

No.6/3/2013-Estt (Pay-I)
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training

North Block, New Delhi
Dated the 6th February, 2014

OFFICE MEMORANDUM

Subject: Regulation of pay on imposition of a penalty under CCS (CCA) Rules, 1965.

The undersigned is directed to say that the following penalties prescribed in the Rule 11 of CCS (CCA) Rules, 1965, have a bearing on the pay of the officer:

11. Penalties

Minor Penalties -

- (iii) a) reduction to a lower stage in the time-scale of pay by one stage for a period not exceeding three years, without cumulative effect and not adversely affecting his pension.
- (iv) withholding of increments of pay;

Major Penalties -

- (v) save as provided for in clause (iii) (a), reduction to a lower stage in the time-scale of pay for a specified period, with further directions as to whether or not the Government servant will earn increments of pay during the period of such reduction and whether on the expiry of such period, the reduction will or will not have the effect of postponing the future increments of his pay
- (vi) reduction to lower time-scale of pay, grade, post or Service for a period to be specified in the order of penalty, which shall be a bar to the promotion of the Government servant during such specified period to the time-scale of pay, grade, post or Service from which he was reduced, with direction as to whether or not, on promotion on the expiry of the said specified period -
 - (a) the period of reduction to time-scale of pay, grade, post or service shall operate to postpone future increments of his pay, and if so, to what extent; and
 - (b) the Government servant shall regain his original seniority in the higher time scale of pay, grade, post or service;

2. Consequent upon implementation of the recommendations of 6th CPC under the CCS (RP) Rules, 2008 pay scale of a post/grade for below HAG level means the Pay Band and Grade Pay specified for that post. Under the CCS (RP) Rules, 2008 a Pay Band may cover

Government servants in more than one Grade Pay or posts in the hierarchy. As per Rule 9 of the CCS (Revised Pay) Rules, 2008, the rate of increment in the revised pay structure is 3% of the sum of the pay in the Pay Band and Grade Pay applicable, which is to be rounded off to the next multiple of 10. Further, as per Rule 10 of the CCS (Revised Pay) Rules, 2008, there is now a uniform date of increment, that is, 1st July of the year.

3. The mode of implementation of these penalties has been clarified to individual Ministries/Departments wherever references have been received. It is now proposed to issue detailed guidelines on the issue. The regulation of pay on imposition of these penalties is in the subsequent paras:

A. Reduction to a lower stage of pay by one stage {Rule 11(iii a)}

On imposition of a penalty under this Rule, the pay would be fixed at the next lower stage in the Pay Band. In other words, in case of reduction by one stage, the revised pay would be the pay drawn in the Pay Band at the stage before the last increment. Grade Pay attached to the post would remain unchanged. The pay will be fixed by reversing the mode of allowing increments given in Rule 9 of the CCS (RP) Rules, 2008. The formula would be:-

$$\text{Reduced Pay In Pay Band} = \{(\text{Pay in Pay Band} + \text{Grade Pay}) \times 100/103\} \text{ less (Grade Pay)}$$

(rounded off to next 10)

Pay would be Pay in Pay Band as above + Grade Pay

B. Withholding of increment {Rule 11(iv)}

As the uniform date of increment now is 1st July, on imposition of a penalty of withholding of increment, the increment(s) due on the 1st of July falling after the date of imposition of the penalty would be withheld. In case where penalty of withholding of more than one increment is imposed, increments due on 1st of July in the subsequent years would similarly be withheld. The increment would be restored at the end of the period for which the penalty is imposed.

This also applies to cases where the penalty is imposed for part of a year. For instance, if the penalty of withholding of one increment for six months is imposed on a Government servant in April 2013, then the increment falling due on 1.7.2013 will be withheld for a period of six months, that is, till 31.12.2013. The increment would be released w.e.f. 1.1.2014. In this case the next increment falling due on 1.7.2014 will also be allowed.

C. Reduction to a lower stage in the time-scale of pay for a specified period {Rule 11(v)}

The process of imposition of penalty of reduction by one stage under Rule 11(iii a) explained above shall be repeated for every additional stage of reduction by taking the pay arrived at notionally as pay for the second reduction, and so on. Grade Pay shall remain unchanged.

NOTE 1: It is not permissible to impose a penalty under this rule if the pay after imposition of the penalty would fall below the minimum of the Pay Band attached to the post.

NOTE 2: A Pay Band may cover Government servants in different Grade Pays or holding posts at several levels in the hierarchy. It needs to be kept in mind that reduction to lower pay scale or grade is a distinct penalty, under Rule 11(vi). Therefore, while imposing a penalty of reduction to a lower stage in the time-scale of pay under Rule 11(v) of the CCS (CCA) Rules, 1965, Disciplinary Authorities should weigh all factors before deciding upon the quantum of penalty, i.e., the number of stages by which the pay is to be reduced.

D. Reduction to lower time-scale of pay under Rule 11(vi)

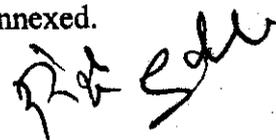
As a result of imposition of a penalty of reduction to lower time-scale of pay, the pay of the Government servant would be reduced to the stage of pay he /she would have drawn had he/she continued in the lower post for the period of penalty. The mode of fixation of pay in this case is similar to reversing the mode of fixation of pay on promotion. Therefore, both pay in Pay Band and Grade Pay would be reduced.

However, Disciplinary Authority has the power, in terms of FR 28, to indicate the pay which the Government servant on whom a penalty of reduction in rank has been imposed, would draw. The Government servant will be entitled to the Grade Pay of the post to which he has been reduced. Thus, the power of the Disciplinary Authority under FR 28 is limited to indicating the pay in the Pay Band applicable to the lower rank/post.

In some cases imposition of a penalty under Rule 11(vi) may also involve a change in Pay Band. For instance a Government servant holding a post in PB-2 with Grade pay of Rs.4200/- may be reduced to a post in PB-1 with Grade Pay of Rs.2800/-

It may also be noted that a Government servant cannot be reduced in rank to a post not held earlier by him in the cadre. For example, an LDC who qualifies as Assistant as a Direct Recruit and is later promoted as Section Officer cannot be reduced to the rank of LDC but only to that of an Assistant.

4. Some illustrations on pay fixation in above types of cases are annexed.



(Mukesh Chaturvedi)

Deputy Secretary to the Government of India

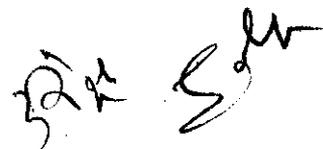
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To

All Ministries/ Departments (as per standard list)

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6. Secretary, National Council of JCM (Staff Side), 13-C, Feroz Shah Road, New Delhi.
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9. Joint Secretary (Pers.), D/o Expenditure, Ministry of Finance.
10. Additional Secretary (Home), Ministry of Home Affairs.
- ✓ 11. Director NIC, DoPT- for uploading on the web site of the Department under Establishment "Pay Rules" as well as "CCS (CCA Rules)".
12. 25 Spare copies.



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ILLUSTRATIONS

Reduction to a lower stage in Pay Band

Example : 1

	Pay in Pay Band (Rs)	Grade Pay (Rs)	Total (Rs)
On the date of penalty	20460	4800	25260
Reduction	Pay in Pay Band (Rs)	Grade Pay (Rs)	Total (Rs)
By 1 stage	19730	4800	24530
By 2 stages	19020	4800	23820
By 3 stages	18330	4800	23130
By 4 stages	17660	4800	22460
By 5 stages	17010	4800	21810

NOTE: There may be some difference when the process is reversed i.e. when increment is allowed. This is because of rounding off of pay in Pay Band to next 10.

Example: 2

Reduction	Pay in Pay Band (Rs)	Grade Pay (Rs)	Total (Rs)
On the date of penalty	10140	4200	14340
Reduction	Pay in Pay Band (Rs)	Grade Pay (Rs)	Total (Rs)
By 1 stage	9730	4200	13930
By 2 stages	9330	4200	13530
By 3 stages	8940**	4200**	13140**
By 4 stages			
By 5 stages			

** In the above illustration, a penalty of reduction by more than two stages would take the pay in the Pay Band below the minimum of the Pay Band, such a penalty would therefore not be implementable in view of Note 2 under para 3C .

Case 1: Reduction to a lower stage

The penalty of reduction to a lower stage in the time-scale of pay by one stage for a period of one year, without cumulative effect and not adversely affecting his pension is imposed on a Government servant w.e.f. 13.03.2013. The Government servant was drawing Rs. 15440 + GP Rs.4200 in Pay Band 2 (Rs.9300-34800)

A. Pay when penalty imposed = Rs.15440+ 4200 =19640

B. Reduced Pay} = {(15440+4200) x 100/103 less (4200) rounded off to next 10 in Pay Band}
= 19067 -4200 = 14867 rounded off to Rs 14870

C. Reduced Pay w.e.f.13-3-2013 = Rs.14870 +GP Rs.4200 =19070

Increment (notional) 1-7-2013 =15440 + (19640 x 3%)^{@@} +4200

=15440+590^{@@}+4200

Pay after increment = 16030+4200=20230

^{@@} rounded off to next 10

D. Pay w.e.f. 13-3-2014 = Rs 16030+ 4200= Rs.20230

E. Pay w.e.f. 1-7-2014 = Rs 16640+4200 = Rs 20840

Case 2: Reduction to a lower stage

The penalty of reduction to a lower stage in the time-scale of pay by two stages for a period of one year is imposed on a Government servant w.e.f. 13-03-2013. It is further directed that the Government servant would earn increment during the period and the reduction will not have the effect of postponing future increments of pay.

The Government servant was drawing Rs. 15440 + GP Rs.4200 in Pay Band 2 (Rs.9300-34800)

(same as in Case 1 but reduction by 2 stages)

A. Pay when penalty imposed = Rs.15440+ 4200 =19640

B. Reduced Pay in Pay Band

Step -1 First stage reduction

$$\begin{aligned} &= \{ (15440+4200) \times 100/103 \text{ less } (4200) \text{ rounded off to next } 10 \\ &= 19067 - 4200 = 14867 \text{ rounded off to Rs } 14870 \end{aligned}$$

$$\text{Pay} = 14870 + 4200 = 19070$$

Step-2 Second stage reduction

$$\begin{aligned} &= \{ (14870+4200) \times 100/103 \text{ less } (4200) \text{ rounded off to next } 10 \\ &= 18514 - 4200 = 14314 \text{ rounded off to Rs } 14320 \end{aligned}$$

C. Reduced Pay w.e.f.13-3-2013 = Rs.14320 +GP Rs.4200 =18520

$$\text{Increment (notional) 1-7-2013} = 15440 + (19640 \times 3\%)^{@@} + 4200$$

$$= 15440 + 590^{@@} + 4200$$

$$\text{Pay after increment} = 16030 + 4200 = 20230$$

$^{@@}$ rounded off to next 10

D. Pay w.e.f. 13-3-2014 = Rs 16030+ 4200= Rs.20230

E. Pay w.e.f. 1-7-2014 = Rs 16640+4200 = Rs 20840

Case 2-A: Reduction to a lower stage

The penalty of reduction to a lower stage in the time-scale of pay by two stages for a period of one year is imposed on a Government servant w.e.f. 13.03.2013. It is further directed that the Government servant would not earn increment during the period and the reduction will not have the effect of postponing future increments of pay.

The Government servant was drawing Rs. 15440 + GP Rs.4200 in Pay Band 2 (Rs.9300-34800)

(same as in Case 2 but no increments during penalty period)

A. Pay when penalty imposed = Rs.15440+ 4200 =19640

B. Reduced Pay in Pay Band

Step -1 First stage reduction

$$= \{ (15440+4200) \times 100/103 \text{ less } (4200) \text{ rounded off to next } 10 \\ = 19067 - 4200 = 14867 \text{ rounded off to Rs } 14870$$

$$\text{Pay} = 14870 + 4200 = 19070$$

Step-2 Second stage reduction

$$= \{ (14870+4200) \times 100/103 \text{ less } (4200) \text{ rounded off to next } 10 \\ = 18514 - 4200 = 14314 \text{ rounded off to Rs } 14320$$

C. Reduced Pay w.e.f.13-3-2013 = Rs.14320 +GP Rs.4200 =18520

NO INCREMENTS DURING THE
PERIOD OF PENALTY

D. Pay w.e.f. 13-3-2014 = Rs 15440+4200 = 19640

E. Pay w.e.f. 1-7-2014 = Rs 16030+4200 = 20230

(Note: The Government servant has drawn Rs.15440 for six months including broken periods)

Case 3: Reduction to a lower stage

The penalty of reduction to a lower stage in the time-scale of pay by one stage for a period of two years, without cumulative effect and not adversely affecting his pension is imposed on a Government servant w.e.f. 13.03.2013. The Government servant was drawing Rs. 15440 + GP Rs.4200 in Pay Band 2 (Rs.9300-34800)

A. Pay when penalty imposed = Rs.15440+ 4200 =19640

B. Reduced Pay } = { (15440+4200) x 100/103 less (4200) rounded off to next 10
in Pay Band }
= 19067 -4200 = 14867 rounded off to Rs 14870

C. Reduced Pay w.e.f.13-3-2013 = Rs.14870 +GP Rs.4200 =19070

Increment (notional) 1-7-2013 =15440 + (19640 x 3%)^{@@} +4200

=15440+590 +4200

Pay after increment = 16030+4200=20230

^{@@} Increment (notional) 1-7-2014 = 16030+ (20230 x 3%)^{@@} +4200

= 16640+ 4200 =20840

^{@@} rounded off to next 10

D. Pay w.e.f. 13-3-2015 = Rs 16640+4200 = Rs 20840

E. Pay w.e.f. 1-7-2015 = Rs 17270+4200 = Rs 21470

Case 4: Withholding of increment

The penalty of Withholding of one increment for a period of six months, without cumulative effect and not adversely affecting his pension is imposed on an Government servant on 13-03-2013. The Government servant was drawing Rs. 15440 + GP Rs.4200 in Pay Band 2 (Rs.9300-34800)

A. Pay when penalty imposed = Rs.15440+ 4200 =19640

Increment (due) 1-7-2013 =15440 + (19640 x 3%)^{@@} +4200

=15440+590 +4200

Pay after increment = 16030+4200=20230

^{@@} rounded off to next 10

This increment is to be withheld for six months i.e. from 1-7-2013 to 31-12-2013

B. Pay w.e.f. 1.7.2013 to 31-12-2013 = Rs.15440+ 4200 =19640

C. Pay w.e.f. 1.1.2014 = Rs 16030 + 4200 = 20230

D. Pay w.e.f. 1.7.2014 = Rs 16640+ 4200 = 20840

Case 5: Reduction to lower grade

The penalty of reduction to the post carrying Grade pay of Rs 4200 for a period of two years is imposed on Government servant in Grade Pay Rs.4600 w.e.f. 13.03.2013, with further directions that the reduction shall not postpone his future increments and on the expiry of the period he shall regain his original seniority in the higher grade.

On 13.03.2013 the Government servant was drawing Rs. 17540 + GP Rs.4600 in Pay Band 2 (Rs.9300-34800). The Government servant had been promoted to the post in Grade Pay Rs.4600 on 1-8-2009. At that time his pay was Rs.15070 + GP 4200 in Pay Band 2.

In this case the pay in GP 4200 would need to be fixed w.e.f. 13.03.2013 to 12.03.2015 as if he had continued in GP 4200. Pay would be regulated as under:

Date	Pay in GP 4200	Pay in GP 4600
1-8-2009	15070+4200= 19270**	15650+4600= 20250
1-7-2010	15650+4200= 19850**	16260+4600= 20860
1-7-2011	16250+4200= 20450**	16890+4600= 21490
1-7-2012	16870+4200= 21070**	17540+4600= 22140
13-3-2013	16870+4200= 21070	
1-7-2013	17510+4200= 21710	
1-7-2014	18170+4200= 22370	
13-3-2015		18210+4600=22810@@
1-7-2015		18900+4600=23500

NOTE:

1. ** Notional pay in GP 4200 from 1-8-2009 to 12-03-2013
2. @@ One increment would be allowed on the Pre Penalty pay as the Government servant would have drawn that pay for more than six months as on 1-7-2013
3. In case the higher and lower grades are in different Pay Bands then also the same method would be followed.
4. Under FR-28, the authority which orders the transfer of a government servant as a penalty from a higher to a lower grade or post may allow him to draw any pay, not exceeding the maximum of the lower grade or post which it may think proper. Provided the pay allowed to be drawn by a government servant shall not exceed the pay which he would have drawn by the operation of FR 22 read with clause (b) or (c) as the case may be of FR 26. This illustration is where no such orders have been passed. Where the disciplinary authority has specified the pay to be drawn in the lower post pay will be drawn as per those direct.