves even a period of private practice of lawyer judges, to be counted towards qualifying service. Higher Bureaucracy got it through modified parity. All other Central Govt. employees & Pensioners are definitely not the 2nd grade citizens! One Rank one Pension to all retirees is constitutional requirement to ensure equality.

Defence Pensioners: As far as Armed forces are concerned they do the supreme sacrifice for the country & must be the highest paid .For them the ratio between highest & lowest paid must not be more than 1:5 and instead of being thrown out at an early age they must be transferred to paramilitary/police force after active tenure in armed forces. Otherwise, if these retired army personnel trained in all sort of weaponry are left uncared, they may fall prey to undesirable anti National outfits. In their case it is also essential that retirees from uniformed cadre & civilian defence Pensioners are treated at Par for all purpose

2. Dearness relief : 100% neutralization with automatic Merger with Pension whenever it goes to 50% :The Pension of Central Government Pensioners undergo revision only once in 10 years during which period the pension structure gets seriously dis-aligned; 50% increase in price takes place even in less than 5 years. This results in considerable erosion of the financial position of the pensioner. DR does not adequately take care of inflation at this level. Working employees are getting automatic relief by way of 25% increase in their allowances with every 50% rise in Dearness Allowance. As pensioners do not get any allowances, they feel discriminated against. In order to strike a balance, DR may be automatically merged with Pension whenever it goes to 50% .

3. Additional old age Pension :

5% upward enhancement in pension be granted every five years' after the age of 60 years & upto 80 years & thereafter as per existing dispensation. As in the present scenario of climatic changes, incidence of pesticides and rising pollution old age disabilities/diseases set in by the time an employee retires and go on manifesting very fast, needing additional finances to take care of these disabilities and diseases, especially as the cost of health care has gone very high.

4. Pension to be net of Income Tax : The purchase value of pension gets reduced day by day due to continuously high inflation and steep rise in cost of food items and medical facilities. Retired persons/Senior citizens do not enjoy fully public goods and services provided by Government for citizens due to lack of mobility and many other factors. Their ability to pay tax gets reduced from year to year after retirement due to ever-increasing expenditure on food and medicines and other incidentals. Their net worth at year end gets reduced considerably as compared to the beginning of the year. Inflation, for a pensioner is much more than any tax. It erodes the major part of the already inadequate pension. To enable pensioners, at the far end of their lives, to live in minimum comfort and to cater for ever rising cost of living, they may be spared from paying Income Tax.

5. Restoration of commuted value of Pension in 12 years: Commutation value in respect of employee superannuating at the age of 60 years between 1.1.1996 and 31.12.2005 and commuting a portion of pension within a period of one year would be equal to 9.81 years Purchase. After adding thereto a further period of two years for recovery of interest, in terms of observation of Supreme Court in their judgment in writ petitions No 395-61 of 1983 decided in December 1986, it would be reasonable to restore commuted portion of pension in 12 years instead of present 15 years. In case of persons superannuating at the age of 60 years after 31.12.2005 and seeking commutation within a year, numbers of purchase years have been further reduced to 8.194. Also, the mortality rate of 60 plus Indians has considerably reduced ever since Supreme Court judgment in 1986; the life expectancy stands at 76 years now. Therefore, restoration of commuted value of Pension after 12 years is fully justified.

6. The 6th Central Pay Commission's improved benefits, e.g. full pension for 20 years of service/10 years in superannuation cases, last pay drawn or average of last 10 months' pay whichever is beneficial to the retiring employee as emoluments for computation of pension etc., have been limited only to post-1.1.2006 retirees. This is in violation of the letter and spirit of Hon'ble Apex Court judgment in Nakara Case.

We appeal to the 7th CPC to extend the above benefits to all pre-1.1.2006 retirees with monetary benefit from 1.1.2006 to do them equal justice. And that new/improved benefits which 7th CPC may recommend, too be made equally applicable to present & past pensioners

7. Medical facilities: "Health is not a luxury" and "not be the sole possession of a privileged few". It is a Fundamental Right of all present & past Employees!

To ensure hassle free health care facility to Pensioners/family pensioners, Smart Cards be issued irrespective of departments to all Pensioners and their Dependents for cashless medical facilities across the country. These smart cards should be valid in

- all Govt. hospitals
- all NABH accredited Multi Super Specialty hospitals across the country which have been allotted land at concessional rate or given any aid or concession by the Central or the State govt.
- all CGHS, RELHS & ECHS empanelled hospitals across the country.

· **Medical attendants.** For reimbursement of bills for treatment & for hospitalization . No referral should be insisted in case of medical emergencies. For the purpose of reference for hospitalization & reimbursement of expenditure thereon in other than emergency cases Doctors/Medical officers working in different Central/State Govt. department dispensaries/health units should be recognized as Authorized medical attendant.

The enjoyment of the highest attainable standard of health is recognized as a fundamental right of all workers in terms of Article 21 read with Article 39(c), 41, 43, 48A and all related Articles as pronounced by the Supreme Court in Consumer Education and Research Centre & Others vs Union of India (AIR 1995 Supreme Court 922) The Supreme court has held that the right to health to a worker is an integral facet of meaningful right to life to have not only a meaningful existence but also robust health and vigour. Therefore, the right to health, medical aid to protect the health and vigour of a worker while in service or post retirement is a fundamental right-to make life of a worker meaningful and purposeful with dignity of person. Thus health care is not only a welfare measure but is a Fundamental Right.

We suggest that, all the pensioners, irrespective of pre-retiral class and status, be treated as same category of citizens and the same homogenous group. There should be no class or category based discrimination and all must be provided Health care services at par .

8. Hospital Regulatory Authority: To ensure that the hospitals do not avoid providing reasonable care to smart card holders and other poor citizens, a Hospital Regulatory Authority should be created to bring all NABH-accredited hospitals and NABL-accredited diagnostic Labs under its constant monitoring of quality, rates for different procedures & timely bill payments by Govt. agencies and Insurance companies. CGHS rates be revised keeping in mind the workability and market conditions.

9. Fixed Medical allowance (FMA): As is recorded in Para 5 of the minutes of Committee of Secretaries (COS) held on 15.04.2010 (Reference Cabinet Secretariat, Rashtrapati Bhavan No 502/2/3/2010-C.A.V Doc No. CD (C.A.V) 42/2010 Minutes of COS meeting dated 15.4.2010) which discussed enhancement of FMA: CGHS card estimates for serving Personnel since estimates are not available separately for pensioners M/O Health & Family Welfare had assessed the total cost per card p.a. in 2007-2008 = Rs 16435 i.e. Rs.1369 per month for OPD. Adding to its inflation the figure today is well over Rs 2000/- PM. Ministry of Labour & Employment, Govt. of India vide its letter no. G-25012/2/2011-SSI dated 07.06.2013 has already enhanced FMA to Rs 2000/- PM for EPFO beneficiaries. Thus, to help elderly pensioners to look after their health, Adequate raise in FMA will encourage a good number of pensioners to opt out of OPD facility which will reduce overcrowding in hospitals. OPD through Insurance will cost much more to the Govt. As such the proposal for raising Fixed Medical allowance to Pensioners is fully justified and is financially viable.

We suggest that FMA for all C.G. Pensioners be raised to at least Rs 2000/- PM without any distance restriction linking it to Dearness Relief for automatic further increase. We further demand that FMA be exempted from INCOME TAX: Fixed Medical Allowance (FMA) is a compensatory allowance to reimburse the medical expenses. As Medical Reimbursement is not taxable, FMA should also be exempted from Income Tax.

10. Grievance redressal Mechanism: Pensioners/Family Pensioners are exploited, harassed and humiliated by their own counterparts in chair, who at the sight of an old person adopt a wooden face and indifferent attitude. Pensioners do not have representation even in Forums & Committees wherein pension policies and connected matters are discussed. The forum of Pension Adalat too is not of much avail as it meets only once a year which is too long a period for an elderly nearer to his end. Moreover, these Adalats deal with settlement claims only. SCOVA too meets only twice a year for about 3 hours at each occasion. Moreover, the scope of SCOVA is limited to feedback on Government policies. DOP (P&PW) is perceived as a toothless authority which lacks direct Service Delivery Capability. It has been striving over the years to redress the Pensioners' grievances through the 'Sevottam' model of the Department of Administrative Reforms & Public grievances; in the absence of strict timeline with punitive clause it is, however, proving to be a failure. Grievances are either not resolved for years or closed arbitrarily without resolving.

We therefore, appeal that for resolving Pensioners complaints of all pensioners,

- (i) A strict time line with punitive clause be introduced in "Sevottam model"
- (ii) Grievances are not allowed to be closed without resolving.
- (iii) SCOVA be upgraded to JCM level covering all Pensioners by introducing suitable legislative amendment if required.

11. Representations in various committees : As recommended vide Vth CPC report Vol III para 141.30 Pensioners' representatives should be included in various committees & other Fora of Govt where issues relating to the welfare of pensioners are likely to be discussed & debated :

Discussing, debating and deciding the matters / Policies relating to Pensioners, with representatives other than those of pensioners, is unfair & against the Rules of 'Natural Justice'. At present various Committees like National Anomaly Committee (NAC) and JCM (on Pensioner matters), are there wherein matters / policies relating to pensioners' welfare are discussed and decided, but they do not have pensioners' representatives with the result their viewpoints, hardships & anomalies are not properly represented. As pensioners are a homogenous class, there is an urgent need to constitute separate Committees for pensioners wherein matters / policies / anomalies relating to pensioners of all Groups, categories & departments may be discussed.

With regards

Truly Yours,
Sd/-
ER.S.C.Maheshwari
Secy.Genl. Bharat Pensioners Samaj

Copy: Sh. Shiv Gopal Mishra Secretary JCM (Staff side) for necessary favourable action.

S.C. Maheshwari
Secy. Genl. BPS