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COMMITTEE ON PETITIONS

(SIXTH LOK SABHA)

NINTH REPORT

[Representation regarding grievances and demands of pensioners]

सत्यमेव जयते

(Presented to Lok Sabha on the 11th April, 1979)

LOK SABHA SECRETARIAT
NEW DELHI

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NINTH REPORT OF THE COMMITTEE ON PETITIONS
(SIXTH LOK SABHA)

I

INTRODUCTION

1.1. I, the Chairman of the Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Ninth Report of the Committee to the House on the representation regarding grievances and demands of pensioners.

1.2. The Committee considered the matter at their sittings held on the 2nd March, 1978 and 30th January, 13th and 14th February and 2nd March, 1979.

1.3. The Committee considered their draft Report at their sitting held on the 6th April, 1979 and adopted it.

1.4. The observations/recommendations of the Committee on the matter have been included in this Report.

H. V. KAMATH,
Chairman,
Committee on Petitions.

NEW DELHI;
Dated the 6th April, 1979.

II

REPORT

A. Petitioners' Grievances and Prayer

2.1. Dr. Bool Chand, Retd. I.A.S., Jangpura Extension, New Delhi, and others addressed a representation dated the 14th September 1978, regarding demands of pensioners.

The representation was counter signed by Shri B. Bhanwar, M.P.

2.2. In their representation, the petitioners stated as follows:

"That even since the assumption of power by the present Government all Central Government pensioners have been hoping for a better deal than what they have received at the hands of earlier Governments. They have been hoping that the manifold difficulties with which they are faced would be considered sympathetically and some tangible action would be taken to improve their deplorable economic plight.

(2) That in most other progressive countries of the world, retired Government employees, who have devoted the best and most active part of their working life in the service of their Government, are regarded with honour and as an important part of the community whose welfare is the objective of all major formulations of public policy. In Canada, for instance, the pension of a retiring Government employee is assessed at 2 per cent of the last salary drawn multiplied by the years of service performed by the pensioner, subject to 70 per cent of the last pay drawn, and the amount of pension is provided to be increased according to the increase in the consumer price index every year. In the United Kingdom, a Pensions Increase Act was passed in the year 1971 to provide for automatic increase of the amount of pension to catch up with inflation.

(3) That in our country there is a Pensions Act passed in the year 1871, which is obsolete and quite irrelevant to

the issues with which the amount of pension to be fixed for a retiring Government servant has to concern itself. Article 309 of our Constitution provides for making of law by Parliament to regulate recruitment and conditions of service (including pensionery benefits) of Central Government employees, but no such Act has yet been passed. Shri H. V. Kamath, Member of the Administrative Reforms Commission (1969) drew pointed attention to this. Representative bodies of pensioners have approached Government for the replacement of the Pensions Act 1871 by a more relevant and more progressive Pensions (Regulation) Act, pointing out that by doing so the present Janata Government would be acting in fulfilment of the Janata Party election manifesto which had promised to review enactments bearing on social welfare, but the request of the pensioners was not heeded.

(4) That thrice, during the last 30 years, the Government of India has appointed pay commissions for reviewing and revising the pay-scales and pensionary benefits of their serving employees, but to none of these commissions was the question of revising the scales and amount of pension of retired Government officers was referred in specific terms. The Supreme Court of India has ruled in several cases that pension is deferred pay. When pay-scales of serving employees are revised, it would be quite logical that those who are still in enjoyment of 'deferred pay' should be shares in the revised pay-scales. In defference to this ruling, Punjab Government has recently revised the terms of reference of the Punjab Pay Commission appointed on 24 June, 1978 to include 'to consider and recommend such revisions or rationalisation or changes in respect of pensions and other pensionary benefits to pensioners as are necessary and feasible.'

(5) That while the first two Pay Commissions avoided considering the question of pensioners, the Third Pay Commission showed an inclination to consider this question when approached by pensioners themselves; but Government of India halted such consideration by the Commission by intimating to the Commission that Government would undertake to 'consider the question of relief to the pensioners in due course in the light of the Commission's recommendations in the matter of pensionary benefits to serving Government employees covered by

the Commission's terms of reference'. The result of Government's undertaking has been neither fair nor correct. The pensioners were not invited to state their point of view. The decision was made arbitrarily to give an *ad hoc* relief which was not only meagre but which was also not related either to the increase in price index in the country since the time of the fixation of the amounts of pension or to the salary increases of serving Government employees as recommended by the Commission. Government decision to give this *ad hoc* relief did not solve the disparities created by reason of the recommendations of the Pay Commission being made effective from a later date. The Commission had been appointed in the year 1969; and it submitted its report on 31st March, 1973. By giving effect to the recommendations of the Pay Commission from 1st January, 1973, Government had discriminated against all those who had retired before 1969 or between 1969 and January, 1973. As regards the *ad hoc* benefit given, it had been neutralised even before its grant by the abnormal rise in the level of price of necessities. The problems with which the pensioners are beset therefore, continue to face them.

(6) That if, as has been ruled by the Supreme Court of India that pension is not merely deferred pay but is also property under Article 31 of the Constitution, it stands to reason that all major decisions regarding pensioners should be made by Government of India only after discussions with the pensioners and hearing their point of view. Issues unresolved in discussion should be adjudicated by arbitration, if demanded, for the redress of the grievances of Central Government employees the Joint Consultative Machinery has been set up under which a joint consultative committee meets under the chairmanship of Cabinet Secretary and issues unresolved by the committee are provided to be submitted for arbitration. A similar device can be profitably set up for pensioners also, who have well-organised registered bodies for furthering their welfare, in New Delhi."

2.3. The petitioners submitted that the pensioners deserved to be recognised as an important social welfare problem of our country and that the problems of the pensioners deserved to be expeditiously solved. The petitioners prayed that:

(i) A pensions commission should be urgently appointed which would examine the question of pensionary benefits of retired persons in all its manifold aspects.

(ii) Even if a new Pensions (Regulation) Act as demanded by the representative bodies of pensioners is not considered advisable to enact at present, a Pensions Increase Act should be passed on the lines of the Act in U.K. with the object of providing for an automatic increase in the amount of all current pensions to catch up with the rise in the level of prices of necessities.

(iii) A joint consultative machinery should be set up for resolving difference of view on specific matters between Government and the pensioners, on the lines of the operative scheme for joint consultative machinery and compulsory arbitration for Central Government employees."

2.4. In another memorandum dated the 13th February, 1979, submitted to the Committee, the petitioners have stated as follows:

"(1) In its report submitted to Government of India in May 1978, the Bhoothalingam Committee on Wages, Income and Prices has given its conclusion that as a class 'pensioners are particularly vulnerable to increases in the cost of living'.

(2) This stark reality had been realised by the U.K. Government many years ago and the U.K. Government had, therefore, accepted an unqualified obligation to protect the purchasing power of their civil service pensioners. Pension increases have been effected in U.K. to offset price increases in 1920, 1924, 1944, 1948, 1949, 1952, 1954, 1956, 1959, 1962, 1965 and 1969. In 1971, the process was institutionalised by formulating a set of multipliers by which any previous year's pension was provided to be multiplied in order to relate it to the 1969 standard basic rate of pension.

(3) This was done by the Pensions (Increases) Act, 1971. There is also a further Pensions (Increase) Act, 1974 (c. 9) to increase certain official Pension, etc.

(4) In Pensions (Increase) Act, 1971 the following table is set out for conversion of basic rate of earlier pensions to 1969 standards:

Year	Multiplier	Year	Multiplier	Year	Multiplier
any year		1951	1·886	1960	1·383
upto		1952	1·728	1961	1·338
1944	3·052	1953	1·675	1962	1·282
1945	2·583	1954	1·645	1963	1·258
1946	2·348	1955	1·574	1964	1·218
1947	2·327	1956	1·501	1965	1·162
1948	2·179	1957	1·448	1966	1·118
1949	2·119	1958	1·404	1967	1·091
1959	2·059	1959	1·397	1968	1·042

That covers the period upto 31-12-1968.

The Act further provides that (i) all pensions beginning on or before 1st April, 1969 would be increased by 18 per cent of the basic rate; (ii) all pensions beginning in the six months following April, 1969 would be increased by 16 per cent of the basic rate; (iii) all pensions beginning in the six months following 1st October, 1969 would be increased by 14 per cent of the basic rate: all pensions beginning in the six months following 1st April, 1970 would be increased by 10 per cent of the basic rate: all pensions beginning in the six months following 1st October, 1970 would be increased by 60 per cent of the basic rate.

Every two years thereafter the Act has provided for future reviews of the cost of living index, and it was stipulated that if the cost of living index was found to have arisen by 4 per cent or more, suitable increases in the basic rate of all standardised pensions would be given.

(5) The number of persons in enjoyment of retirement pensions in U.K., who benefitted from the Pensions (Increase) Act 1971, was over 8 millions in a total population of 52

millions. In our own country the Central Government pensioners about whom the petitioners have approached the Hon'ble Committee on Petitions are just 1.5 millions in a total population of over 600 millions, and so the cost involved in solving their problem in pursuance of the U.K. model would be comparatively small, almost negligible.

(6) The above U.K. legislation was passed by that Government when the nation's finances appeared to be in a difficult condition; it was passed as it was in furtherance of the U.K. Government's policy of removal of poverty. The Pensions (Increase) Act 1971 helped to save a fair sector of British society, which had sailed above the poverty line throughout its active working life, from falling below the poverty line in the period of its retirement.

(7) Our own Government also professes to act in the interest of removal of poverty as the basic objective of our public policy. The Government has recently given a fillip to the Antyodaya movement in token of its desire to put its above profession into operation.

(8) The line of action which will eventually help to remove poverty in our country must necessarily take a double course. One course of action is to raise persons who are below the poverty line to above that line, and the Antyodaya movement is in conformity with that course. The other course which has to be simultaneously pursued is to prevent those who are already above the poverty line, even if marginally, from falling below it in their period of retirement. It was in conformity with this latter course that the U.K. Government passed the Pensions (Increase) Act, 1971, even when the nation's finances were not too satisfactory. That course was followed, because quite inescapably it had to be followed for attaining the object of removal of poverty.

(9) Our own Government must also follow this course. It must take action to similarly convert the basic rate of all previous pensions to be current year's standard according to the principle of parity and formulate a set of multipliers for the conversion of the basic rate of all pensions to the 1979 standard.

(10) For the consideration of the Hon'ble Committee, we submit herewith a draft Pensions (Increase) Bill 1979, which we hope the Committee would recommend to Government for passing into legislation.

(11) What has been stated above has reference to prayer (ii) in our petition. To this prayer we attach the greatest importance and we believe that if pension increases can be conforced in our country on the model of U.K., most of the problems with which we pensioners consider ourselves beset at present will be solved at once. In our reply to the questionnaire for pensioners issued by the Punjab Pay Commission this fact was prominently brought out by us. That is why we had made our request to the secretariat of this Hon'ble Committee to submit our reply for the perusal of the Chairman of this Committee.

(12) May we just in passing point out that the grant of pension increases to us on the model of U.K., for instance the multiplying of basic rate of pensions given before 1960 by 3.280 may still keep most pensioners' basic rate below the minimum of Rs. 150/- p.m. at 1978 prices recommended by the Bhoothalingam Committee? It would be ideal and fair if the principle of parity on which the set of multipliers is formulated for the conversion of the basic rate of all pensions to the 1979 standard under our draft pension (Increase) Bill, 1979 is combined with the enunciation of the formula that the minimum pension would not be less than the national minimum wage.

(13) As regards our prayer (iii), we like to submit to the Hon'ble Committee that in the journal of the Bharat Pensioners Samaj for September, 1977 it has been assessed on the basis of January, 1975 figures that Central Government pensioners are about 37 per cent of the Central employees. If the benefit of joint consultative machinery can be granted to central serving employees and if, as is claimed, it has really helped to resolve difference of view on specific matters between the Government and the serving employees, it stands to reason that the benefit should be granted to Central Government pensioners also. First 37 per cent is a fairly large number of persons and such numbers should not be allowed to feel that they are unheard. Secondly, in a democratic system of government consultative procedure is wholly in keeping with the prevailing values. Thirdly, in view of the fact that there are well-organised bodies of pensioners in Delhi, the adoption

of joint consultative machinery procedure would be at once fruitful and convenient to follow. Immediately the matter can be settled by associating some pensioners, representatives of well-organised pensioner bodies with meetings held under the J.C.M. to enable these pensioners to represent their view point on all matters under consideration.

(14) In respect of our prayer (i), we like to submit that investigation of hardships from which any particular section of people suffer is quite valid in the democratic system of government and further that almost every political and administrative analyst in our country has strongly supported our above prayer. Two eminent Indian economists, Dr. V. Jaganathan and Dr. C. M. Palvia recommended the appointment of a Pensions Commission in their study of 'Problems of Pensioners—Socio-economic and Administration'. Even the Administrative Reforms Commission of which the worthy Chairman of the Hon'ble Committee was a member supported the demand of pensioners for better terms of retirement and for liberalisation of pensionery benefits. Several progressive State Governments, including Punjab and recently Haryana, have set up Pay Commissions, which has issued a specific questionnaire for pensioners. We request the hon'ble Committee to lend its powerful support to our prayer for setting up a Pensions Commission by Government."

B. Comments of the Ministry of Finance (Department of Expenditure) and Evidence before the Committee

2.5. The representation was referred to the Ministry of Finance (Department of Expenditure) for furnishing their factual comments thereon for consideration of the Committee. In their factual note, dated the 17th November, 1978, the Ministry of Finance (Department of Expenditure) have stated as follows:—

"The position with regard to the points mentioned in para (2.3) of the petition is as follows:—

(i) Several representations from organisations of pensioners and individual pensioners have been received in this Ministry and a Question has also been answered in the Lok Sabha. The matter was also pressed before the Committee on Petitions of the Lok Sabha in March, 1976. The procedures for sanctioning the pensions and other retirement benefits have been considerably simplified but the pensioners seem to be anxious for more substantial benefits than merely the changes in the procedures relating to payment of pension etc. The Government is doing whatever is possible, consistent with its financial resources, for retired Government servants.

(ii) It has been suggested that a Pensions Increase Act should be passed on the lines of the Act in U.K. with the object of providing for automatic increase in the amount of all current pensions to catch up with the rise in the level of prices of necessities. In this connection, it may be stated that the conditions prevailing in U.K. are quite different from those in India and it is not possible to enact a new law for increase in pensions on the same lines as adopted by the U.K. Government. The Third Pay Commission who also considered this point have in their Report (Chapter 60, para 92) stated, "while we do not favour the adoption of U.K. practice as the conditions in this country differ, we feel that there is enough justification for giving relief on a regular basis to future pensioners also. It may be noted, in this connection, that the Pay Commission's recommendations in respect of relief to pensioners have been accepted.

(iii) The Joint Consultative Machinery (JCM) has been set up with the object of providing harmonious relations between Government, in its capacity of employer and the general body of its employees. As the JCM does look after the interests of pensioners also,, there is no need to set up a separate JCM as suggested."

(i) *Revision of the Pensions Act,* 1871

2.6. It has been stated in the representation that the Pensions Act passed in the year 1871, is obsolete and quite irrelevant to the issue with which the amount of pension to be fixed for a retiring Government servant has to concern itself. Art. 309 of our Constitution provides for making of law by Parliament to regulate recruitment and conditions of service (including pensionary benefits) of Central Government employees, but no such Act has yet been passed.

Representative bodies of pensioners have approached Government for the replacement of the pensions Act 1871 by a more relevant and more progressive Pensions (Regulation) Act, pointing out that by doing so the present Janata Government would be acting in fulfilment of the Janata Party election manifesto which had promised to review enactments bearing on social welfare, but the request of the pensioners was not heeded.

2.7. In his evidence before the Committee on the 13th February, 1979 the petitioners stated that the Boothalingam Committee on Wages, Incomes and Prices had come to the very clear conclusion that as a class pensioners were most vulnerable to the rise in the cost of living. This was a very important fact that was brought out by that learned body because till now this fact was not given recognition by any responsible authority of the Government of India. This fact had been realised by the U.K. Government several years ago. In 1971, U.K. Government decided that instead of passing an Act every now and then, they might institutionalise the whole position. They passed the U.K. Pensions (Increases) Act, 1971, when their economy was comparatively in a poor state, providing automatic increases in the amounts of all current pensions to catch up with the increase in prices.

2.8. In regard to the question of automatic increase in the rates of pensions as in the U.K., the Secretary of the Department of Expenditure in his evidence before the Committee stated that they had found it difficult to agree to a system in which this was done automatically, although the Third Pay Commission made a recommendation granting increases to pensioners according to a formula. For a 16 point rise in the price index, Government issued an order and gave them some relief, although it was not adequate. But it was a question of resources. The Government was keenly aware of the needs of the pensioners and whenever any representations were received from them, they were examined with utmost sympathy. In regard to the improvements in the pensions, the Government had taken a number of measures during the last two years which had resulted in improvement in pensions. Although these measures did not affect the persons who had retired earlier, yet they affected the people who retired after 1-1-1973 or who were retiring now. A point had been made that the Government might have an Act of Parliament in regard to pensions as was envisaged in Art. 309 of the Constitution. The Government was of the opinion that if an Act was enacted, it would give rise to a certain amount of rigidity and they would not be able to make changes or improvements without going to Parliament every time.

2.9. In their written note dated the 16th March, 1979, the Ministry of Finance (Department of Expenditure) have stated:—

> "The Pensions Act, 1871 does not deal with such matters as the scale or quantum of pension but concerns itself only with certain broad principles. The scope of the Act, so far as it relates to service pensions, is explained in detail in para 2.10. Matters such as scales of pension, procedure for sanctioning pension etc. are governed by the Central

Civil Services (Pensions) Rules, 1972 framed in exercise of powers conferred by proviso to Art. 309 and clause 5 of Art. 148 of the Constitution.

The fact that the Pension's Act is more than a 100 years old does not in any way adversely affect the interest of pensioners. On the other hand, the Act affords some protection to pensioners. Thus, Section 11 protects pension against attachment, and Section 12 makes any assignment of future interest in pension null and void."

2.10. The Ministry of Finance (Department of Expenditure) have further stated:

"The Pensions' Act, 1871, relates to pensions and grants by Government of money or land revenue. So far as Service Pensions are concerned, Sections 1, 4, 10, 11 and 12 are the main operative Sections. Section 1 says that the Act extends to the whole of India except territories which immediately before 1st November, 1956 were comprised in Part B States. A proposal to amend this Section and to make the Pensions' Act applicable to the whole of India including Sikkim is being processed.

Section 4 bars courts from entertaining any civil suits pertaining to pensions. The Government is considering amendment of this Section with a view to conferring on pensioners a right to sue Government on matters relating to pensions.

Section 10 provides that Government may with the consent of the pensioners, order the commutation of whole or part of his pension for a lump sum on such terms as may seem fit.

Section 11 exempts pension from attachment or seizure or sequestration by process of any court at the instance of a creditor for any demands against the pensioner.

Section 12 makes any assignment of future interest in pensions null and void. This is another protection which the Pensions' Act affords to pensioners. The Government is considering amendment of this Section to provide for nomination by pensioners in respect of life-time arrears of pension in case of death.

Prima facie political and socio-economic changes do not make it necessary to have a more comprehensive Pension's Act. As already mentioned, the scales of pension etc. are regulated by CCS (Pensions) Rules. Having regard to various factors, including socio-economic changes, the Government have revised the scales of pension from time to time and granted relief to pensioners. The most recent instance is the action taken on the basis of Third Pay Commission's recommendations. The Government decided to improve the pension formula from 30/80 to 33/80 of average emoluments, raised the maximum pension from Rs. 675 p.m. to Rs. 1,000/- p.m. and also raised the gratuity from 15 months to 16½ months emoluments subject to a maximum of Rs. 30,000. The Government also allowed all pensioners graded relief at the rate of 5 per cent, subject to a minimum of Rs. 5 and a maximum of Rs. 25, for every 16-point rise in the twelve monthly average of Consumer Price Index. Pre-1-1-73 pensioners have, in addition, been allowed *ad hoc* relief ranging from Rs. 15/- to Rs. 35/-.

If the purpose of having a more comprehensive Pensions' Act is to make it obligatory on the part of the Government to increase pensions of existing pensioners, from time to time, it may be submitted that the Government would find it very difficult to undertake such a legal obligation due to financial stringency. It may be added that an increase of one rupee per month in the pension of existing pensioners (numbering about 11 lakhs) including family pensioners, will cost the Government about Rs. 1.32 crores more per year."

2.11. In regard to demand made by the petitioners that in India, a Pensions Increase Act should be passed on the lines of the U.K. Pensions (Increase) Act, 1971 with the object of providing automatic increase in the amount of all current pensions to catch up with the increase of prices, the Ministry of Finance (Department of Expenditure) in their written note dated the 16th March, 1979, have stated:

"This question was considered by the Third Pay Commission. Their observations in this matter are reproduced below:—

"We have received numerous representations suggesting that we should recommend some measures for protecting the pensions of the existing Government employees from erosion on account of the possible increases in the cost of living in future. We have given consideration as to the manner in which some relief would be provided to the future pensioners. In reply to our questionaire most of the respondents have favoured the grant of dearness allowance to the pensioners at the same rate as applicable to the serving Government employees. A similar suggestion was made by the Comptroller & Auditor General also. The Comptroller & Auditor General also referred to the provisions of the U.K. Pensions (Increase) Act, 1971 under which the U.K. Government has abandoned the concept of relief/or/hardship and has accepted an unqualified obligation to maintain the purchasing power of the public service pensions by means of two yearly reviews. While we do not favour the adoption of the U.K. practice as the conditions in this country differs, we feel that there is enough justification for giving relief on a regular basis to the future pensioners also. We are, however, unable to accept the suggestion that relief to the future pensioners should be allowed at the same rate as applicable to the serving Government employees as the family and other responsibilities of a pensioner cannot be considered to be of the same order as of a serving Government employee. Having regard to all these considerations we recommend that all future pensioners, irrespective of the amount of pension drawn by them, should be given a relief at the rate of 5 per cent of their pension subject to a minimum of Rs. 5 p.m. and a maximum of Rs. 25 p.m. The relief at these rates should be given as and when there is a 16 points rise in the 12-monthly average of the All India Working Class Consumer Price Index (1960—100). The relief for the first time at these rates should be paid when the 12-monthly average of this index reaches 216.'

These recommendations were accepted by Government and relief is being granted accordingly, but without any legal obligation to do so."

2.12. In regard to difficulties in making statutory provisions for regulating the quantum of pensions and for other related matters, the Ministry have stated:

"The quantum of pension and other related matters are governed by CSS (Pension) Rules, 1972 which have been framed in exercise of power conferred by the Constitution and, therefore, have statutory backing."

2.13. On an enquiry by the Committee that in view of the present economic conditions in India and the constant rise in the cost of living due to inflation, it is all the more important to adopt U.K. practice in order to protect the actual value of the meagre pensions and to enable the pensioners to live their last days with dignity and reasonable comfort, in their written note dt. 16-3-79, the Ministry have stated that:

> "To offset, to the extent possible, the effect of rise in the cost of living, the Government have been granting graded relief to pensioners in accordance with the Third Pay Commission's recommendation. However, as explained earlier, it will be difficult to accept a legal obligation in this regard."

2.14. In regard to the financial implications if U.K. practice for automatic increase in the amount of pensions to catch up with the increast in prices is introduced in India, the Ministry of Finance informed the Committee:

> "This depends upon increase allowed with reference to cost of living index. As already indicated an increase of rupee one per month in the pension of the existing 11 lakhs pensioners, including family pensioners, would cost about Rs. 1.32 crores more per year."

2.15. The Ministry of Finance regretted that authentic information in regard to the formulae for fixation of pensions and minimum and maximum pensions and minimum national wages in U.K. and other Asian and African countries is not available. However, the Third Pay Commission made certain observations in this regard:—

> "Most of the employees' associations have drawn our attention to the fact that in other countries the superannuation pension works out to about 50 to 80 per cent of the last pay drawn. They, however, seem to overlook the fact that in most of the other countries where higher rates of pension are allowed, the pension schemes are generally of contributory nature. For example, in Australia, Canada, France, Japan, Phillipines and USA, where higher rates of pension are allowed, the employees are required to contribute to the pension fund an amount ranging between 4 to 7 per cent of their salary. The pension schemes operated by the United Nations, as also the International Bank for Reconstruction and Development, International Monetary Fund and Asian Development Bank are also contributory with the rate varying between 7 to 72/3 per cent of the monthly remuneration. It is note-worthy that even without any improvement of the existing pension formula, there would be substantial increase in the amount of pension admissible to the Class IV and Class III employees

on account of the improved pay scales recommended by us. We are, therefore, unable to recommend an improvement of the existing pension formula as it would increase substantially the pension liability of the Government. We, however, consider that the existing restriction on the maximum service qualifying for pension as also the existing ceilings on the amount of pension and gratuity need to be reviewed. In U.K. where the pension scheme is non-contributory like ours and the pension formula is also the same, there is no ceiling on the maximum amount of pension and the maximum service qualifying for pension goes upto 45 years. While we do not recommend adoption of the U.K. practice in toto, as conditions are different, we think that there is enough justification for increasing the qualifying service for pension and gratuity from 30 years to 33 years and we recommend accordingly. This would benefit almost all the Class IV and Class III employees and those of the Class II and Class I directly recruited employees who enter Government service upto the age of 25 years."

(ii) *Relief to Pensioners*

2.16. In their representation dated the 14th September, 1978, the petitioners have stated that Government's decision made arbitrarily to give an *ad hoc* relief was not only meagre but was also not related either to the increase in price index in the country since the time of the fixation of the amounts of pension or to the salary increases of serving Government employees as recommended by the Commission. Government decision to give this *ad hoc* relief did not solve the disparities created by reason of the recommendations of the Pay Commission being made effective from a later date. The Commission had been appointed in the year 1969; and it submitted its report on 31st March, 1973. By giving effect to the recommendations of the Pay Commission from 1st January, 1973, Government had discriminated against all those who had retired before 1969 or between 1969 and January, 1973. As regards the *ad hoc* benefit given, it had been neutralised even before its grant by the abnormal rise in the level of price of necessities. The problems with which the pensioners are beset, therefore, continue to face them.

2.17. In a supplementary Memorandum submitted to the Committee on the 1st March, 1979, the petitioners stated:

"the promise of the Finance Ministry had been the grant of relief to pensioners on the light of the Commission's recommendations in the matter of pensionary benefits to serving employees, and that was not done. Indeed the *ad hoc* relief given was a meagre maximum of Rs. 35 in place of Rs. 325 (1000-675) given in form of normal pension increase by the Commission.

To future pensioners dearness allowance had been granted at the rate of 5 per cent of their pension subject to a minimum of Rs. 5 p.m. and a maximum of Rs. 25 p.m. as and when there is a 16 per cent rise in the 12 monthly average of the All India Working Class Consumer Price Index (1960—100). From 1960 to 1972 when the index was 200, there had been a clear increase of 100 points, which would be have earned an increase of more than 30 per cent in the value of the pension of those who had retired in 1960, and needed to be worked out on that basis for later years' retires. That was not done."

2.18. The petitioners in their evidence before the Committee have stated that relief granted to pensioners in pursuance of the recommendations of the Third Pay Commission was neither related to what had been sanctioned to serving employees as pensionery benefit by the Commission who had retired after 1-1-73 nor it was related to the index nos. before 1973 when the figure was 216.

2.19. During evidence before the Committee, when asked to state whether the Government had considered proposals about increasing the pensions, the Secretary of the Ministry stated that some increases were given to them before 1973. The question of pension revision was again considered as a result of the recommendations of the Third Central Pay Commission. First three instalments of graded relief were sanctioned to pensioners from the same date as to serving Government employees. Four subsequent instalments of graded relief were not paid to pensioners from such dates because of different resources position. However, todate, all seven instalments of graded relief which had fallen due had been sanctioned. He added that on every 16 point increase in the cost of living index, five per cent increase subject to a minimum of Rs. 5 and a maximum of Rs. 25 was given. If it were possible for the Government to have more resources, certainly the Government would consider giving more to pensioners. A number of things had been done. For instance, previously the maximum pension was Rs. 675; but now it was Rs. 1000/-. Maximum Family Pension had been increased from Rs. 150/- to Rs. 250/-. Previously, two months pay had to be refunded for family pension, but that had been discontinued.

2.20. In their written note dated the 16th March, 1979, the Ministry of Finance (Department of Expenditure) have further stated:—

"The Government have granted graded relief to pensioners in accordance with the Third Pay Commission's recommendations. Each instalment of relief costs Rs. 8 crores in respect of service pensioners and Rs. 1.2 crores for family pensioners. In all, 7 instalments of graded relief have been granted so far. Thus, the total impact of granting relief to Government pensioners is quite considerable. It will be seen that the Commission recommended relief to *future pensioners* at the rate of 5 per cent of pension subject to a minimum of Rs. 5 and a maximum of Rs. 25, for every 16 points rise in the 12 monthly average of the Consumer Price Index. This recommendation was accepted by the Government and was made applicable not only to future pensioners but to those retiring before the date of effect of the recommendation *viz.* 1-1-73. In addition, pre-1-1-73 pensioners were given an *ad hoc* relief ranging from Rs. 15|- to Rs. 35|- p.m."

2.21. In regard to the total number and the amount of pension of Central Government pensioners in India, the Ministry of Finance have stated that the total number of Central Government pensioners including Family pensioners as on 1-1-1976, the last date for which information is available, is as follows:—

(1) Service Pensioners	8,83,167
(2) Family Pensioners	2,38,042
TOTAL	11,21 209

The expenditure on pensions and other retirement benefits is given in the table below:

Rs. (Crores)

	1977-78 Actuals	1978-79 Revised	1979-80 (B.E.)
1. Civil pension including P & T.	55·99	55·53	59·21
2. Railways	71·56	76·97	86·29
3. Defence (including Defence Civilians)	136·45	158·65	177·00
	264·00	291·15	322·50

2.22. On an enquiry whether the *ad hoc* increases in pensions or in dearness allowance to pensioners was sanctioned contemporaneously with increases in dearness allowance to serving Government employees, the Ministry of Finance (Department of Expenditure) in their written note dt. 16-3-1979 have stated:—

"Graded relief to pensioners is granted for every 16-point rise in the 12 monthly average of the consumer price index. The dearness allowance to serving Government employees is given for every 8 point rise in that index. The grant of relevant instalments of graded relief to pensioners is generally considered after the dearness allowance to serving Government employees is sanctioned. The first three instalments of graded relief were sanctioned to pensioners from the same date as the relevant instalments of dearness allowance to serving government employees, although the orders regarding the former were issued subsequently. Thereafter the Government did not sanction instalments of graded relief to pensioners on due dates because of the difficult resources position. The position with regard to the 4th, 5th, 6th and 7th instalments is as follows:—

Index average		Due from	Paid on	Period for which not paid
264—4th	. . . .	1-7-74	1-10-75	15 months
280—5th		1-10-74	1-10-75	12 months
29 6—6th	.	1-12-74	1-4-77	2 yrs. 4 months
312—7th	. .	1-3-75	till not pay	13 months
		1-4-76*		
	Again from			
		1-9-77	1-9-77	Paid on the due date

*The twelve-monthly average of consumer price index fell below 312; it again rose to that level on 1-9-77.

However, as of today, all the 7 instalments of graded relief have been sanctioned to the pensioners. The last instalment covering the average index level 312 was sanctioned from the due date *i.e.* 1-9-77."

2.23. The Study Group on Wages, Incomes and Prices (Bhoothalingam Committee) has made the following observations in regard to pensioners in paras 10.6 and 10.8 of their Report:—

"10.6. Pensioners as a class are particularly vulnerable to increases in the cost of living. One issue is the correction of past pensions. The time-honoured principle is that the pension rate depends on the rules in force at the time of retirement. This has its merit, but considering the abnormal rise in prices during the last ten years, it is harsh on surviving pensioners. The Central Government has of late granted some *ad hoc* increases, but these are inadequate. In order that superannuated employees do not suffer economic distress in old age, there is a case for correcting past pensions so as to improve their purchasing power at least in the same proportion in which pay revisions for serving employees have taken place. But considering the large numbers involved—there are over a million pensioners of the Central Government alone—it may not be feasible on financial grounds to adopt the principle of parity at present. However, as an immediate goal, the minimum pension of wage and salary earners should; in our view, in no case be less than the national minimum wage proposed in Chapter III. As a model employer, government should be the pace setter in the direction and take steps towards achieving the minimum wage level in other sectors also. To begin with, the benefit may be confined to those with no other source of income and later extended to all."

"10.8. Of equal significance is the extent of relief provided to pensioners to neutralise the price increases. Central Government pensioners are now allowed dearness relief according to a formula which protects them to a much lesser degree than the dearness allowances of serving personnel. The Third Pay Commission did not favour parity with dearness allowance rates of serving employees, as they thought that family and other responsibilities of pensioners would not be of the same order. This reasoning, however, ignores the sharp reduction in income after retirement and the increased demands of medicare in old age. In the United Kingdom government has accepted an unqualified obligation to protect the purchasing power of civil service pensions. While we need not go as far as that, minimum justice demands that at least the pensioners should be paid dearness allowance on the same basis as serving employees."

(iii) *Benefits to pensioners*

2.24. The petitioners stated before the Committee that there were certain benefits which were given to pensioners from time to time. The Central Government pensioners who retired after 1-1-64 were granted the benefit of Family Pension Scheme. Those who retired before 1-1-64 were not given that benefit. At first the retiree had to pay two months pre-retirement salary from the gratuity to secure this benefit of Family Pension Scheme. He had to make an application, pay that much contribution and then he had the benefit of the Family Pension Scheme. Later, on 22-9-77 it was decided that Family Pension Scheme should be treated as a social security measure. Therefore, the contribution of two months pre-retirement salary by the retiree was discontinued. After that it was said that anybody who applied for it and retired, had the right to enjoy the Scheme. The petitioners submitted that concession given to those who retired after 1-1-64 should also be given to those who retired before 1-1-1964 as a social security measure.

Further, the earned leave which was due to a pensioner at the time of retirement was earlier not allowed to be encashed unless it had been refused in public interest. Now Earned leave upto six months, which had not been enjoyed was allowed to be encashed at the time of retirement. The petitioners submitted that old pensioners might also be given that benefit. Similarly, those who retired at the maximum pension of Rs. 675/- admissible prior to 1-1-73, might also be given the benefit of maximum pension of Rs. 1000/-.

2.25. In the supplementary Memorandum submitted to the Committee on the 2nd March, 1979, the petitioners have stated that the pensionary benefits granted by the Commission to serving employees had included:

(i) change of the formula for assessing the quantum of pension from 30/80 to 33/80;

(ii) reckoning of dearness pay, dearness allowance and interim relief as part of the remuneration for assessing the quantum of pension;

(iii) increasing the maximum pension from Rs. 675 to Rs. 1000 p.m.;

(iv) increasing maximum gratuity from Rs. 24000 to Rs. 30000;

(v) making increased pay-scale effective from 1-1-73, which helped to increase the quantum of pension.

2.26. In their written note dated the 16th March, 1979, the Ministry of Finance (Department of Expenditure) have stated that number of pensioners who retired before 1-1-73 (excluding family pensioners) as on 1-1-1973 is 8.6 lakhs. The total additional cost involved for giving the same pensionary benefits to all pensioners as given to those pensioners who retired after 1-1-1973, would be about Rs. 142.75 crores for one year as per details given below:—

"Cost of making Pay Commission's Recommendations regarding retiring pension and gratuity to all existing pensioners on 1-1-73—

	No. of Pensioners on 1-1-73	8,60,000
	of which Civil .	1,94,790
	Defence .	6,65,210
(A)	Pay Commission's estimate of cost of these benefits to 38,400 civilian employees estimated to retire in 1973-74	Rs. 11·80 crores
	Cost for existing Civil Pensioners .	$\frac{11 \cdot 80}{38400} \times 194790 =$ Rs. 59·86 crores
	Add 10% for Union Territories Pensions	= Rs. 5.99 crores
	Total Civil	= Rs. 65·85 crores
(B)	Pay Commission's estimate of cost of these benefits to 18000 Defence employees estimated to retire in 1973-74	Rs. 2·08 crores
	No. of Defence Pensioners on 1-1-73 . .	665210
	Cost for Defence Pensioners on 1-1-73	$\frac{2 \cdot 08 \times 665210}{18000}$ =76·87 crores
(C)	Total Cost=65·85+76·87	=Rs. 142.72 crores.

The additional cost of giving, to all pensioners as on 1-1-73, the benefit of Third Pay Commission's recommendations relating to retiring pension and gratuity, will thus be Rs. 142.72 (Rs. 65.85+76.87) crores for one year. In addition, there will be recurring expenditure on account of the pensions of all those pensioners.

Assumptions

(1) Break-up between Civil and Defence pensioners as on 1-1-73 has been worked out on the same ratio as for 1-1-76 when out of 8.83 lakhs pensioners, 6.83 lakhs were Defence pensioners and the rest were civil pensioners.

(2) In Chapter 67 of their report, the Third Pay Commission have given the immediate cost for a year in respect of their recommendations regarding retiring pension and gratuity. The amount of Rs 11.80 crores was estimated for anticipated retirements of civilian employees in 1973-74. This number has been placed at 38,400, after allowing for a 20 per cent increase over the 1972-73 figure of

32,000 mentioned in paras 9 and 10 of Chapter 60 of their report.

(3) The Pay Commission estimated the cost of these benefits for the retiring Defence personnel, at Rs. 2.08 crores. This is related to an estimated 18,000 retirements."

(iv) *Joint Consultative Machinery (JCM) for Pensioners*

2.27. The petitioners have prayed in their representation that a joint consultative machinery should be set up for resolving difference of view on specific matters between Government and the pensioners, on the lines of the operative scheme for joint consultative machinery and compulsory arbitration for Central Government employees.

2.28. The Ministry of Finance (Department of Expenditure) in their factual note dated the 17th November, 1978, have stated that the Joint Consultative Machinery (JCM) has been set up with the object of providing harmonious relations between Government in its capacity of employer and the general body of its employees. As the JCM does look after the interests of pensioners also, there is no need to set up a separate JCM as suggested.

2.29 In their written reply dated the 16th March, 1979, the Ministry of Finance (Department of Expenditure) have stated:

"The above statement referred to was made in the context of a number of items relating to pensions and other retirement benefits which came up for consideration at recent meetings of the National Council of the JCM. A list of such items is given below:—

1. Self financing scheme to increase pension to the level of the last pay drawn for Central Government employees.
2. Enhancement of maximum limit of superannuation pension and DCR Gratuity.
3. Commutation of 1/3 pension for 10 years.
4. Payment of interest on delayed payments of GPF and DCR Gratuity.
5. Grant of relief to those recipients of family pension who are in employment of the Government of India (Arising out of discussion on this item; there was a demand for family pension to the families for those who retired or died before 1-1-64).

6. Confirmation in service as a condition for the grant of pension.

7. Removal of the condition of one year service for eligibility for family pension.

Items relating to pensionary benefits can be suggested by the Staff Side for inclusion in the agenda for meetings of the National Council. When the item is allowed by the Chairman, it is discussed in the meeting, and a view taken after the Staff Side and the Official Side have explained their stand."

2.30. In the statement made by the Deputy Prime Minister and the Minister of Finance (Shri Charan Singh) in Lok Sabha on the 30th March, 1979, the Government have liberalised the pension formula incorporating a slab system under which the maximum pension related to 33 years of service admissible to persons retiring on or after 31-3-1979 will be regulated as follows:—

(a) Up to first Rs. 1000 of average emoluments reckonable for pension.	50% of average emoluments.
(b) Next Rs. 500 . . .	45% of average emoluments.
(c) Balance . .	40% of average emoluments subject to such ceilings as may be laid down by Government.

The Government have also enhanced the ceiling on maximum pension to a total of Rs. 1500/- per month inclusive of relief up to index level 328.

(v) *Restoration of Commuted Portion of Pension of Central Government Pensioners and Revision of Commutation Table.*

2.31. The Committee on Petitions in their Eighteenth Report (5LS), presented to Lok Sabha on the 9th August, 1974, considered a representation regarding restoration of commuted portion of pension of Central Government pensioners and made the following recommendations:—

"The Committee note the comments furnished by the Ministry of Finance (Department of Expenditure) together with the views of the Ministry of Law on the various points raised in the representation. While the Committee agree with the legal interpretation of the existing rules regarding commutation of pensions furnished by the Ministries of Finance and Law, the Committee feel that in view of the increased life expectancy and the phenomenal increase in the cost of living, the existing provisions of the Pensions Act, 1871 and the relevant rules regarding commutation of pensions are causing great hardship to those pensioners who have outlived their commutation period. The Committee, therefore, recommend that Government may review their whole scheme of commutation of pensions with a view to liberalise the relevant rules to mitigate the hardships of such pensioners and to enable them to live their last days with dignity and without helplessness."

[Paras 3.4, page 10, Eighteenth Report (5LS)]

2.32. In their action taken reply, as included in 34th Report (5LS), the Ministry of Finance (Department of Expenditure) stated as follows:—

"The above recommendation has been considered and orders of the Finance Minister have been obtained. The conclusion arrived at is that it is not possible to agree to restore the commuted portion of the pension. Government, is, however, alive to the economic hardship of pensioners and has been granting relief to them from time to time to meet the rise in the cost of living. The relief is calculated on the original (*i.e.* pre-commutation) amount of pension. At present relief to the extent of 25 per cent of pension is payable. In addition an *ad hoc* relief ranging between Rs. 15 to 35 depending upon the pension slab, is also payable to pensioners who retired before 1-1-73. All that is possible has been done for old pensioners. Further the Government have also taken up the question of revision of the commutation table having regard to the longer expectancy of life of pensioners and the changed interest rates. These two factors may operate in opposite directions and the net effect can only be arrived at on an acturial basis."

2.33. The Committee after considering the above action taken reply of the Ministry of Finance (Department of Expenditure) on their recommendations on the matter, observed in their Thirty-fourth Report presented on 4-11-1976, as follows:—

"The Committee note from action taken reply furnished by the Ministry of Finance (Department of Expenditure) that it is not possible for Government to agree to restore the commuted portion of pension of Central Government pensioners. The Government are however, considering the question of revision of the commutation table having regard to the longer expectancy of life of pensioners and the changed interest rates.

The Committee urge that the Government may expedite their decision on the question of revision of the commutation table having regard to the longer expectancy of life of pensioners and other relevant factors, including the rise in the cost of living etc. The Committee also desire the Government to consider the case of pensioners in this regard sympathetically."

[Para 5.3, page 16, Thirty-fourth Report (5LS)]

2.34. In a representation dated the 1st September, 1978, the President, All India Organisation of Pensioners, New Delhi, stated as follows:—

"With the concurrence of two MPs we had submitted to your goodself a PETITION giving the most irritating problem of elderly Central Govt. Pensioners, who are lamenting at their advanced ages for the error of their judgement and the high costs of food-stuffs which had reached 327 points on 1-6-78 considering it at the value of 100 as on 1-1-60.

A great majority of these pensioners had retired before 1-1-1960 and are at the verge of closing their eyes from this democratic and socialist country.

The span of life which was nearly 39 years has now reached 52.6 and a great majority of these poor victims of circumstances are starving because they never knew:—

(a) the value of their pension rupee would fall to such a low ebb when it would secure them only about 12 paise for 100 paisas of their pensions.

(b) They would be living upto the ages of (90—95) the modern healthy and independent India.

(c) To their great disappointment the Medical Officers (then) had guessed their ages to live for another 10-11 years. This prophecy has been wronged because many of pensioners are alive at over 80 years of age.

(d) The Government then (alien) never used to give lift and concessions to the pensioners to buy houses after retirement, marry their grown up children and meet other unforeseen expenses.

Since the JANATA GOVERNMENT had taken over we had made you a petition under communication No. HQ|AIOP|4622, dated 29-1-78 but to our great misfortune. It was not given sympathetic consideration by you and your members. It was passed on to the Finance Ministry without any recommendation, and we have our doubts that Finance Ministry will give us the old stereotype reply:—

(a) We have no resources or funds;

(b) Commutation of pension was on agreement between an Employer and his poor employee.

If it is minutely and sympathetically considered it means that Finance Ministry is keen to BEHAVE LIKE SAHUKARS/BUNNIA as they used to behave with poor Janata (farmers & labourers). Since their office is dominated by old CONGRESS Government employees they still continue to answer our soaring demands in the same old fashion.

We appeal to you to kindly see the Eighteenth Report of the Petition Committee and kindly help ourselves personally to save the poor pensioners.

Many of the pensioners have refunded more than thrice amounts that they had received on commutation of pensions BUT the Janata Government is not prepared to SAVE them. Do kindly help them."

2.35. In their replies dated the 12th May and 18th December, 1978, the Ministry of Finance (Department of Expenditure) have stated as follows:—

"The Lok Sabha Secretariat have *vide* their U.O. No. 59/1/CI/78, dated the 23rd March, 1978, forwarded a representation from the All India Organisation of Pensioners requesting for restoration of the commuted portion of pension. This matter has already been thoroughly examined on the recommendation made by the Committee on Petitions of the Lok Sabha in 1974 *vide* its Eighteenth Report, and Lok Sabha Secretariat were informed *vide* our

O.M. No. 14(2)-EV(A)/73 dated the 20th September, 1976 that it is not possible to agree to restore the commuted portion of pension.

The Committee on Petitions noted this position *vide* their Thirty-fourth Report and at the same time urged that the revision of the commutation table may be expedited. Recently in answer to the Unstarred Question D. No. 6813 answered in the Lok Sabha on the 14th April, 1978 we have stated that it is not possible to agree to the demand for restoration of the commuted portion of pension. In view of this no further action appears to be necessary on the representation sent by Lok Sabha Secretariat."

"The question of revising the existing commutation table has been considered by this Ministry in detail, in consultation with the Controller of Insurance and the Comptroller & Auditor General of India.

The Pensioners' Associations and the Staff side of the National Council have been requesting for the revision of the commutation table obviously on the assumption that the revision would be to their advantage. However, a detailed examination of the question has revealed that the effect of a revision would go against them. While the existing commutation table is based on an interest rate of 4.75 per cent per annum, the current rates of interest are substantially higher. On the other hand, there has been no corresponding improvement in the mortality rate among Central Government pensioners. In this connection it is relevant to point out that a higher interest rate would have the effect of depressing the present worth represented by the lump-sum paid as commutation value. Thus, if a commutation table is built up on the current rates of interest, the commutation value is bound to be much lower than at present.

In the circumstances, it has been decided that the existing commutation table may continue."

2.36. Shri P. Satyanarayana, Retd. Post Master, Kakinada (A.P.) has addressed a letter dated the 10th March, 1979, stating *inter alia* as follows:—

"I retired in 1944 as a Post Master. My pension was Rs. 120/-. Two months after retirement I commuted Rs. 40/-. I received Rs. 4800/-. This amount of Rs. 4800/- was recovered from my pension in 10 years deducting Rs. 40/- every month from my pension. The recovery was started from July, 1944 and completed by July, 1954. *From August 1954 to this date I am still getting Rs. 80/- only. From August 1954 to this date an amount of Rs. 12,240/- was recovered from my pension. That is Government has not only taken back Rs. 4,800/- which it gave me, but also took away Rs. 12,240/- from my pension.* There was a flaw in the Pension Act of 1871—Government is taking advantage of this flaw and not restoring the original Pension after the commuted amount is fully paid back. *It is most unfortunate that Government instead of giving more pension to its Pensioners is taking away a portion of the pension from the Pensioners who are struggling to live. No other Government in the world is doing this. For a* country with a population of over 600 million, the Constitution itself is being amended—Special Courts are being appointed to punish offenders, but it is not known that the Pension Act of 1871 is not amended to help pensioners who do not form even ½ per cent of the population. Pensioners to be once Government servants who have worked for 35 years in the best part of their life and it is the duty of Government to look after pensioners in their old age. Government may not be having funds to give more pension but what is the justification for Government to take away a portion of the pension when pensioners are struggling to live in their old age. On December, 1978 Mrs. Parvathi Krishnan, MP, took up this question in Parliament and gave an example of a Deputy Collector who took Rs. 16,000/- as commutation and paid Rs. 47,000/- in addition to 16,000/-. I request you to take up the matter and do justice to the pensioners."

2.37. In regard to commutation of pension, the Secretary of the Ministry stated before the Committee that commutation meant cashing certain amount of pension in advance. In the case of Central Government servants, they could commute 1/3 of the pension. In regard to the quantum of commutation it had been suggested that it should be revised. The present commutation table has been in force since 1971. They tried to work out a new table at the present rates of interest but found it would work out to be less. Certain concessions in regard to commutation had also been given. *viz.,* medical examination had been done away with. The commutation rules today were fairly liberal.

2.38. In their written reply dated 16-3-79, on a querry that why it is not possible to restore the commuted portion of pension, the Ministry of Finance (Dept. of Expenditure) have stated:

"Commutation of pension is an optional facility which a retiring Government servant may avail if he so desires either to meet his immediate liabilities or for acquiring assets. It may be added that Section 10 of the Pensions Act, 1871 permits a portion of the pension to be commuted for a lump sum with the consent of the pensioner. The pensioner agrees to forego for life a portion of the pension for which he gets a lump sum amount. Commutation of pension involves an element of risk for both the Government and the pensioners. If the pensioner dies early it is the Government who loses. If, on the other hand, the pensioner outlives the period of commutation it is his family who loses. The lump sum amount paid to the pensioner is not an advance against pension; the lump sum amount is worked out with reference to the commutation table in force at the time of commutation."

2.39. In regard to revision of commutation table, the Ministry of Finance (Department of Expenditure) have in their written reply stated:

"The commutation table is worked out actually and is based on the prevailing borrowing rate of the Government and the mortality experience among the Central Government pensioners. This table is revised from time to time to take into account any substantial changes that may occur in interest rates and in longevity of pensioners. It has to be kept in view that these two factors pull in opposite directions. Thus, when interest rates are high the commutation value is bound to be low. If on the other hand the longevity of the Central Government Pensioners increase, commutation value will be high. The final conversion factor depends on the inter action of these two forces. Thus, in periods when the interest rates are high and there has been no corresponding improvement in longevity, the conversion factor which is used in working out commutation value is bound to be low.

In the exercise undertaken recently for revision of commutation table it was found that the prevailing borrowing rate of the Government was about 7 per cent. It was also mentioned by the Controller of Insurance that the mortality experience among pensioners has not changed perceptibly since the last revision of the Commutation Table in 1971. The existing commutation table is based on a rate of interest of 4¾ per cent. In a situation where there has been no perceptible improvement in the longevity of pensioners but interest rates have shot up, a revision of the commutation table would result in a lowering of the conversion factor. A commutation table based on interest rate of 4¾% was, in fact, prepared in 1975. It was noticed that the conversion factor at that interest rate was 9.06 as against 10.46 which is currently applicable in cases of persons going in for commutation immediately on retirement after attaining the age of superannuation, *viz.* 58 years. The following table may give an idea of the loss that different categories of retiring employees would suffer if the 1975 table was adopted:—

(All figues in Rupees)

Designation	Last Pay	Pension	Amount commuted	Commuted value		
				on 1975 Table	on existing Table	Loss
Peon .	232	96	32	3479	4017	538
L.D.C.	400	165	55	5980	6904	924
Assistant	800	330	110	11959	13807	1848
S.O.	1200	495	165	17939	20711	2772
U.S.	1600	660	220	23918	27614	3696
D. S.	2000	825	275	29898	34518	4620
	2500	1000	333	36204	41798	5594

By continuing the existing table, Government is incurring an additional expenditure of Rs. 54 lakhs a year on commutation of civil pensions.

(vi) *Need for appointment of Pension Commission*

2.40. The petitioners have stated in their representation that:

"Thrice, during the last 30 years, the Government of India has appointed pay commissions for reviewing and revising the pay-scales and pensionary benefits of their serving employees, but to none of these commissions the question of revising the scales and amount of pension of retired Government officers was referred in specific terms.

* * * * *

That while the first two Pay Commissions avoided considering the question of pensioners, the Third Pay Commission showed an inclination to consider this question when approached by pensioners themselves; but Government of India halted such consideration by the Commission by intimating the Commission that Government would undertake to 'consider the question of relief to the pensioners in due course in the light of the Commission's recommendations in the matter of pensionary benefits to serving Government employees covered by the Commission's terms of reference'. The result of Government's undertaking has been neither fair nor correct. The pensioners were not invited to state their point of view."

2.41. The petitioners have prayed that a Pension Commission should be urgently appointed which would examine the question of pensionary benefits of retired persons in all its manifold aspects.

2.42. In the supplementary memorandum submitted to the Committee on the 1st March, 1979, the petitioners stated:

"There is a felt need for the urgent appointment of a pensions commission by Government, which will make a review of all matters concerning pensioners and make necessary recommendations on them. Since 1946 there have been three Central Pay Commission for reviewing the scales of pay, allowance and other benefits of Central Government employees of all classes and grades from Class IV to Class I. None of these have considered the demands of pensioners. There have been Dearness Allowance Committees, two for Central Government employees and one separately for bank employees. Although Central Government pensioners are roughly 37 per cent of Central Government employees, no commission has been appointed by Government for pensioners despite incessant demand for it made by pensioners themselves and by most of political, Administrative and economic analysts in the country.

retired in 1950's have the real value of their pension income eroded by 50%. By leading a longer life, pensioners are suffering financially because of continuous rise in consumer price index, and psychologically.

This hon'ble Committee can make a powerful recommendation to the Government for the appointment of a pensions Commission urgently (i) to look into the operative pension provisions in our service regulations and bring these into the frame of our present needs; (ii) to devise measures and means for integrating the formulation of pension rules to minimise differences and discrimination between earlier and later pensioners and pensioners of civil service, defence service and medical and technological services; (iii) to study the problem of the aged as well as pensioners in respect of health, social, economic and inter-generational needs, etc; (iv) to evolve a dynamic pension policy for the future which will enable the co-ordination of the problems of pensioners with those of the aged in general; (v) to assess the needs of occupational pensions in our country; and (vi) to assess and project the cost which the country's finances will have to bear for the solution of the problems of growing expectancy of life at birth, increase in industrialisation and urbanisation, etc."

2.43. When asked to state their comments on the suggestion for setting up of a pensions Commission to consider the grievances and demands of the pensioners, the Secretary of the Ministry stated that the recommendation made by the Bhoothalingam Committee for appointment of a pension Commission was under consideration by a Cabinet Committee, consisting of the Deputy Prime Minister (Finance), Minister of Home Affairs, the Labour Minister, the Industry Minister and the Minister of Petroleum, Chemicals and Fertilizers.

2.44. The study group on Wages, Income and prices (Bhoothalingam Committee) had made the following recommendation in para 10.9 of its Report:—

"The recommendations we have made in regard to Central Government pensioners would apply, *mutatis mutandis* to pensioners of the State Governments, quasi-government organisations, local bodies and private employers also. It is desirable that the pension incomes of these categories of pensioners are regulated in roughly the same manner as those of Central Government pensioners. We also recommend that Government may give serious consideration to the early appointment of a Pension Commission to look into the problems of all types of pensioners including old age pensioners and evolve an equitable pension policy for the future, suitable for adoption in all sectors of employment."

C. **Observations/Recommendations of the Committee**

2.45. The Committee note that the Pensions Act, 1871, does not deal with matters such as the scale or quantum of pension. This Act provides protection to pensioners against attachment of their pensions and assignment of future interest in pensions null and void. Matters regarding scales of pension, procedure for sanctioning pension etc. are governed by the Central Civil Services (Pensions) Rules, 1972, framed in exercise of powers conferred by proviso to Article 309 and clause 5 of Article 148 of the Constitution.

The Committee also note that Government is considering an amendment of Section 4 of the Pensions Act, 1871 which at present bars courts from entertaining civil suits pertaining to pensions, with a view to conferring on pensioners a right to sue Government on matters relating to pension.

2.46. The Committee note from the written replies furnished by the Ministry of Finance (Department of Expenditure) that due to financial stringency, the Government is not in favour of having a more comprehensive Pensions Act on the lines of U.K. Pensions (Increase) Act, 1971, making legal obligation on the part of Government to provide automatic increase in pensions of existing pensioners from time to time to offset the increase in prices.

2.47. The Committee have also been informed by the Ministry of Finance (Department of Expenditure) that the Government is doing whatever is possible, consistent with its financial resources, for retired Government servants. The Government, in pursuance of the recommendations of the Third Central Pay Commission, have granted graded relief at the rate of 5 per cent, subject to a minimum of Rs. 5/- and a maximum of Rs. 25|- for every 16 point rise in the twelve-monthly average of Consumer Price Index, though it is not adequate. To date, all seven instalments of graded relief which had fallen due have been sanctioned.

Pre 1-1-1973 pensioners have in addition, been allowed ad hoc relief ranging from Rs. 15/- to 30/-.

The petitioners have pointed out that ad hoc graded relief ranging from Rs. 15/- to Rs. 30/- granted by Government was not only meagre but was also neither related to the increase in price index when the price index rose by 100 points from 100 to 200 points (1960=100) in 1972 nor to the salary increases of serving Government employees as recommended by the Third Pay Commission.

2.48. The Committee find from the written reply furnished by the Ministry of Finance that as a result of the recommendations of the Third Central Pay Commission, the Government have improved the pension formula from 30/80 to 33/80 of average emoluments, raised the maximum pension from Rs. 675 to Rs. 1000 and gratuity from 15 months to 16½ months, subject to a maximum of Rs. 30,000/- with effect from 1st January, 1973. Maximum Family Pension has also been increased from Rs. 150/- to Rs. 250/-. Two months' pay contribution by the retiring employee to get the benefit of Family Pension Scheme has also been discontinued. But all these benefits are from the prospective dates and old pensioners are not eligible for these benefits. It has been represented to the Committee that the old pensioners may also be given these benefits.

2.49. The Committee are of the view that Government owe a moral responsibility to provide adequate relief to its retired employees including pre 1-1-1973 pensioners, whose actual value of pensions has been eroded by the phenomenal rise in the prices of essential commodities. In view of the present economic conditions in India and constant rise in the cost of living due to inflation, it is all the more important even from purely humanitarian considerations, if not from the stand point of fairness and justice, to protect the actual value of their meagre pensions to enable the pensioners to live their declining years with dignity and in reasonable comfort. The Central Government have recently granted instalments of graded relief to pensionsers. But these are inadequate. Further, in spite of several graded relief granted by Government, there still persists a wide differential between the pre 1-1-1973 pensioners and those who retired after 1-1-1973. In order that superannuated employees do not suffer economic distress in old age after serving Government during the prime of their life, the Committee observe that there is sufficient justification for compensating the reduction in value of pension of pre 1-1-1973 pensioners also. The Government may consider the question of providing more relief to them to bring them to the level of those who retired after 1-1-1973 in the matter of pensionary benefits. . .

2.50. The Committee note that commutation of pension is an optional facility available to a Government servant to get a lump sum amount to meet his immediate liabilities against foregoing a portion of his pension for life. It involves a risk for both the Government and the pensioner. The Committee are of the view that while this has its merit from a strictly legal point of view, but it is harsh on the living pensioners who have outlived their commutation period and are struggling to live in their old age. The Committee desire the Government to compassionately consider this aspect of the matter more from a humanitarian, than a strictly legal point of view, in order to mitigate their hardships, and should review the whole scheme of commutation of pensions at a higher level.

2.51. The Committee are of the view that the existing pension formula is inadequate in view of the phenomenal rise in prices during the last several years. It is on the low side even in comparison to the pension formula in the U.K. and many other countries. The Committee, therefore, recommend that the pension formula in our country should be urgently revised upwards.

2.52. The Committee have been informed by Government that the Joint Consultative Machinery (JCM) has been set up with the object of providing harmonious relations between Government, in its capacity of employer and the general body of its employees and that as the JCM looks after the interests of pensioners also, there is no need to set up a separate JCM. The Committee recommend that Government may have pensioners' representatives also on the JCM, so that their problems are adequately considered at meetings of the JCM. . .

2.53. The question of housing difficulties for the pensioners was also raised before the Committee. In this connection, the Committee in their Ninth Report (Fifth Lok Sabha) had noted that the Delhi Development Authority had launched a scheme for the registration of Public servants retiring within three years, i.e., between 1st April, 1972 and 31st March, 1975, for the purchase of houses/flats built by D.D.A. The Committee had expressed the hope that that scheme would not only be continued but further improved and extended to cover those employees who might be retiring during the next five to seven years, and also to those who had retired before the 1st April, 1972. The Government in their action taken reply had intimated (vide **Fourteenth Report of Committee on Petitions of Fifth Lok Sabha) that the above recommendation of the Committee had been accepted and that instructions in this regard had been issued to the D.D.A.** vide **Ministry of Works and Housing D.O. letter No. H-11013: (1)/73-UD.1, dated the 4th April, 1973 to the Vice Chairman of D.D.A.**

The Committee reiterate that the aforesaid scheme should be continued by D.D.A. and the present shape and future scope of the scheme may be intimated to the Committee.

2.54. The Committee find from the submission made by the petitioners that three Pay Commissions were appointed by the Government of India for reviewing and revising the pay scales and pensionary benefits of the serving employees but to none of these Commissions the question of revising the scales or quantum of pension of relief to pensioners in the light of the recommendations of the terms. The Government, however, considered the question of grant of relief to pensioners in the light of the pnsionary benefits to serving Third Pay Commission in the matter of pensionary benefits to serving employees without giving any opportunity to pensioners to state their point of view. The petitioners have requested that a Pension Commission be appointed by Government in order to give fair deal and justice to pensioners. The Committee has also been informed by Government that the recommendation of the Study Group on Wages, Incomes and Prices (Bhoothalingam Committee) for appointment of a Pension Commission to look into the problems of all types of pensioners, is under consideration by a Cabinet Committee consisting of a Deputy Prime Minister (Finance) and Ministers of Home, Labour, Industry and Petroleum, Chemicals and Fertilizers.

In the light of the foregoing observations, the Committee strongly recommend that a Pension Commission be appointed expeditiously by the Government to examine the problems and demands of the pensioners in depth.

H. V. KAMATH,
Chairman,
Committee on Petitions.

NEW DELHI;
Dated the 6th April, 1979.

APPENDIX

[Supplementary Memorandum containing additional information/ written replies on points as desired by the Committee during evidence of petitioners on the 13th February, 1979.]

2.1. In the oral evidence tendered by us to the hon'ble Committee of petitions, Lok Sabha, we had submitted that quite apart from theoratic justification of the petitioners' demand for pension increases, for Central Government pensioners, there was also a promise about this made by the Ministry of Finance. In D.O. No. 8993-E(V)/70 dated 8th December, 1970 addressed to the Chairman, Third Central Pay Commission, the Finance Ministry had stated that:—

> "the question of grant of relief to pensioners would be considered by them (the Ministry) in due to course in the light of the pensionary benefits to serving Government employees covered by the Commission's terms of reference".

The Commission thereupon decided not to consider the case of pensioners, when representations were made to the Commissions by individual pensioners and their associations. The provisions of the U.K. Pensions (Increase) Act, 1971, was brought to the notice of the Commission, and on this the Commission felt persuaded that "there is enough justification for giving relief on a regular basis to the future pensioners" (Vol. IV, Chap. 60, p. 56).

2.2. We had respectfully pointed out to the hon'ble Committee that the Finance Ministry's Office Memorandum No. F. 13(1)EV(A)/74 dated 6th April, 1974, by which *ad-hoc relief* ranging from:—

Rs. 15	to those whose original pension was belo Rs. 85 p.m.
Rs. 21	to those whose original pension was between Rs. 85 and Rs. 209.
Rs. 25	to those whose original pension was between Rs. 210 and Rs. 499.
Rs. 35	to those whose original pension was Rs. 500 nd above.

to Central Government employees who retired from service prior to 1-1-1973, was not a proper fulfilment of the above promise, as the *ad hoc* relief it bestowed was altogether too meagre and was wholly unrelated to either the pensionary benefits granted to serving employees by the Third Central Pay Commission or rise in the cost of living index from 1960 (base 100) to the point of time when the recommendations of the Commission were made effective to future pensioners in respect of dearness allowance.

The pensionary benefits granted by the Commission to serving employees had included:

(i) change of the formula for assessing the quantum of pension from 30/80 to 33/80;

(ii) reckoning of dearness pay, dearness allowance and interim relief as part of the remuneration for assessing the quantum of pension;

(iii) increasing the maximum gratuity from Rs. 675 to Rs. 1,000 p.m.;

(iv) increasing maximum gratuity from Rs. 24,000 to Rs. 30,000;

(v) making increased pay-scale effective from 1-1-73, which helped to increase the quantum of pension.

The promise of the Finance Ministry had been "the grant of relief to pensioners in the light of the Commissioner's recommendations in the matter of pensionary benefits to serving employees", and that was not done. Indeed the *ad hoc* relief given was a meagre maximum of Rs. 35 in place of Rs. 325 (1000-675) given in form of normal pension increase by the Commission.

To future pensioners dearness allowance had been granted at the rate of 5 per cent of their pension subject to a minimum of Rs. 5 p.m. and a maximum of Rs. 25 p.m. as and when there is a 16 per cent rise in the 12 monthly average of the All-India Working Class Consumer Price Index (1960—100). From 1960 to 1972 when the index was 200, there had been a clear increase of 100 points, which would have earned an increase of more than 30 per cent in the value of the pension of those who had retired in 1960, and needed to be worked out on that basis for later years' retirees. That was not done.

It is quite clear that the promise made in Finance Ministry's D.O. No. 8993-E(V)|70 dated 8th December, 1970 was not fulfilled. We would request the hon'ble Committee to look at this D.O., which has not been available to the petitioners despite request.

2.3. When we appeared to tender our oral evidence on 13th February, the hon'ble Committee was pleased to direct us to give a rough idea about the cost to Government by the grant of our prayer for pension increases on the basis of multipliers. In pursuance of that direction, we like to submit as follows:

(i) that in the Central Government services there was a major recruitment drive during the period, at first of 1940 to 1944, and then from 1948 onwards. Evidence for this can be found in the report of the Third Central Pay Commission itself. The Commission has indicated that the number of retirements in 1964-65 and 1965-66 were around 5,000 each and that in 1966-67 and also in 1967-68 these were around 13,000 each. It further said that "the Ministry of Finance has estimated that during 1972-73 about 32,000 Government servants would retire. Out of these 50 per cent may be from Class IV posts....The retirements during the next ten years are expected to show a progressive increase at the rate of 20 per cent every year going up to about 1 lakh employees in 1980-81." In the light of these facts older pensioners retiring before 1972 may be not more than 5—10 per cent of the total number of pensioners.

(ii) Numbers of surviving pensioners today is not readily available. The Third Pay Commission had made a rough estimate of survivorship over a ten year period only, and that from 74 per cent to 81 per cent. Our reasoned guess is that of those whose retirement period is between 1960 and before 1973, the survivors are not likely to be more than 50 per cent of the original retirees, the number of survivors steadily falling as we go back backwards chronologically to the scale of higher multipliers.

(iii) that among those who retired after 1-1-73, the benefit of increases in terms of the multipliers has been gained, fully by the Class IV and Class III employees and substantially by Class II and Class I employees while still in service, on the basis of the recommendations of the Third Pay Commission, Experts in the Finance Ministry are likely to see for themselves while working out the figures for multipliers for the years subsequent to 1960 for formulating Schedule I of the draft Pensions (Increase) Bill, 1979 submitted by us.

(iv) Pension increases on the multiple basis will be given on basic rates of pension, which means that 35 per cent d.a. granted to pensioners since 1-8-73 will be adjusted against the increases due according to the multiplier formula.

The Third Pay Commission's recommendations cost the Government, as indicated in the report of the Commission itself, an amount of Rs. 175.91 per annum for the three instalments of interim relief recommended by the Commission and Rs. 96.68 in terms of proposed increased scales of pay, house rent allowance, compensatory (city) allowance and retiring pension and gratuity. Our reasoned guess is that the cost of pension increases in accordance with the multiplier system prayed for by us for all pensioners who are 37 per cent in their numbers compared to the serving employees would be no more than 1/15th of that amount for a full year. Arrears can be paid by crediting the amount to pensioners' P.P.F. account with Government.

2.4. It is submitted to the hon'ble Committee that the above details of estimates of the cost involved in solving a major problem of "aging" in respect of Central Government pensioners in our country, would make the acceptance of our prayer highly worthwhile.

All over the world, both in developed as well as in undeveloped countries, there is growing concern for the welfare of the aged. The number of the aged has been increasing significantly since 1950. "Projections of current trends indicate that in all regions of the world, from 1970 to 1980, the rate of increase of the 65-and-over age group will be greater than that of the world's total population as well as that of any other age group". (U.N. General Secretary's report to the General Assembly, 1975).

Soon after our country's independence, a resolution was sponsored in the third regular session of the U.N. General Assembly by a developing country Argentina that the Economic and social Council be requested to conduct a study of the aged. The resolution was adopted, and it led to the holding of a series of seminars, conducting of national and cross national surveys, and reviewing of national survey as a part of this movement survey by the Indian Institute of Public Administration through the munificence of the Ministry of Education (Department of Social Welfare), and the results of this survey have been recently published, entitled, 'Problems of Pensioners-Socio-economic Policy and Administration' by Dr. V. Jagannadhan and Dr. C. M. Palvia. We have had the occasion to refer to this survey in para 14 of our clarificatory memorandum submitted earlier to the hon'ble Committee.

In May 1974 the meeting of an Expert Group was held at the U.N. headquarters to study the many aspects of the problems connected with aging, including the problems of health, housing and what is directly pertinent to our petition, income security. The eight experts who constituted this Group were from (i) France,

(ii) Ukrainian Soviet Socialist Republic, (iii) U.S.A. (iv) Lebanon, (v) Malta, (vi) Argentina (vii) Nigeria and (viii) Japan. They had before them the whole wealth of material on the subject collected from numerous countries belonging to all the regions of the world. A valuable report on this important subject was prepared and finally submitted to the U.N. We like to submit to the notice of the hon'ble Committee the following observation, as being pertinent to our own petition:

"A difficult problem arises from the older pensioners during a period of inflationary living costs....where the amount of pension does not increase according to increasing costs. However, an increasing number of countries are now providing for an automatic adjustment in pension payments based on periodic changes in the official cost-of-living or wage index-I Belgium, Canada, Chile, Denmark, Ecuador, Finland, France, Iceland, Israel, Luxembourg, the Netherlands, Norway, Sweden, the U.S.A., Uruguay. and Yugoslavia, among others, have such provisions". By 1977, as indicated in the table given in appendix 46 countries, developed as well as developing in all regions of the world, have related the quantum of pension paid to the constantly changing cost-of-living index.

The report of the Expert Group and finally the U.N. Secretary General's report submitted to the General Assembly in 1975 are printed as 'United Nations Publication, Sales No. E 75. IV. 3' entitled 'The Aging: Trends and Policies' and is likely to be available in our own parliament Library.

2.5. In respect of the matters under the consideration of this hon'ble Committee, the U.N. Secretary General's report emphasises that:

(i) What had been recognised as a family concern and responsibility has been weakened and has given rise to problems and concerns associated with aging which can no longer be met by the family alone without the support of societal programmes and services sponsored by Government. (p. 50)

(ii) In developed countries, it is not that the family is unwilling to respond to the needs of older family members; rather, the changed conditions under which the family finds itself, including often the separation of the younger generations from the older generations, requires social policies, programmes and services which will support and strengthen generational relationships and interdependence.

(iii) In developing countries there is ample evidence of the high esteem in which older people are held; but with the increasing trends of industrialisation and urbanisation and the mobility of labour force, particularly away from the more agrarian and rural areas, the traditional concept of the place and relationship of the elderly in the family is undergoing major change. (p. 25)

(iv) It is important to realise that the major concern in all parts of the world in regard to income security and income maintenance system is to provide for a relationship between "pension-benefit payment and the costs and levels of living which are in turn affected by the world-wide inflationary trend." (p.55)

We like to submit to the hon'ble Committee in the Appendix to this memorandum a table giving comparative figures of mandatory retirement age per capita wage income, minimum pensions and whether pension is related to the cost of living index in 129 major countries of the world.

2.6. The rise in life expectancy at birth is noticeable in developed as well as developing countries. The Expert Group has noted that in the developed countries the growth of 60 years and above population is more than that of any other age group. In the developing countries, where the problem created by aging, has not yet assumed the same gigantic proportion, increased industrialisation, urbanisation and other related social and economic changes, are making it grow at a very fast rate. Life expectancy at birth is rising much faster in less developed regions than in the more developed regions of the world.

2.7. In our country the class of pensioners was created after the scheme of retirement pensions for Government employees had been established by U.K. rulers in public service regulations. In 1871 a Pensions Act was passed, which has become completely outmoded, but it has not been replaced despite universal demand.

We submitted to the hon'ble Committee specific information in respect of the latest current developments made by U.K. Government for protecting the purchasing power of their own civil service pensions against rise in the cost-of-living index, at a time when, on the evidence submitted by us in the oral hearing, the economic position of U.K. was distinctly bad, to convince the hon'ble Committee about the need for our own Government to do something for the protection of Central Government pensioners here. What U.K. Government is doing for its pensioners, so many other countries, developed as well as developing, as evidenced in the table submitted by us are doing. Our own Government has yet to take action in this regard.

U.N. Secretary General's report to the General Assembly, 1975 says that by 1967, 92 countries in the world had pension systems. Of these 70 had pension systems consisting in whole or in part of social security service, where in addition to retirement pensions to civil servants at a mandatory retirement age there was also provision for old age pensons, invalid pensions, and pensions for survivors. By 1977, as indicated in the table attached herewith, the number of countries with pension system had arisen to 104.

The need for national policies and international action for aging has urgently arisen, because "from the democratic over-all view of world population trends as well as from the critical conditions found among aging populations throughout the world, it would appear that aging is one of the crucial social policy questions of the last third of the 20th century".

An increasing number and proportion of older people need to be assured their basic human rights, "full participation and contribution to, as well as protection in, the society of which they are a part."

In the development of an explicit policy for the aging, it is also important to recognise that such a policy should include the recognition of the needs of future generations of the aged which will be different from those of today's elderly.

2.8. In our oral evidence on 13th February 1979, we had pointed out that certain benefits which had been given to later day pensioners in India, at first as normal pensionary benefits under the operative regulations and later regarded as social security benefits under these regulations, have remained denied to earlier pensioners even up to this day, and that in fairness thes should be made applicable to all living pensions with all their financial implications.

We like to submit their details for purposes of record.

(i) To Central Government employees, who retired after 1-1-1964 'family pension' benefit was granted if they applied for it and also paid 2-months pre-retirement salary to Government from out of their gratuity at the time of retirement. From 22-9-1977 onwards the family pension scheme was regarded as a social security benefit pension scheme and the requirement of 2 months pre-retirement salary by the retiring employee was abolished. The family pension benefit still remains denied to pensioners who had retired earlier than 1-1-1964 and further the amount of 2 months salary deposited by post 1-1-1964 and pre-22-9-1977 retirees still remains to be refunded to them.

(ii) Recently commutation of 1|3 monthly pension to retired persons has been permitted to be granted without any medical examination as regards the life expectancy of the applicant for commutation. Till now commutation was sanctioned if applied for meeting an obligatory liability and only after a rigorous medical test by a medical board in which the applicant's life expectancy was assessed on the date of the application. Clearly the requirement of a medical test to assess life expectancy has been removed, since commutation of 1/3 monthly pension for an aggregate period of 10.73 years is now regarded as a special security benefit which should accrue to all retirees, even if they be on death-bed at the time of their retirement. Why should this social security benefit not be conferred upon those who had retired earlier but are alive after 10.73 years of their retirement and their full monthly pension restored to them from that point of time?

(iii) Earned leave due, if not taken while in service, is now permitted to be encashed up to 180 days at the time of retirement. This is a social security benefit, and it should be extended to earlier pensioners, whatever the year of their retirement.

2.9. We like to submit to this hon'ble Committee that these social security benefits were conferred upon future pensioners as a result of the recommendations of the National Council of JCM, in which body the serving employees were able to persuade representative members of Central Government that these recommendations were fair and just.

Pensioners have prayed in this petition that the right to have joint consultative machinery for resolving matters between themselves and the Central Government should be conferred upon the pensioners also. Their hope is that they may be able to press for all living pensioners obtaining the full benefit of all rules framed for the benefit for serving employees from time to time. They would certainly, for instance, press for suitable neutralisation of their pension against rising cost-of-living index every year. They would press for travel concessions for pensioners as are available to serving employees. Advisedly we have not said anything about the pensioners' need in respect of housing, but they would certainly press for making hire-purchase facility available to them for securing houses and possibly for loans on easy terms for purchase or building of a house.

The above instances of specific benefits having been secured by serving employees through Joint Consultative Machinery provide an additional argument in support of our prayer (iii) made in our petition.

2.10. We like finally to submit to this hon'ble committee that there is a felt need for the urgent appointment of a pension Commission by Government, which will make a review of all matters concerning pensioners and make necessary recommendations on them. Since 1940 there have been three Central Pay Commission for reviewing the scales of pay, allowances and other benefits of Central Government employees of all classes and grades from Class IV to Class I. None of these have considered the demands of pensioners. There have been Dearness Allowance Committees, two for Central Government employees and one separately for bank employees. Although Central scales of pay, allowances and other benefits of Central Government Employees, no commission has been appointed by Government for pensioners despite incessant demand for it made by pensioners themselves and by most political, administrative and economic analysts in the country.

The position today is that those who retired in 1940's have the real value of their pensions eroded by 94 per cent; those who retired in 1950's have the real value of their pension income eroded by 50 per cent. By leading a longer life, pensioners are suffering financially because of continuous rise in consumer price index, and psychologically.

This hon'ble Committee can make a powerful recommendation to the Government for the appointment of a pensions Commission urgently (i) to look into the operative pension provisions in our service regulations and bring these into the frame of our present needs; (ii) to devise measures and means for integrating the formulation of pension rules to minimise differences and discrimination between earlier and later pensioners and pensioners of civil service, defence service and medical and technological services; (iii) to study the problem of the aged as well as pensioners in respect of health, social, economic and inter-generational needs, etc; (iv) to evolve a dynamic pension policy for the future which will enable the co-ordination of the problems of pensioners with those of the aged in general; (v) to assess the needs of occupational pensions in our country; and (vi) to assess and project the cost which the country's finances will have to bear for the solution of the problems of growing expectancy of life at birth, increase in industrialisation and urbanisation, etc.

ANNEXURE

Table of 129 countries throughout the world with social security programmes. Of these 104 have provided for normal retirement pensions, and in 46 countries till 1976 the quantum of pension paid is related to changing cost-of-living index, as prayed for in our own petition.

As regards minimum pension we have proposed in our clarificatory memorandum (para 12) that it deserves to be related to per capita wage income. This table gives, so far as available, the figures of per capita wage-income and minimum pension in different countries of the world.

Our source for this is:—

(1) Social Security Programmes throughout the world (Washington D.C., U.S. Department of Health, Education and Welfare, 1977).

(2) U.N. Statistical Year Book, 1977.

Sl. No.	Name of country	Mandatory retirement age	Per Capita Wage Income	Minimum pension	Whether pension is related to cost-of-living index	Whether social security benefit exists for (a) old age (b) sickness (c) unemployment (d) survivors
1	2	3	4	5	6	7
1.	Afghanistan	work injury benefit started only in 1946.				
2.	Albania	60 (men) 55 (women)	—	350 leks p.m. (1 lek=25·3 US cent)	Yes	(a) 70% average of last 3 years. (b) Ditto (d) 25 leks a month for 1st child. 50 leks for 2nd.
3.	Algeria	60 yrs.	3·13 dinar per hour	1200 dinars p.m. (1 dinar=24·1 US cent)	Yes	(a) 40% average (b) 50% average (c) 25% for each child.
4.	Argentina	60 (men) 55 (women)	20·33 Peso per hour	15,456 Peso. p.m. (1 peso=0·39 US cent)	Yes	(a) 70% average (b) 100% average (c) law passed in 1967 (d) wife 1,000 peso child 1,200 peso per month.
5.	Austria	65 (men) 60 (women)	9,553 Schilling per month	2,860 schillings p.m. (1 schi=5·85 US cent)	Yes	(a) 30% average (b) 100% for first four weeks —19 wks. (c) 30-60% (d) 6,300 sch. for first child.
6.	Australia	65 (men) 60 women)	$79·4 per week	$47·10 per week (1 Austr $= US $1·09)	Yes	(a) $47·10 per wk. $78·50 for couple.

1	2	3	4	5	6
					(b) $ 47·10 per wk. $78.50 for couple (c) Ditto. (d) $ 3 50 for 1st child etc.
7. Bahamas	65 yrs.	$ 2·49 per hour	—	Yes	(a) 30% of average (b) 50% ditto.
8. Bahrain	60 (men) 55 (women)	—	6 dinars per month (1 dinar= US $ 2·53)	—	(a) 1·67% of total earning (b) 75% of average daily earning.
9. Barbados	65 yrs.	$ 97·55 per week	(1 Barbados dollar=50 US cents)	Yes	(a) 40% average (b) 60% average.
10. Belgium	65 (men) 60 (women)	159·68 fr. per hour	10,630 fr. p.m. (1 Bel fr.= 2·71 US cent)	Yes	(a) 60% average (b) 60% average (c) 60% average (d) 1,326 fr. p.m. for 1st child.
11. Benin (Dahomey)	55 yrs.	—	1,000 fr.p.m. (1 fr=0 40 US cent)	Yes	(a) 20% average (b) Maternity benefit only (d) 1,000 fr. p.m. for child.
12. Bolivia	55 (men) 50 (women)	1709 peso p.m.	—	Yes	(a) 30% average (b) 75% average (e) 40 peso p.m. per child.
13. Botswana	—	Insurance against work injury provided by legislation in 1936. Max benefit : 18,000 puls (1 pul—US $ 1·16).			
14. Brazil	65 (men) 60 (women)	2,844 cruzeiro p.m.	—	Yes	(a) 70% average (b) 70% average (c) Upto 80% (d) 5% for child.
15. Bulgaria	60 (men) 55 (women)	151 lev p. m.	35 levs per month (1 lev=US $ 1·04)	Yes	(a) 55 to 80% (b) 70% during first 15 days (c) upto 1·8 levs a day (d) 5 levs p.m. for 1st child.
16. Burma	—	182·71 kyat p.m.		—	(b) 50 of average earning.
17. Burundi	55 yrs.	5469 fr p.m.		—	(a) 1·67% of total earning (d) 100 fr. p.m. for wife

1	2	3	4	5	6
18. Cameroon .	60 years	—	11,891 fr. p.m. (1 fr. = 0·40 US cent)	—	(a) 30% average p (d) 700 fr. p.m. child
19. Canada .	65 years	$5-76 per hour hour	$141 p.m. (1 Canadian $ = 98 US cent)	Yes	(a) flat pension $ 141 p.m. (b) 75% of average (c) 66 67% p.m. (d) $24 p.m. per child
20. Central African Empire	55 (men) 50 (women)	—		—	(a) 50% average (b) 600 fr. p.m. for child
21. Chad .	—	—		—	(a) 50% average (b) 360 fr. p.m. per child
22. China Peoples Republic .	60 (men) 55 (women)	—		Yes	(a) 70% average (b) 40 to 100% average
23. China Taiwan .	60 years	—	—	—	(a) lump sum equal to one month's average (b) 50% average
24. Chile .	65 years	—	853·62 peso p.m. (1 peso = 6 US cent)	Yes	(a) 50% base wage (b) 100% base wage (c) 75% base wage (d) 111·35 peso per month per child
25. Colombia .	60 (men) 55 (women)	16·34 peso per hour	(1 peso = 2·8 US cent)	—	(a) 45% average (b) 67% average (d) Child allowance varies according to available funds.
26. Congo .	55 years	—	(1 fr. = 0·40 US cent)	Yes	(a) 30% average (b) 50% average (d) 800 fr. p.m. per child.
27. Costa Rica .	60 years	—	400 colones p. m. (1 colon = 11·7 US cent)	—	(a) 70% average (b) 60% average (d) 3·50 colones p.m. per child.
28. Cuba	60 (men) 55 (women)	135.50 peso p.m.	60 peso p.m. (1 peso = US $1·21)	Yes	(a) 50% average (b) 50% average

1	2	3	4	5	6
29. Cyprus	65 years	14·64 per week	£3·750 per week (1 £=US $ 2·43)	—	(a) £3·750 per week (b) ditto (c) ditto
30. Czechoslovakia	60 (men) 53-57 (women)	2267 Kr. p.m.	300 kr. per month (1 kr=88 US cent)	Yes	(a) 50% average (b) 50-70% average (d) 90 cr. p.m. for each child
31. Denmark	67 (men) 62 (women)	38·38 krones per hour	1,369 krones p.m. (1 kornes= 17 US cents)	Yes	(a) 1369 krones for single, 2356 for couple (b) 90% average (c) 90% average (d) 1664 krones p.m. per child.
32. Dominican Republic	60 years	85·28 peso p.m.	10 peso p.m. (1 peso=US $ 1·00)	—	(a) 40% average (b) 50% average
33. Ecuador	60 yrs	10·80 sucre per hour	equal to legal minimum wage	Yes	(a) 50% average (b) 75% average
34. Egypt	60 (men) 55 (women)	£ 4·81 per week	90% average monthly earning	—	(a) 2·22% average monthl for 2 yrs. (b) 75Œ averae (c) 60% average (d) survivor benefit according to schedule in law.
35. El Salvador	65 (men) 60 (women)	1·42 colon per hour	90% average monthly earning	Yes	(a) 40% average (b) 75% average (d) 60% average payable to widow and orphans
36. Ethiopia	Old age, sickness and maternity benefits exist. Work injury provided for the law in 1960.				
37. Fiji	55 yrs.	$ 6·64 per day			(a) lump sum equal to total employee and employer contribution plus 5% interest (b) Do.
38. Finland	65 (men) 60 (women)	14·78 mark per hour	153 mark for single 306 mark for couple (1 mark= 26·1 US cent)	Yes	(a) 153 mark for single 306 mark for couple. (b) 25 mark per day (c) 75% average (d) 808 mark p.a. for child.

1	2	3	4	5	6
39. France . .	60 yrs.	11·11 fr. per hour	4,300 fr. p.m. (1 fr= 20 U S cent)	Yes	(a) 25% average (b) 50% average (c) 40·25% average (d) 22% of base wage
40. Gabon . .	55 yrs.		60% of highest legal minimum wage	Yes	(a) 40% average (b) 60% of (a) (d) 1500 fr. p.m. for child.
41. Gambia .	Provision exists for pension, old age, sickness and work injury benefits.				
42. Germany Democratic Republic	65 (men) 60 (women)	910 marks p.m.	230 marks p.m. (1 mark= 41·6 US cent)	Yes	(a) 110 marks plus a certain percentage of earning (b) 50% average (c) 40% average plus flat amount for dependents (d) 20 marks p.m. for child.
43. Germany Federal Republic	65 yrs.	11·10 DM per hour	DM 20·161 p.a. (1 DM= 42·3 US cents)	Yes	(a) 1·5% assessed wage (b) 100% average for first 6 weeks. (c) 68% average (d) DM 50 p.m. for each child
44. Ghana . .	55 (men) 50 (women)	77 chedi p.m.			(a) lump sum equal to total employee and employer contribution plus 3% comp. int. (b) 0·40 to 0·60 cedis per day (c) 50% average (d) lump sum payable to nominated dependents.

1	2	3	4	5	6
45. Greece . .	62 (men) 57 (women)	50.46 drachms per day	32,00 drachms P·M (1 drachma=2.69 US cent)		(a) 30 to 70% average (') 50% average (c) 40 to 50% average (d) upto 6·4% minimum legal wage per child
46. Guatemala .	65 yrs.	0·46 quetzal per hour	15 quetzals p.m minimum and 240 quetzals p.m. maximum (1 quetzal= US S 1·00)		(a) 40% average (b) 67% average (d) 50% pension paid to widow 25% to children.
47. Guinea . .	55 yrs.	..	..	..	(a) 1·33% base earning (b) 50% average (d) 94 sylis p.M for each child
48. Guyana . .	65 yrs.	£58·57 per week	..	..	(a) 30% average (b) 60% average week earning (d) lump sum payable to widow and child
49. Haiti . .	55 yrs.	..	..		(a) 1/3 of average (b) 50% average (d) 50% pension paid to widow 20% to child.
50. Honduras .	65 (men) 60 (women)	..	min. pension : 50% of of earning max. pension: 80% of earning	..	(a) 40% basic monthly wage (b) 67% average (d) 40% pension paid to widow 20% to child
51. Hungary .	60 (men) 55 (women)	2,960 forint p.m.	1070 forints p.m. (1 forint= 4·79 US cent)	..	(a) 33% average (b) 65% average (c) 30% earning (d) 720 forint p.m per child
52. Iceeland . .	67 yrs.	..	23,919 cr. p. m. (1 cr=0·55 US cent)	Yes	(a) flat rate of 23.919 cr. pm. (b) 1020 cr. per. day (c) 2136 cr. a day (d) 29,970 cr. p.m. (for widow, 12239 cr. for child
53. India . .	58 yrs.	Rs. 260·9 p.m.	..	..	(a) lump sum payable

1	2	3	4	5	6
					(b) 50% average (d) min. pension to surv. Rs. 40 p.m. max. pen. Rs. 150 p.m.
54. Indonesia .	Sickness and work injury benefit provided by law in 1957.				
55. Iran . .	60 (men) 55 (women)	..	42.30—5,560 rial (1 rial= 1 42 US cent)	..	(a) 1·9% average earning during last 2 years. (b) 75% average (d) 50% pension paid to widow, 25% to child.
56. Iraq . .	60 (men) 55 (women)	..	11 dinar p.m. (1 dinar= US $ 3 38)	..	(a) 2 5% average earning (b) 75% average (d) 60% pension paid to widow 40% to children.
57. Ireland . .	67 yrs.	148 pence per hour	£ 12·45 per week (£=US $ 1·70)	Yes	(a) flat rate £ 13 90 per week (b) £ 12·45 per week £ 8 10 per week for adult dependent (c) £ 12·45 a week +40% average earning (d) £ 3 30 p.m. for child.
58. Israel . .	70 (men) 65 (women)	I £ 148·3 per day	I£ 2440 p.m. (1 £ = 11 ·4 US cent)	Yes	(a) 15% [illegible] average wage (I£ 2440 p.m.). (b) 75% average (c) 70 to 40% average (d) I£ 135 p.m. for child
59. Italy . .	60 (men) 55 (women)	292·1 lire per hour	79,650 lire p.m. (1 lire= 0·12 US cent)	Yes	(a) 80% average (b) 50% average (c) [illegible] lire a day (d) [illegible] lire p.m. per child.
60. Ivory Coast .	55 yrs.	..	..	..	(a) 1·33% average earning time (b) 100% average (d) 950 fr p.m. for each child

1	2	3	4	5	6
61. Jamaica . .	65 (men) 60 (women)	..	$ 6·90 a week 1 dollar= US $ 1·00	..	(a) $ 6·90 per week (d) $ 6·90 for widow $ 3·50 per week for each child.
62. Japan . .	60 (men) 55 (women)	183.557 yen p.m.	30.000 yen p.m. (1 yen= 0·34 US cent)	Yes	(a) 1650 yen plus 1% average life earning (b) 60% average (c) 60 to 80% average (d) 3000 yen p.m. for each child.
63. Jordan . .			400 dinar p.a. (1 d=US $ 3·02)		
	Pension provision for old age, sickness and work injury by law in 1960, amended in 1972.				
64. Kampuchea Cambodia	Old age, sickness, work injury benefit and family allowances have been provided by law.				
65. Kenya . .	60 yrs.	834 shilling p.m.	..	..	(a) lump sum equal to total employee and employer contribution plus 2·5 % interest (b) cash sickness benefit (d) lump sum payable to spouse and children.
66. Korea South .	Provision by law since 1963 for old age sickness, and work injury benefits.				
67. Kuwait . .	50 yrs. Old age pension, sickness and work injury benefit provided by law since 1976.				
68. Laos . .	Old age and work injury benefit provided by law				
69. Lebanon .	60 (men) 55 (women)				(a) lump sum equal to last month's earning up to 20 years. (b) 100% average for first 30 days. (d) 20 pounds p.m. for wife, 15 pounds for child.
70. Liberia . .	60 yrs.				(a) 25% average (d) 20% pension to widow 10% to children.

1	2	3	4	5	6
71. Libya . .	60 (men) 55 (women)	..	30 dinar p.m. (1 d= US $3·40)	..	(a) full pension, 50% average earning (b) 60% average (c) 50% average (d) 50% pension paid to widow, 40% to parent 20% to children.
72. Luxemburg .	65 (men) 60 (women)	188·83 fr per hour	28,800 fr p.a. 1 fr= 2·72 US cent)	Yes	(a) basic pension 40,228 fr a year (b) 100% average (c) 80% average (d) 1072 fr p.m. for child.
73. Madagascar .	60 (men) 55 women)	..	60% of legal minimum wage	Yes	(a) 30% legal min. wage† 20% average (b) 50% earning (d) 500 fr for each child p.m.
74. Malawi . .	Old age, sickness and work injury benefit provided by law.				
75. Malaysia .	55 yrs.				(a) lump sum equal to employee and employer contribution with comp. int. at 6·6%. (b) 1955 ordinance requires employers to pay $ 3 a day for 30 days. (d) payment for survivors provided by law.
76. Mali . . .	55 yrs.	111 fr per hour	..	..	(a) 1·33% of base earning (b) 100% average for maternity (d) 650 fr p.m. for each child.
77. Malta . .	61 (men) 60 (women)		£ 7·00 per week (£=US $2·31)	..	(a) £ 7·00 per week (b) £ 7·00 a week plus £ 4·50 for wife.

1	2	3	4	5	6
					(c) £ 7·00 a week plus £ 4·50 for wife (d) £ 1·10 for child.
78. Mauritania .	60 (men) 55 (women)	..	60% of highest min. wage	..	(a) 20% average (b) 50% average for maternity (d) 50% pension paid to widow, 20% to child.
79. Mauritius .	60 yrs.	10·83 rupee per day.	40 rupees p.m. (1 rupee= 15·1 US cent)	..	(a) 80 rupees p.m. (d) 40 rupee p.m. for family.
80. Mexico . .	65 yrs.	4285 peso p.m.	1000 peso p.m. (1 peso= 4·3 cent)	..	(a) 35—45% average (b) 60% average earning for maternity.
81. Morocco .	60 (men) 55 (women)	2·21 dirham per hour	70% of earning	..	(a) 50% average (b) 50% covered earning (d) 24 dirhams p.m. for each child.
82. Nauru . .	60 (men) 55 (women)	..	$ 2·75 a week (dollar=US $ 1·02)	..	(a) $ 2·75 a week (b) $ 1·45 a week (d) $ 1 a week per child.
83. Nepal . .	..	..	..	..	(a) lump sum equal to employee and employer contribution plus 13 to 16% interest.
84. Netherlands .	65 yrs. ..	11·41 guilder per hour	804 guilders p.m. (1 guilder 39·9 US cents)	Yes	(a) full pension (b) 80% average earning. 100% for maternity (c) 80% average (d) 165 guilders a quarter per child.
85. New Zealand .	65 yrs.	$ 98·80 per week	36·22 dollars for single. 60·16 for couple (dollar= 91·4 US cents)	Yes	(a) 36·22 dollars per week single 60·16 dollars for couple. (b) Ditto (c) Ditto (d) $3 for each child.

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86. Nicaragua .	60 yrs.	4·73 Cordoba per hour	80% earning max. pension 30% min. pension	..	(a) 30% average (b) 60% average.
87. Niger . .	60 yrs.	..	min. pension: 60% legal wage max. pension : 80%	Yes	(a) 20% average (b) 50% average for maternity (d) 700 fr p.m. for each child.
88. Nigeria . .	55 yrs. ..	1·77 Naira per day	..	..	(a) lump sum equal to total employee and employer contribution plus accrued interest (b) 0·34 naira a day (d) lump sum paid.
89. Norway . .	67 yrs.	30·44 krone per day	Univ. pension: 100% base amount	Yes	(a) 100% base amount for single. 150% for couple. (b) 4 kroners a day (c) 15 kr a day (d) 700 kr a year per child.
90. Pakistan . .	55 (men) 50 (women)	283 rupees p.m.	75 rupees p.m. (rupee= 10·1 US cent)		(a) 75 rupee p.m (b) 50% of earning.
91. Panama . .	60 (men)	0·97 balbo per hour	100 balbos p.m. max. pension 90 balbos p.m. min. pension (1 balbos= US $ 1·00)	.. ..	(a) 60% average (b) 75% average (d) 50% pension payble to child.
92. Paraguay .	60 yrs.	..	..	..	(a) 42·5% average (b) 50% average (d) 50% min. wage for each child.
93. Peru . .	60 (men) 55 (women)	325 sol per day	..	..	(a) 50% average (b) 70% average (d) 50% pension to widow 20% to child.
94. Philippines .	60 yrs.	334 peso p.m.	45 peso p.m.	..	(a) 115% basic benefit (b) 85% average (d) 100% basic benefit to widow 10% to each child.

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95. Poland . . .	65 (men) 60 (women)	4228 Zlotys p.m.	900 Zlotys p.m. (1 Zloty= 5 US cent)	..	(a) 80% average (b) 100% average (d) 45% average paid to first survivor.
96. Portugal . .	65 (men) 62 (women)	32·7 escude per hour	min. pension: 2,250 escude max. pen 70% of earning average	Yes	(a) 2% annual earning average (b) 60% average (c) 50% averag (d) 240 escudo p.m. for child.
97. Romania .	60 (men) 55 (women)	1942 leus p.m.	650 leus p.m.	..	(a) 60 to 85% average (b) 50% average (c) 160 leus p.m. for child.
98. Rwanda . .	55 years	..	50% legal wage	Yes	(a) 30% average (d) 50% pension paid to widow.
99. Saudi Arabia .	60 yrs.	..	min. pension 40% of insured amount max. pension 100% of insured amount	..	(a) 2% average wage during last 2 yrs. (d) 50% pension paid to widow 20% to child.
100. Senegal . .	55 yrs.	..	..		(a) 105% base earning (b) 50% of earning for maternity (d) 50% pension paid to widow 20% to child.
101. Sierra Leone .	Work injury benefits are provided for by law passed in 1960.				
102. Singapore .	55 yrs.	$ 1·53 per hour		..	(a) lump payment equal to employee and employer contribution plus 2.5% interest. (b) 1968 law requires employers to give sickness benefit.
103. Somalia . .		Law provides for old age, sickness and work injury benefits.			
104. South Africa .	65 (men): 60 (women)	230·7 rand p.m.	min. pension 504 rands		(a) 72 rands p.m. for whites 38·50

1	2	3	4	5	6
		571·1 rand p.m. (white)	for whites 252 rands for Asians and coloured 80 rands for Africans		for coloured and Asians (b) 2·45 to 20·30 rands a week according to 14 wage classes.
105. Spain . .	65 yrs.	135 peseta per hour	100% pension 7.700 peso p.m.	Yes	(a) 50% average (b) 75% average (c) 75% average (d) 250 peso for each child.
106. Sri Lanka	55 (men) 50 (women)	Re. 1·46 per hour	..	..	(a) lump sum equal to employee and employer contribution with accrued interest. (b) 1939 ordinance requires employers to give sickness benefit.
107. Sudan . .	60 (men) 55 (women)	..	..	..	(a) 1·67% highest monthly earning: max. 30 pounds p.m. min. 5 pounds p.m. (d) 40% pension paid to widow, 5% to child.
108. Swaziland .	50 yrs.	..	..	..	(a) Total employee and employer contribution plus 3% interest.
109. Sweden . .	65 yrs.	28·04 krona per hour	universal pension 1380 kr. p.m. (kr=23·9 US cents)	Yes	(a) 95% average (b) 90% average (c) 50=160 kr. per day (c) 1800 kr p.a for child.
110. Switzerland .	65 (men) 62 (women)	13·73 fr. per hour	min. pens. 525 fr. max. pens: 1050 fr. p.m.	Yes	(a) 420 fr. p.m. (2) 2 fr. a day (c) 65% average. (d) 60 fr. p.m. for child.

1	2	3	4	5	6
111. Syria . .	60 yrs.	£ 111·35 per week	min 110 pounds p.m. max. 125 pounds p.m.		(a) 2·2% average earning (b) 27·50% pension payable to widow 25% to child.
112. Tanzania .	55 yrs.	414 shilling p.m.			(a) lump sum equal to employee and employer contribution plus accrued interest. (b) 3·50 shilling per day (d) lump sum paid to surviving dependents.
113. Thailand .		Law provides for work injury benefits.			
114. Togo .	55 yrs.	..	min.: 60% higher min. wage max.: 80% higher min. wage	Yes	(a) 20% average (b) 100% for maternity. (d) 1000 fr..p.m. for child.
115. Trinidad & Tobago	65 yrs.				(a) 50% average (b) 60% average (d) 50% pension payable to widow 20% to orphans.
116. Tunisia . .	60 yrs.	..	100% of insured pension		(a) 80% earning (b) 50% earning (d) 50% pension payable to widow 20% to children.
117. Turkey . .	55 (men) 50 (women)	126 lira per day	1500 lira p.m.		(a) 70% average (b) 50% average (d) 67% pension payable to widow 25% to children.
118. Uganda . .	50 yrs.				(a) lump sum equal to total employee and employer contri-

1	2	3	4	5	6
					bution plus accrued interest (b) 1975 decree requires employers to give sickness benefits. (d) lump sum payable to dependents.
119. U.S.S.R. .	60 (men) 55 (women)	151·9 ruble p.m.	min.: 70 rubles max.: 120 rubles p.m.		(a) 50% average (b) 50% average (d) 4 rubles p.m. per child.
120. U.K.	65 (men) 60 (women)	155·9 pence per hour		Yes	(a) £ 15·30 per week (b) flat benefit £ 12·90 for week £ 8·00 for wife £ 3·00 for child (c) flat benefit £ 12·90 per week £ 8·00 for wife £ 3·05 for child (d) £ 1 a week for child.
121. U.S.A. . .	65 yrs.	$ 5·19 per hour		Yes	(a) $ 107·90 p.m. (b) 50% average (c) 50% average (d) 100% pension payable to widow, 75% to children.
122. Upper Volta .	55 yrs.	22317 fr. p.m.	min. pens.: 60% of national min. wage. Max. pens.: 80% national wage	Yes	(a) 20% average (b) 100% for maternity (d) 700 fr. p.m. for child.
123. Uruguay .	50 yrs.	1428 fr. p.m.		Yes	(a) 100% average (b) 70% average (c) 50% average (d) 9 peso p.m. per child.

(1)	(2)	(3)	(4)	(5)	(6)
124. Venezuela .	60 (men) 55 (women)	3354 dinar p.m.	min. pens.: 40% of earning	..	(a) 150 boliver p.m. (b) 67% average (d) 40% pension payable to widow 20% to children.
125. Vietnam . .	60 (men) 55 (women)				(a) 45% average (b) 70% average
126. Western Samoa	55 yrs.	16·38 Tala per Week			(a) Total employee and employer contribution plus int. Law provides for payment of work inury benefit.
127. Yugoslavia .	60 (men) 55 (women)	3354 dinar p.m.		Yes	(a) 35% average (men): 40% average (women) (b) 60% average (c) 50% average (d) rates assessed by individual Regions.
128. Zaire . .	57 yrs.		min. pens.: 30% legal min. wage		(a) 1·67% average monthly (d) varying amounts as fixed by prov. Governments.
129. Zambia . .	50 yrs.		85·5 Kwacha p.m. 424,5 Kwacha p.m. (for non-Zambians)		(a) lump sum equal to total employee and employer contribution with accrued interest. (b) 1965 law requires employers to give sickness and maternity benefit.

For ready reference, we like to submit to the hon'ble Committee the following region-wise or item-wise break-up, based on the above table of:

(1) the countries where pension increases are made either

automatically or periodically according to the changing cost-of-living index:

Western Europe	16
Eastern Europe	5
North America	2
Central and South America	10
Asia and Oceania	5
Africa	8
Total	46

U.N. has also provided for automatic pension increase in
U. N. has also provided for automatic pension increases in international cost-of-living index.

(2) the countries where social security programme operates:

Total number	129
Number where old age, invalid and survivor programme operates	114
Number where sickness and maternity benefits are operative	72
Number where unemployment insurance operates:	38
Number where there is provision for family allowance	65

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GMGIPMRND—L.S. I—265 L.S—31-5—575