

INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION

(Estd. 1965, Regd. No.1329, Website <http://www.irtsa.net>)

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Date:07.12.2019

1. Secretary Finance (Expenditure), North Block, New Delhi - 110001
2. Secretary Department of Personnel & Training, North Block, New Delhi - 110 001
3. Member Staff, Room No.214, Railway Board, New Delhi - 110001

Respected Sir,

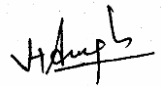
Sub: Revision of rate of PCO Allowance for SSE, JE & PCO Staff.

- Ref:**
1. Para 8.17.101 & 102 of 7th CPC Report.
 2. MOF Department of Expenditure Resolution No. 11-1/2016-IC, dated 6th July 2017.
 3. Railway Board letter No. E(P&A)-2017/SP-1/WS-1 (RBE No.112/2017) dated 30.08.2017.
 4. Railway Board letter No. 2018/M(W)/814/59 (RBE No.131/2019) dated 09.08.2019.
1. Incentive system in Indian Railways is being followed in Production Units and Mechanical Workshops for a long period. Incentive bonus rates are being revised by Railway Board every time after the implementation of new Pay Scales based on 3rd, 4th, 5th, 6th and 7th CPC recommendations.
 2. Exercise of revision of Incentive rates not part of Central Pay Commission recommendations. It is done by Railway Board for productivity improvement. Revision of incentive bonus rates and simultaneous reduction in allowed time resulted in huge savings for Railways, making it as financially profitable.
 3. SSEs/JEs are drawn from the Shop floor among the lot of seniors with good working experience and knowledge to work in PCO organization. To compensate the financial loss on Incentive Bonus to some extent, PCO Allowance of 15% to PCO Staff & JEs and 7.5% to SSEs was paid.
 4. Role of PCO SSEs/JEs are very vital for achieving the production target and for efficient utilization of resources. Their workload has increased many fold due to huge increase in out sourcing, works contract etc. Their workload has increased considerably in areas Process planning, Material scheduling, procurement actions like indenting, technical suitability, quality control, storage, progress, liaison within & outside organization, etc. At the same time proper utilization of in-house capacity on machinery & plant and manpower have to be ensured by PCO supervisors.
 5. PCO Allowance is used to get revised along with the revision of incentive bonus rates in the new Pay Scales after implementation of every Pay Commission recommendations.
 6. While doing the revision of incentive bonus rates in the year 1989, 1999, 2009 and 2019 different formula were adopted to arrive at the new incentive rates.
 7. PCO Allowance was always kept as 7.5% & 15% of basic pay during all revisions irrespective of the formula adopted for revision of incentive bonus rates.
 8. Considering PCO Allowance as common allowance, 7th CPC in para 8.17.102 recommended 6% PCO Allowance for SSE and 12% for JE & PCO staff by adopting common rationalization of percentage based allowances by a factor of 0.8, even though neither Railway nor Unions/Associations represented for PCO Allowance to 7th CPC.

9. During the revision of Incentive rates in 2019 based on 7th CPC Pay Matrix by Railway Board, based on the accountability and responsibility shouldered by SSEs, incentive bonus for shop floor SSE has been kept as 15% without any rationalization and revised rates of Incentive was implemented from 01.07.2017 with 5% reduction in allowed time.
10. Following different standards for shop floor SSEs and for SSEs working in PCO organization is anomalous. While the existing PCO allowance of 15% & 7.5% itself need to be doubled because of abnormal increase in their work load due to huge increase in number of items outsourced, quantity of items outsourced and greater part of man hours outsourcing, reducing it to 12% and 6% demotivated the Supervisors & staff working in PCO organization.
11. **It is therefore requested, that PCO Allowance may please be paid @7.5% and 15% of Basic Pay for SSE and JE & PCO Staff respectively.**

Thanking you

Yours' faithfully,



**(Harchandan Singh),
General Secretary, IRTSA**

Copy to:

Secretary, Railway Board, Room No 227, Railway Board, Rail Bhavan, New Delhi – 110001.