

**File No. WRC/1/1/2019.pt**  
**FOOD CORPORATION OF INDIA**  
**HEADQUARTERS, KHADYA SADAN**  
**16-20 BARAKHAMBA LANE**  
**NEW DELHI**

**Date: 11.10.2019**

**(Circular No. WR-09-2019-17)**

**Subject:** Revision of Scales of Pay, allowances and fringe benefits for Category-III & IV employees on IDA pattern w.e.f. 1.1.2017 – Regarding.

- 1.1** Proposal regarding revision of pay scales, allowances and fringe benefits of category- III & IV employees on industrial dearness allowance pattern w.e.f. 1.1.2017 was forwarded to the Government of India for approval after signing a Memorandum of Understanding with the recognized Union and obtaining the concurrence of the Board of Directors. The Government of India vide letter No.17012/5/2017-FC-III dated 07.08.2019 has communicated its approval on the wage structure to be implemented for unionized employees under IDA pattern w.e.f. 1.1.2017.
- 1.2** Accordingly, a Memorandum of Settlement was signed with the recognized Union on 01.10.2019 and same was approved by Board of directors in its 394<sup>th</sup> meeting held on 04.10.2019 for implementation of the same.
- 1.3** The revised wage structure and the terms and conditions regulating the same shall be as detailed in the following paragraphs:-

**2 APPLICABILITY**

- 2.1** The revised wage structure shall cover all regular Category III & IV employees on IDA pay scales.

**3. PERIOD OF OPERATION**

- 3.1** The revised wage structure is applicable for a period of ten years from 01.01.2017 to 31.12.2026 (10 years). However, till revised wages due from 01.01.2027 are introduced, the Category III & IV employees will continue to be allowed pay and other benefits as per the current scheme as amended from time to time.

#### 4. SCALES OF PAY

4.1 The revised scales of pay effective from 01.01.2017 corresponding to the existing (pre-revised) pay scales are as under:-

Scale No.	Existing scales (Rs.)	Revised scales (Rs.)
S-1	8100-18070	23300 - 64000
S-2	8300-19710	24000 - 70000
S-3	8500-20580	24700 - 72000
S-4	8900-22100	26200 - 76300
S-5	9300-22940	28200 - 79200
S-6	9900-25530	30500 - 88100
S-7	11100-29950	34000 - 103400
S-8	13300-31050	36000 - 107200

#### 5. METHODOLOGY FOR PAY FIXATION

5.1 To arrive at the revised Basic Pay (BP) as on 1.1.2017, fitment methodology shall be as under:

A		B		C		D (Revised BP as on 01.01.2017)*
Basic Pay + Stagnation Increment (s) as on 31.12.2016 (Personal Pay /Special Pay not to be included)	+	Industrial Dearness Allowance (IDA) @ 119.5% as applicable on 1.1.2017 {under the IDA pattern computation methodology linked to All India Cumulative Price Index (AICPI) 2001=100 series}	+	15% of (A+B)	=	Aggregate amount rounded off to the next Rs.10/-.
<ul style="list-style-type: none"><li>In case revised BP as on 01.01.2017 arrived so is less than the minimum of the revised pay scale, Pay will be fixed at the minimum of the revised pay scale.</li></ul>						

5.2. Bunching of Pay has not been considered by Ministry.

**5.3** The employees who have joined or shall be joining the services on or after 01.01.2017 will be placed in the revised pay scales at the minimum of the scale from the date of their joining. Such employees will not be eligible for the fitment benefit under the pay revision.

**6. ANNUAL INCREMENT**

**6.1** The annual increment would be @ 3% of the revised Basic Pay rounded off to the next multiple of Rs. 10/-.

**6.2** Annual increment will be regulated as under pending final decision of Ministry in this regard:

(a) Annual increment on 01.01.2017 itself after fixation of pay on 01.1.2017 will not be given to the employees.

(b) Employees who have not completed or will not be completing one year of service after joining the Corporation are not/will not be entitled for annual increment on 1st January in the subsequent year.

**7. FIXATION OF PAY ON PROMOTION ON OR AFTER 01.01.2017**

**7.1** One notional increment equal to the 3% of the basic pay being drawn by the employees in the pay scale before such promotion, would be granted and rounded off to the next multiple of Rs 10/-.

**8. INDUSTRIAL DEARNESS ALLOWANCE (IDA)**

**8.1** IDA as on 01.01.2017 will be Nil with link point of All India Consumer Price Index(AICPI) 2001=100, which is 277.33. The IDA payable w.e.f. 01.04.2017 onwards shall be as per the IDA rates circulated by DPE from time to time. The quarterly DA payable from 01.01.2017 will be as under:-

<b>Effective Date</b>	<b>Rate of Dearness Allowance (%)</b>
01.01.2017	0.0
01.04.2017	-1.1
01.07.2017	-0.2
01.10.2017	2.2
01.01.2018	3.4

01.04.2018	3.5
01.07.2018	3.8
01.10.2018	7.3
01.01.2019	8.8
01.04.2019	10
01.07.2019	12.4
01.10.2019	14.8

**8.2** Whenever DPE issues instructions for merger of IDA into Basic Pay, the same shall also be applicable to category III & IV employees in accordance with the guidelines issued by DPE.

## **9. HOUSE RENT ALLOWANCE (HRA)**

**9.1** The HRA on the revised scales of pay will be payable from 21.06.2018 at the rates notified by the Govt. of India from time to time. The present rates of HRA as notified by the Govt. of India are as under:-

<b>CLASSIFICATION OF CITIES</b>	<b>RATE OF HRA</b>
X-Class (Population of 50 Lakh and above)	24% of Basic Pay
Y-Class (Population of 5 Lakh to 50 Lakh)	16% of Basic Pay
Z-Class (Population below 5 Lakh)	8% of Basic Pay

Rate of HRA will be revised to **27%, 18% & 9%** for X, Y and Z class cities respectively when IDA crosses **25%** and further revised to **30%, 20%** and **10%** when IDA crosses **50%**.

## **10. LOCATION BASED COMPENSATORY ALLOWANCES:**

**10.1** Location based Compensatory Allowances shall be paid at the rates and other terms and conditions notified by DPE vide O.M. No. W-02/0028/2017-DPE (WC)-GL-XVI/17 dated 07.09.2017(**Annexure-I**) as amended from time to time from 21.06.2018.

## **11. PERKS AND ALLOWANCES**

**11.1** It has been decided to introduce '**Cafeteria approach**' for payment of perks and allowances admissible to different categories of employees subject to a ceiling of 35% of revised Basic Pay in lieu of existing **allowances and fringe benefits**.

**11.2.** The employees will have choice of allowances/perks upto 32% of Basic Pay under the cafeteria. Allowances/perks mentioned at **Annexure-II** shall form part of the cafeteria in addition to LTC and PLI.

The employees shall submit declaration in the cafeteria option form (**Annexure-II**) by 15th March of every year for opting set of allowances to Bills section of the concerned office for the next financial year. In the declaration, the employee would indicate against each item, whether the same would be claimed as allowance or as a reimbursement. Where reimbursement mode is selected, payment would be restricted to the amount of bills/vouchers furnished or the amount equivalent to the percentage of the basic pay provided in the option form, whichever is less. The declaration once submitted by the employees to Bills Section will not be changed till end of the financial year and the employee will continue to draw the same set of allowance/perks during the currency of that financial year. However, the employees who are promoted or transferred from one city to another may be permitted to change and resubmit their option afresh. The employees would be permitted to opt for a maximum of 32% benefits under the 'cafeteria approach.

The choice/option of allowances/perks for the period 01.01.2017 to 31.03.2020 shall be exercised for the full prescribed limit of 32% from the list of allowances referred above.

**11.3** Out of overall ceiling of 35%, the LTC component shall be kept at 1% of basic pay and the present LTC scheme shall continue to be regulated as per the current provisions as amended from time to time.

**11.4** The Productivity Linked Incentive scheme will also continue and the maximum incentive payable under the scheme would be 2% of basic pay of employees subject to term and conditions of PLI scheme.

**11.5** Arrears on account of perks and allowances, except HRA and Location Based Compensatory Allowances shall be paid w.e.f. **01.01.2017** after adjusting/recovering the amount already paid in respect of allowances and fringe benefits.

**11.6** As regards FCI owned accommodation provided to the employees, the Corporation would bear the Income Tax liability on the "non-monetary perquisite" of which **50%** shall be loaded within the ceiling of **32%** of Basic Pay on perks and allowances. This benefit shall be payable w.e.f. **21.06.2018.**

**11.7** In case of employees under suspension, only subsistence allowance as applicable on the basic pay shall be payable. An employee under suspension shall not be eligible to opt for allowances/perks under the "Cafeteria Approach".

**11.8** Employees on long leave such as Study Leave, EOL on any grounds, Maternity Leave and CCL etc. shall not be eligible for perks and allowances during their leave period.

## **12. OVERTIME ALLOWANCE**

**12.1** Payment of OTA on revised Pay scale will be outside the ceiling of Perks and allowances provided OTA is required to be paid as per a statutory obligation for payment of extra work. The OTA payment from 01.01.2017 to before the date of signing of Memorandum of Settlement (MOS) i.e., 01.10.2019 shall be made on pre-revised Pay scale and no arrear is payable. Further, OTA payment shall continue to be regulated as per the existing provisions as amended from time to time.

## **13. REIMBURSEMENT OF MEDICAL EXPENSES**

**13.1** Existing system of reimbursement of medical expenses shall be dispensed and the medical facility (outdoor and indoor) as allowed to Category I and II shall be allowed from the date of the signing of Memorandum of Settlement (MOS) i.e. 01.10.2019. The terms and conditions of reimbursement shall be applicable as per instructions issued by the Corporation from time to time. Further, the reimbursement of Medical expenses shall be reviewed after 3 years from the date of signing of Memorandum of Understanding (MOU) i.e., 01.02.2019 by the Management in consultation with nationally recognized Union.

## **14. SUPERANNUATION BENEFITS**

**14.1** The retirement benefits shall be allowed as per DPE instructions from time to time. Corporation shall continue to contribute up to 30% of Basic Pay plus DA towards Contributory provident Fund, Gratuity, Post-Retirement Medical Scheme and Pension (DCPS) of employees.

**14.2** The Ceiling of gratuity stands raised from Rs.10 Lakhs to Rs. 20 Lakhs w.e.f. 01.01.2017. Besides the ceiling of gratuity shall increase by 25% whenever IDA rises by 50%.

**14.3** The existing requirement of superannuation and minimum 15 years of service has been dispensed with for the pension Scheme w.e.f. 01.01.2017.

**14.4** The existing Post-Retirement Medical Benefits will continue to be linked to requirement of superannuation and minimum of 15 years of continuous service for employees.

**14.5** In case of food transferees who have opted for retirement benefits of the Central Govt. servants under Section 12(A) of Food Corporation Act, 1964, the retirement benefits shall be determined /allowed as per the Act.

**15. EXISTING ALLOWANCES:**

**15.1** All existing allowances/perquisite not specifically covered under this circular ceases to exist with effect from 01.01.2017. Further, no new allowance or perquisite or benefit, not already applicable except the allowance or perquisite or benefit allowed by GOI and circulated by DPE, will be allowed during the period from 01.01.2017 to 31.12.2026.

**15.2** Only allowances/perquisite i.e. Overtime allowance, location based compensatory allowances are outside the purview of 35% ceiling of Perks and allowances.

**16. TRANSFER GRANT**

**16.1** Transfer benefit viz. consolidated transfer grant and packing charges shall be revised from date of signing of MOS.:-

Scale No.	Rate as per last revision		Revised	
	Transfer Within Region	Transfer Outside Region	Transfer Within Region	Transfer Outside Region
S-1 to S-2	4000	One month Basic Pay	8800	80% of last month's Basic Pay
S-3 to S-5	6000	One month Basic Pay	13200	80% of last month's Basic Pay
S-6	8000	One month Basic Pay	17600	80% of last month's Basic Pay
S-7 & S-8	10000	One month Basic Pay	22000	80% of last month's Basic Pay

- Fixed Transfer Grant shall increase by 25% every time whenever the IDA payable on the revised pay structure goes up by 50% subject to maximum of 80% of last month's Basic Pay.

## **17. PRODUCTIVITY IMPROVEMENT AND COST EFFECTIVENESS**

- 17.1** All the employees are expected to extend full support to all initiatives taken by management for improving efficiency, enforcing strict discipline and punctuality.
- 17.2** All the employees would work towards reducing wastages to improve utilization of all human, material and technological resources for higher productivity and to make all out efforts to achieve the targets set under MOU with the Ministry of CAF&PD for improving the efficiency and productivity.
- 17.3** Re-deployment, rotation and re-training consistent with skills and technology will be adopted, wherever necessary, especially in the context of technological changes.
- 17.4** The Family Planning Incentive for small family norms shall be discontinued from 01.01.2017.

## **18. RECOVERIES/ADJUSTMENT OF THE AMOUNTS ALREADY PAID**

- 18.1** The fixed Interim Relief amount paid to the Category III & IV employees at the rate of 10% of the Basic pay as on 01.01.2017(pre-revised scale) subject to a minimum of Rs. 1000/- per month released vide circular No. WR-09-2018-20 dated 28.11.2018 shall be adjusted against the pay revision arrears payable under this circular.
- 18.2** Advance of Rs 75,000 paid to each Category III & IV employees on IDA pattern released vide circular No.WR-09-2019-16 dated 04.10.2019 shall be adjusted against the pay revision arrears payable under this circular.
- 18.3** Arrears on account of Wage revision shall be paid after adjusting /recovering the amount already paid at pre-revised Pay Scale.
- 18.4** The payment of arrears shall be subject to deduction of Income tax, recoveries towards on account of CPF, Pension (DCPS) etc. as per Rules.
- 18.5** The revised scales of pay shall be applicable to all employees under IDA pattern including those superannuated, resigned, died or retired on



voluntary scheme or terminated on or after 01.01.2017. Those retired, resigned, died or voluntary retired on/after 01.01.2017 would be eligible for arrears up to the date of their resignation/retirement/death/ termination of services in the Corporation as per extant rules.

**19. ANOMALY**

**19.1** In case any hardship being faced by the employee or any anomaly noticed, the case may be referred to General Manager (PE), Headquarters for suitable clarification.

**20. GENERAL**


**20.1** Each employee has to give an undertaking that in case any discrepancy is found in post audit, the employee has to refund excess amount as a result thereof. The undertaking form is available at **Annexure-III**.

**20.2** All the concerned authorities in the Corporation are requested to bring these instructions to the notice of all Category-III & IV employees and take necessary action immediately to complete the process of fixation of pay in the revised scale of pay immediately. Copies of this Circular shall be displayed in the Notice Boards of all the Subordinate Offices.

**20.3** Hindi version will follow.

This issues with the approval of the Competent Authority after financial and legal concurrence.

**Encl: as above**

  
11/10/2019  
(Devesh Kumar Yadav)  
General Manager (Personnel)

**Distribution: As per standard mailing list.**

**ANNEXURE-II****FOOD CORPORATION OF INDIA**

Declaration/option form for allowance/perks under the Cafeteria approach for the financial year.....

- 1) Name of the employee
- 2) Designation
- 3) Place of posting
- 4) Staff No/CPF.

Sl. No.	Type of Allowance	Percentage Fixed	Tick ( ) the choice of allowance	Mode of payment: Reimbursement or allowance
1a	Transport(to be claimed if conveyance allowance not claimed)	6% p.m.		
1b	Transport for physically handicapped employee	15% p.m.		
2	Children Education Allowance (Restricted to 2 children)			
	School(incl. play school)	3% p.m		
	College	4% p.m		
	PG study in professional institution/university	6% p.m		
3	Hostel allowance(studying outstation)	3% p.m		
4	Conveyance Allowance			
	Four Wheeler Vehicle	6% p.m		
	Two Wheeler Vehicle	5% p.m		
5	House up keep allowance	10% p.m.		
6	Electricity	2% p.m.		
7	Driver Allowance	5% p.m		
8	Lunch subsidy	5% p.m.		
9	Professional	2% p.m		

	Development Allowance			
10	Professional Membership Fee & training program	2% p.m		
11	Mobile/Telephone reimbursement for personal use	3% p.m.		
12	Family Maintenance & Disturbance allowance (on transfer if family is residing at old station)	5% p.m.		
13	Dress Allowance	5% p.m.		
14	Laundry/Washing Allowance	2% p.m.		
15	Entertainment Allowance	6% p.m.		
16	Domestic Assistance	5% p.m.		
17	Cook Allowance	2% p.m		
18	Birth day gift	1% p.m		
19	Disability allowance for dependent children	2% p.m.		

I, hereby opt for the above marked perks and allowances for the financial year ..... restricted to 32% of Basic Pay. \_\_\_\_\_ allowance may be restricted in case the total percentage exceeds the prescribed limit.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

FOR USE IN FINANCE & ACCOUNTS DEPARTMENT

1. Maximum entitlement of perks and allowance of employee: \_\_\_\_\_
2. Total amount payable to the employee: \_\_\_\_\_

Assistant

Manager (Accounts)

**ANNEXURE-III**

**UNDERTAKING**

I, \_\_\_\_\_ hereby accept the FCI circular No. **WR-09-2019-17** dated 11.10.2019 and the revised pay structure with effect from 1st January, 2017. I undertake that any excess payment that may be found to have been made as a result of fixation of pay/ incorrect fixation of pay or excess payment detected for any reasons at any stage shall be refunded by me to the Corporation and I hereby unconditionally authorize the Corporation to recover the same from my dues without notice.

Signature:

Name:

Designation:

Place of Posting:

Date:

CPF No.