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Secretary

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**Smt. Nirmala Sitharaman,**  
Hon'ble Minister for Finance,  
(Government of India),  
North Block,  
New Delhi

Respected Madam,

**Sub: Consideration of important issues of the Staff Side in the upcoming Budget 2024-2025**

The Central Government Employees have high hopes from the upcoming Budget, and their expectation are that the issues mentioned below will be considered and resolved in the recent Budget:-

**1. Old Pension Scheme**

Old Pension Scheme be restored as it is a matter of Social Security. Introduction of New Pension System(NPS) w.e.f. 01.01.2004 has created an atmosphere of insecurity of their family, and all the employees are frustrated and de-motivated as they are unaware, how NPS will unfold after 25- 30 years when they retire.

Staff Side, therefore, requests to restore **Old Pension Scheme** for all the Central Government Employees.

**2. Constitution of the 8<sup>th</sup> Central Pay Commission**

7<sup>th</sup> CPC was implemented w.e.f. 01.01.2016, and as per past practice CPC are implemented every 10 years. Since DA element has crossed 50% and there is urgent need to revise Pay Matrix, Allowances and Pensionary benefits based on current situation and inflation.

Staff Side demands that the **8<sup>th</sup> Central Pay Commission** be considered immediately, so that, after thorough study/analysis, the recommendations could be implemented w.e.f. 01.01.2026. Delay in implementing the recommendations results in financial hardship to employees.

**3. Staff Benefit Fund- Increase in per-capita contribution over the Indian Railways**

Annual Grant of Rs.800/- per capita is provided by the Indian Railways on 1<sup>st</sup> April for Staff Benefit Fund. Per capita contribution was enhanced to Rs.800/- w.e.f. 01.04.2014. It is worth-mentioning here that, since past ten years no revision has been done, and with this meager

grant it is very difficult to manage scholarships for higher professional studies, financial aid to the staff in distress as also due to natural calamities provides financial expenses and arrange activities related to the Sports Trekking, Women Empowerment, Ayurvedic and Homeopathic Dispensaries etc.

No revision was done even after 7<sup>th</sup> Central Pay Commission recommendations, which were implemented w.e.f. 01.01.2016.

Staff Side, therefore, demands that the grant of per capita contribution for **Staff Benefit Fund** in Indian Railways be enhanced to meet with the expenses incurred to run the aforementioned activities for the staff.

#### **4. Restoration of Commutation of Pension**

Maximum employees opt for Commutation of Pension on their Superannuation. As per extant rules, on date commuted value of Pension is restored after 15 years. It worthwhile to mention that, due to decline in interest rates; the commuted value and interest thereon at present rates is recovered in 12 years.

Staff Side submits that, recovery of commuted value of pension beyond the period of 12 years is unjustified and unnecessary burden on the Pensioners. It is, therefore, requested that, restoration of commuted value of Pension be done after 12 years instead of 15 years.

#### **5. Income Tax Slabs**

All the Central Government Employees are covered in Income Tax Slabs and they are paying it despite the fact that they are facing financial crises.

Staff Side requests that Income Tax Slabs be rationalized to provide relief to the employees. Standard deduction, deduction under Section 88C and other exemption be also provided in new Income Tax Structure to encourage the employees to do savings, which will ultimately benefit the Government and help expand mega infrastructure plan for development of our country.

#### **6. Income Tax Exemption to Pensioners**

On Superannuation; Pensioners are in receipt of 50% of the last pay drawn. To augment their earning and meet with the requirements they invest their retirement corpus in Bank FDs and others investment tools. The interest earned is taxable, which erodes their earning. Technically, Income Tax on interest and erosion of money value, due to inflation, leave them with no earning literally from their money parked in the Banks.



Moreover, due to old age; expenditure on medical bills increases, cost of Attendant is incurred and he has also to incur expenses on social occasions. Keeping in view reduced earning on retirement and increased expenditures, it is requested to exempt all the Pensioners from the Income Tax.

**7. Medical facilities to the employees**

Presently, medical facilities are being provided to all the employees under CGHS, and Railway Employees are provided medical facilities under RELHS.

It has been noticed that, whenever Specialized Treatment is required; the employees are referred to the Empanelled Hospitals, and it is very difficult to admit in Specialized Hospitals that have earmarked few beds for CGHS Employees, and the patient has to run from one hospital to the other. Other reason for facing this problem is low rates fixed for Specialized Treatment by CGHS.

It is, therefore, requested that, Specialized Treatment facilities be augmented in the Government Hospitals, Railway Hospitals, which will eradicate this problem and will also be financially viable as huge and inflated bills, raised on referred cases, will be eliminated.

**8. Capacity Augmentation - Railways**

Special Enhanced Budget should be provided for the Railways to meet with capacity augmentation. Many Stations require upgradation, introduction of additional lines for smooth operation and increasing speed of trains.

“KAVACH” needs to be implemented Pan Indian Railways in phases to ensure enhanced safety.

Passenger Amenities at the platform, Retiring Rooms Complex at the Main Stations need to be developed, keeping in view passenger satisfaction and increase in the number of passengers.

Training facilities for the staff need to be augmented by having Institutes fully equipped to meet with changing technology and keep pace with future researches and transformation.

**9. Home Lone – Methodology of recovery**

As per extent provisions, if House Building Advance is taken from the department, then recovery of principal amount is done first, and on its completion; the total interest accrued is deducted in equated monthly installments.

In the present scenario, the budget allotted for HBA etc. is insufficient to cater to the needs and, the employees are forced to avail House Building Advance from the Banks. The Banks deducted interest along with principal from starting EMI, and it is noticed that, very little amount towards principal is deducted, thus interest is charged heavily as principal reduces minimally in initial years.

It is requested that, recovery of House Building Allowance should be done in the same manner as computed Departmentally, i.e. 1<sup>st</sup> EMI should reduce principal, and after recovery of principal, due interest may be deducted. This will help employees to avail House Building Allowance and they will feel comfortable while repaying it.

Your goodself is requested to consider the above-mentioned demands of the Staff Side sympathetically and resolve these issues to give relief to the Government and Railways Employees in the ensuing Budget.

Hoping for a favorable action from your goodself as it is a cause towards the humanity, which will boost the morale and enhance efficiency of all the employees.

Sincerely yours,



**(Shiva Gopal Mishra)**  
**Secretary(Staff side)**

- √Copy to: **Cabinet Secretary**(Govt. of India), New Delhi – For necessary action please.
- √Copy to: **Finance Secy. & Secy.**(Exp.), **MoF**(Govt. of India), New Delhi – For necessary action please.
- √Copy to: All Constituents of the NC/JCM(Staff Side) – For information.