

PETROLEUM AND GAS WORKERS' FEDERATION OF INDIA

A NOTE ON

NEXT ROUND OF WAGE REVISION IN CPSU BASIC CONCEPT AND LEGITIMATE DEMANDS.

MUMBAI 20/11/2016.

Introduction: In most of the CPSUs wage revision is due w.e.f. 01/01/2017. A union can submit COD before 6 months of expiry of the last wage revision. Accordingly, time has come to prepare and submit a COD for negotiation. Before preparation of COD some basic concept need to be clarified and attempt should be made to prepare a common or identical COD of the oil industries so that unions can pursue the demands in the same line and if necessary common agitation program could be shorted out.

7th Pay Commission & it's probable negative impact:

The recommendation of the 7th pay commission for the central govt. employees is a demoralizing chapter for the rest of the PSU employees. Apart from 10 years revision, the fitment benefits and enhancement is very poor and particularly this commission is the worst ever in the history of wage revision for central govt. employees. For non-executive lower and middle category employees the actual benefits is around 16-17% and overall benefits including highest level of officers is only 23%. So, it is far below than the benefits we got in the last LTS. In the last LTS, most of the PSU employees got 30% as fitment benefits for 10 years pay scale. In IOCL total fitment benefits was 34.5%. So, this time it will be very difficult to achieve our goal which was achieved last time. Our unions must understand the mentality of the central Govt. They are not in favor of the PSU and PSU employees. They always campaign that PSU workers –particularly oil workers get more money. They will try to issue guidelines in that direction through DPE. So please be ready for longer fight.

Please look the following basic points related to wage revision:

1. Periodicity of the pay scale.
2. Fitment benefits.
3. Merger of DA.
4. Point to point fixation.
5. Open/Closed ended pay scale.
6. % of increment.
7. Relief to the stagnated employees.
8. Additional increment with the revised scale.
9. Effective date.
10. Etc.

Periodicity:

Though DPE's guidelines was there for fixing periodicity not less than 5 years and not more than 10 years, most of the CPSU unions made agreement for 10 years pay scale in the last revision effective from 01/01/2007. Even some unions intentionally avoided 5years periodicity though offer was there. (Like IOCL settlement). But, few PSU unions like Coal, BHEL, and Port made 5years pay scale. They got another revision during this ten years period.

But, our suggestion is that we should go for 5 years periodicity instead of 10 years. It will be beneficial for the young generation and other employees also because the rate of increase of DA point is more than the earlier days and if DA is merged every time, strong Basic could be achieved for which basic related allowances/cafeteria will be increased.

But still not guidelines regarding wage revision has been issued by the DPE. We are to wait for the guidelines. On the other hand, we can create pressure now before DPE takes step for guidelines. Otherwise, this time some unfavorable guidelines may be issued by the DPE.

Fitment Benefits:

Last time, most of the PSUs got 30% fitment benefits. In IOCL it was 34.5%. 4.5% was sanctioned in the name of computer allowance. If we see the fitment of five years pay scale, 24-25% has been achieved. So, for 10 years pay scale, it should be more than 40%. Accordingly, our unions may demand 40-50% fitment benefits. But, this time situation will be different after the recommendation of 7th pay commission. Let us see.

Merger of DA:

As per the guidelines of DPE, last time 50% DA merger (more clearly, if the DA exceeds the basic pay then the value of the 50% of the Basic can be merged into the basic pay from DA). Now, our DA point is more than 100% of the basic, so DA merger will be an important issue for next round of wage settlement and it will help to build up the basic pay. Let us wait for the DPE guidelines in this regard.

Point to point fixation:

We definitely should achieve this goal which will place an employee in the new pay scale in a proper and scientific way. Here, we must ensure the fitment of the new employees who are at bottom of the scale.

Open/Closed ended scale:

In the last wage revision, most of all the settlements in CPSU were made closed ended. Management did not accept the demand and the unions failed to organize agitation program to achieve open ended pay scale. We all know that open ended pay scale is scientific and there is no scope of stagnation. Today stagnation is a big problem and senior employees are losing annual increment after attaining top of the scale. If we see the profile of the employees, up to 2025, are going to retire from the service and they now on the top of the scale.

Percentage of increment:

In the last pay scale the rate of increment has been lowered down from 4% to 3% in most of the CPSU. This time we should be stick to restore the earlier 4% increment.

Relief to the stagnated employees.

The age profile and length of the employees indicates that huge number of employees got stagnated on the top of the basic (closed ended) and are deprived from the annual increment. Some short term relief systems are there in wage structure which is not enough. So, this point should be kept in mind while finalizing the wage revision. The proper remedy is open ended scale, but we can't say whether it is possible to achieve or not. So, there should be some provisions so that stagnated employees continue to get the annual increments.

SCALE:

A simple guideline is given to prepare the wage scale considering the last increase, inflation and other points.

Existing IOCL Pay scale:

Gd.1: Rs.10500.00-----Rs.24500.00	Rs.18900.00-----
Gd.2: Rs.10600.00-----Rs.26500.00	Rs.19080.00-----
Gd.3: Rs.10800.00-----Rs.29000.00	Rs.19440.00-----
Gd.4: Rs.11900.00-----Rs.32000.00	Rs.21420.00-----
Gd.5: Rs.12800.00-----Rs.35000.00	Rs.23040.00-----
Gd.6: Rs.13800.00-----Rs.38500.00	Rs.24840.00-----
Gd.7: Rs.14800.00-----Rs.40500.00	Rs.26640.00-----
Gd.8: Rs.16000.00-----Rs.43700.00	Rs.28800.00-----
Gd.9: Rs.20000.00-----Rs.49200.00	Rs.36000.00-----

Propose:

Last Basic + Fitment Benefit (taking 30%) + 50% DA merger + Additional increment if any + Personnel Pay if any + Stagnation pay if any= New Basic Pay.

e.g: Rs.10500 (last Basic)+ Rs.3150.00+ Rs.5250=**Rs.18900.00** new starting basic for Gd.1 (Excluding Personnel and stagnation pay considering 30% fitment

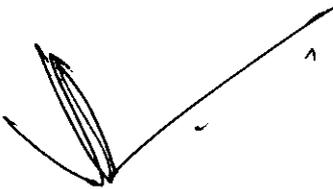
benefits). Accordingly, scale for other grades can be calculated. The last basic of a particular grade can be calculated by adding increments against the spans. Base on above, new COD can be prepared for next round of wage revision.

Cafeteria:

Present cafeteria limit is 50% of the basic pay as per the DPE guidelines and it does not have any periodicity. It has been observed that the amount of cafeteria remains same for longer period due to absence of any compensation mechanism. Because basic pay almost remains same. So a demand has come from the unions and officer associations of PSUs that DA should be taken into account for calculating cafeteria. Please look and discuss the matter.

Please note that DPE has not issued any guidelines on the issue of revision of wages for non-executive categories. BSNL Employees' Union is demanding immediate negotiation on wage revision, but their management told that negotiation can't be started unless and until guidelines come from DPE. As per the union, management already wrote letter to the ministry for the guidelines.

PGWFI suggests starting the activities of preparation of COD on wage revision and creating pressure to expedite the negotiation. Otherwise, the question of arrear will come this time if it delays for abnormal period.



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General Secretary

PGWFI.

20th November'2016; Mumbai.