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Government of India
Ministry of Finance
Department of Expenditure

New Delhi, 13th January, 2017

Office Memorandum

Subject: Pay revision of employees of Quasi-Government Organizations, Autonomous Organizations, Statutory Bodies etc. set up by and funded/controlled by the Central Government - Guidelines regarding.

The employees working in the Quasi-Government Organizations, Autonomous Organizations, Statutory Bodies etc. set up and funded/controlled by the Central Government, are not Central Government employees and, therefore, the benefits implemented by Central Government in respect of Central Government employees as part of their service conditions, are not directly applicable to the employees working in such autonomous organizations. The application of such benefits as given to Central Government employees in respect of employees of such autonomous organizations as well as the manner and conditions governing such application, including sharing of the additional financial implications arising thereon, requires specific approval of the Central Government. The autonomous organizations are expected to manage their affairs in such a fashion that their dependence on Central Government for financial support to meet the extra financial implications is minimal, as such autonomous organizations are expected to be financially self-sufficient so as not to cause any extra burden on the Central Exchequer.

2. In the above background, the question of extension of the revised pay scales in terms of the CCS (RP) Rules, 2016 as notified on 25.7.2016 in respect of Central Government employees based on the recommendations of the 7th Central Pay Commission, to the employees of the Quasi-Government Organizations, Autonomous Organizations, Statutory Bodies, etc., set up and funded/controlled by the Central Government, where pattern of emolument structure, i.e. pay scales and allowances, in particular Dearness Allowance, House Rent Allowance and Transport Allowance, are identical to those in case of the Central Government employees, has been considered by the Government and it has been decided that the revised pay scales as per the Pay Matrix, as contained in Part-A of the Schedule of the CCS(RP) Rules, 2016 as well as the principle of pay fixation as contained in the said rules, may be extended to the employees of such organizations, subject to the following stipulations:-



- (i) The conditions of service of employees of these organizations, especially those relating to hours of work, payment of OTA etc. are exactly similar to those in case of the Central Government employees,
- (ii) The revised pay structure shall be admissible to those employees who opt for the same in accordance with the extant Rules.
- (iii) Deductions on account of Provident Fund, Contributory Provident Fund or National Pension System, as may be applicable, will have to be made on the basis of the revised pay w.e.f. the date an employee opts to elect the revised pay structure.

3. The revised pay scales contained in Parts B & Part C of the Schedule of the CCS(RP) Rules, 2016, shall not be automatically applicable to the employees of Autonomous Organizations. The concerned Administrative Ministry shall consider such cases keeping in view whether these pay scales are justified for the category of staff of Autonomous Organizations based on functional considerations, recruitment qualifications, as well as the applicable pre-revised pay scales. Based on such an examination by the concerned Administrative Ministry, appropriate proposals, if justified, would be submitted to the Ministry of Finance, Department of Expenditure, through their Integrated Finance.

4. In case of those categories of employees whose pattern of emoluments structure, i.e., pay scales and allowances and conditions of service are not similar to those of the Central Government employees, a separate 'Group of Officers' in respect of each of the Autonomous Bodies may be constituted in the respective Ministry/Department. The Financial Adviser of the respective Ministry/Department will represent the Ministry of Finance on this Group. The Group would examine the proposals for revision of pay scales etc. taking into account the views, if any, expressed by the staff representatives of the concerned organizations. It would be necessary to ensure that the final package of benefits proposed to be extended to the employees of these Autonomous Organizations etc. is not more beneficial than that admissible to the corresponding categories of the Central Government employees. The final package recommended by the 'Group of Officers' will require the concurrence of the Ministry of Finance.

5. In regard to the additional financial impact arising out of the implementation of the revised pay scales, as provided above, the following parameters shall be kept in view:-

- (i) In respect of those Autonomous Organizations, which have not been depending upon the Government Grants for their operations or for meeting the cost of salary, including those autonomous organisations which are in a position to meet the additional financial impact from their own internal resources, the additional financial impact shall be met by the concerned autonomous organizations without any financial

support whatsoever from the Government. No financial support shall be given by the Central Government in such cases.

- (ii) In respect of the other Autonomous Organizations, which are not in a position to meet the additional financial impact, either fully or partly, on account of the implementation of the revised pay scales, the concerned autonomous organization will take up the proposals with the Financial Advisers of the respective Administrative Ministry/Department, bringing out the extent to which the additional cost could be met internally, the shortfall to be made up and the reasons for the shortfall. While giving concurrence to the implementation of the revised pay scales, the Financial Advisers shall ensure that the extent of Government support is kept at the minimum, and in no case the Government support shall be more than 70% (seventy percent) of the additional financial impact.
- (iii) In respect of Autonomous organisations set up under a specific Act of Parliament, not generating adequate internal resources to meet the additional financial impact, the extent of Government support may be more than 70% of the additional impact, provided in the opinion of the concerned Financial Adviser the nature of functions and the fund position of the organisations so warrant.
- (iv) The mode of payment of arrears, as laid down in Rule 14 of the CCS(RP) Rules, 2016 shall be followed, subject to the overall financial impact and the capacity of the concerned autonomous organization to absorb the cost without putting any avoidable burden on the Governments finances, provided the conditions mentioned above are met.

6. The Central Government has not taken any decision so far in regard to various allowances based on the 7th Central Pay Commission in respect of Central Government employees and, therefore, until further orders the existing allowances in the autonomous organizations shall continue to be admissible as per the existing terms and conditions, irrespective of the revised pay scales having been adopted.



(Amar Nath Singh)
Director

To,

All Ministries/Departments of the Government of India, as per the standard mailing list.

All Financial Advisers (By name)