

## **PRESS NOTE**

The Committee on Allowances, constituted by the Ministry of Finance to examine the 7<sup>th</sup> CPC recommendations on Allowances, submitted its Report to Shri Arun Jaitley, Finance Minister on 27.04.2017. The Committee was headed by Shri Ashok Lavasa, Finance Secretary and Secretary (Expenditure) and had Secretaries of Home Affairs, Defence, Health & Family Welfare, Personnel & Training, Post and Chairman, Railway Board as Members and Joint Secretary (Implementation Cell) as Member Secretary.

The Committee was set up in pursuance of the Cabinet decision on 29.06.2016 when approving the 7<sup>th</sup> CPC recommendations on pay, pensions and related issues were approved. The decision to set up the Committee was taken in view of significant changes recommended by the 7<sup>th</sup> CPC in the allowances structure and a large number of representations received in this regard from various Staff Associations as well as the apprehensions conveyed by various Ministries / Departments. The 7<sup>th</sup> CPC had recommended that of a total of 196 Allowances, 52 be abolished altogether and 36 be abolished as separate identities by subsuming them in another allowance.

The Committee took note of all the representations received from various stakeholders on the 7<sup>th</sup> CPC recommendations on Allowances. Representations and demands for modifications were received in respect of 79 allowances which have been examined in detail by the Committee. In doing so, the Committee interacted with all the members of the Standing Committee of National Council (Staff Side), Joint Consultative Machinery (JCM) as well the representatives of various Staff Associations of Railways, Postal employees, Doctors, Nurses, and Department of Atomic Energy. It also interacted with the representatives of the Defence Forces, DGs of Central Armed Police Forces (CAPFs) namely CRPF, CISF, BSF, ITBP, SSB, and Assam Rifles as also senior officers from IB and SPG to understand the viewpoint of their personnel. As mentioned in the Report, the Committee held a total of 15 meetings and was assisted by a Group of Officers headed by Additional Secretary (D/o Expenditure) in examining the representations.

Based on such extensive stakeholder consultations and detailed examination, the Committee has suggested certain modifications in the 7<sup>th</sup> CPC recommendations so as to address the concerns of the stakeholders in the context of the rationale behind the recommendations of the 7<sup>th</sup> CPC as well as other administrative exigencies. Modifications have been suggested in some allowances which are applicable universally to all employees as well as certain other allowances which apply to specific employee categories such as Railwaymen, Postal employees, Scientists, Defence Forces personnel, Doctors, Nurses etc.

The Report, now being examined in the Department of Expenditure, will be placed before the Empowered Committee of Secretaries (E-CoS) set up to screen the 7<sup>th</sup> CPC recommendations and to firm up the proposal for approval of the Cabinet. It may be recalled that while recommendations of the 7<sup>th</sup> CPC on pay and pension were implemented with the approval of Cabinet, allowances continue to be paid at

old rates. After consideration by the E-CoS, the proposal for implementation of 7<sup>th</sup> CPC recommendations on Allowances after incorporating the modifications suggested by the Committee on Allowances in its Report shall be placed before the Cabinet for approval.