



National Federation of Indian Railwaymen

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Affiliated to :

Indian National Trade Union Congress (INTUC)
International Transport Workers' Federation (ITF)

No. I/11/Part I

Dated: 11/12/2018

The Secretary (Pers),
Ministry of Finance,
Department of Expenditure,
North Block,
New Delhi
Dear Sir,

Sub: Grant of increment on notional basis on 1st January & 1st of July to those employees retiring on 30th June/31st of December – Apex Court order-reg.

Pursuant to the implementation of the recommendations of 6th CPC, the Staff Side of National Council (JCM) had raised the demand, urging that the Central Government Employees including Railway employees who complete one year service as on 30th June and 31st December every year should be granted one increment notionally on 1st January or 1st July for calculating settlement benefit of those employees who retire on 30th June or 31st December each year. The Government however did not agree to the demand on the plea that allowing increment is not covered under the rules.

In the above context, NFIR desires to bring to the notice of MoF that the High Court at Madras was approached by some employees through Writ Petition No. 15732/2017 praying relief in the matter. On 15/09/2017, the High Court at Madras decided on the Writ Petition and passed order as follows:-

“Para-7 The Petitioner herein had completed one full year service as on 30/06/2013, but the increment fell due on 01/07/2013, on which date he was not in service. In view of the above Judgment of this Court, naturally he has to be treated as having completed one full year of service, though the date of increment falls on the next day of his retirement. Applying the said one notional increment for the period from 01/07/2012 to 30/06/2013, as he has completed one full year of service, though his increment fell on 01/07/2013, for the purpose of pensionary benefits and not for any other purpose”.

Against the above order of the High Court an SLP was filed by the Government of India before the Hon'ble Supreme Court, which was however dismissed by the Apex Court.

The legal position as established above clearly indicates that the employee who has completed one full year service as on 30th June or 31st December, as the case may be, should be granted one notional increment despite the fact that the increment falls on 1st July or 1st January of the year. The Federation cites following illustration to prove our contention:-

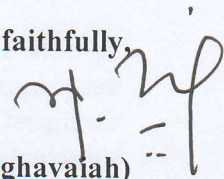
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“An employee who has completed one full year of service as on 30th June (date of birth being 30th June or 1st July) and 31st of December (date of birth being 31st December or 1st January) is eligible to get one notional increment for the period from 01/07/2018. Similarly an employee is eligible to get one notional increment for the period from 01/01/2018 to 31/12/2018 even though the increment falls on 01/01/2019 whose date of retirement is 31/12/2018”.

NFIR, therefore, requests the Secretary, MoF to kindly consider the above points and see that instructions are issued to all Ministries/Departments to grant increment on notional basis to the staff in the situations mentioned above to calculate the terminal/retirement benefits and also revise these benefits in favour of those who have already retired. A copy of instructions issued may kindly be endorsed to the Federation.

Yours faithfully,



(Dr. M. Raghavaiah)
General Secretary

Copy to the Secretary (E), Railway Board, New Delhi for information and necessary action please.

- ✓ Copy to the General Secretaries of affiliated Unions of NFIR.
Media Centre/NFIR.