

National Convention on Executive compensation in CPSEs held on 29.01.2015 at IPE Hyderabad

Resolutions :

a) PRP:

1. Total PBT to be considered as per DPE memo dt26.11.08 instead of operating PBT. This is applicable for all PSEs uniformly. Some PSEs are having major income from interest as their business.
2. PBT to be increased from 5% to 10%. This is as per Roongta Committee report. In case of man power intensive & Engineering PSEs, 5% PBT funds are much less than funds required.
3. Basic+DA to be considered for PRP to compensate for cost inflation.
4. 100% of PRP should be from 10% of total PBT instead of 60% from total PBT & 40% from incremental PBT. It is not practical to have incremental PBT every year in case of PSEs getting orders on global competition&Engg companies with high cost of raw materials.
5. Surplus of 10%PBT-PRP to be carried forward to next year for inclusion in 10% PBT in case funds available are lesser than required for PRP.
6. PRP of entry level officer should be more than the total incentive of senior most workman.
7. No PRP for 10% of officers "below par" rating. This condition has to be removed.
8. Factor for MOU Score & Individual Performance to be fixed in steps of 10% instead of 20%. Ie Excellent/outstanding : 1.0, Very Good: 0.9, Good: 0.8, Fair: 0.7 & Poor: 0.6

b) Pay Revision Proposals/feedback on DPE memo 26.11.08

1. 3rd PRC to be constituted immediately with members of PSE Officers & NCOA representative.
2. Pay& Perks to be revised from 1.1.2012 & valid for max. of 5 years.
3. DA merger as on 1.1.2012
4. Open ended scales
5. Pay of entry level officer >Sr most workman

6. Increments, PP, stagnation increments, Special pay granted earlier are to be considered in revised basic.
7. Same % of Perks to all grades.

c) Superannuation benefit:

1. Actual amount of Gratuity to be paid as per Sec. 4(5) of act. Amount in excess of Rs 10L can be added to Pension Corpus of superannuating Officer.
2. Sum of all superannuation benefit ie PF+Gratuity+Ret. Med. Benefit+Pension should be 30% to all PSEs . This is irrespective of the performance /capability of company etc. PF & Gratuity are already paid without linking to company's performance/capability. Ret. Med. & Pension can't be separately linked to perf./capability.
3. Pension Corpus to be calculated as 30% wage-12% wage for PF- Gratuity paid in a year as % of wage- Ret. Medical expenses incurred in a year as % of wage
4. Ret. Medical benefit to be on need based (without any limit)

d) Sick PSEs:

1. BRPSE has to approve the revival package submitted by 43 Sick PSEs & funds to be released immediately.
2. 23 sick PSEs are not approved for revival. These are to be closed/ sold in public auction immediately