

Pay and Pay Related Allowances

(Officers)

1.0 Pay Scales (w.e.f. 1.1.07)

GRADE	SCALE OF PAY
Chairman(Sch.-A)	Rs.80000-125000
Director(Sch.-A)	Rs.75000-100000
I	Rs.62000-80000
H	Rs.51300-73000
G	Intermediary pay-scale (under consideration)
F	Intermediary pay-scale (under consideration)
E	Rs.43200-66000
D	Rs.36600-62000
C	Rs.32900-58000
B	Intermediary pay-scale (under consideration)
A	Intermediary pay-scale (under consideration)

Pay scales of Gd.A, B, F & G – are yet to be finalized

1.1 Pay fixation on promotion

For Officers

Officers in all grades Below board level (including those drawing pay at the maximum of the pay scale) would be granted, on promotion a notional increment equal to 3% of their basic pay (rounded off to next Rs.10/-) and their pay will be fixed in the promoted scale subject to the condition that the Basic Pay shall not exceed the maximum of the scale.

2.0 Annual Increments

2.1 Condition for grant of annual increment

An employee will continue to get his annual increment on the due date so long as there is no adverse report regarding his conduct and work from his Departmental Head, unless withheld by a specific order in writing to that effect. In a case where increment has to be stopped/postponed for reasons of unsatisfactory work or conduct, the concerned Departmental Head is required to inform the Personnel and Finance Departments two months in advance so that necessary action to stop or postpone the increment is taken in time.

2.2 Regulation of annual increments

1st January will be the common date of annual increment for all eligible employees. Newly

appointed employees will be eligible for annual increment on 1st Jan., provided they have completed not less than six months of service as on preceding 31st December. In case of every fresh appointment and promotion the date of annual increment must be indicated in the Office Order.

2.3 Rate of Annual Increment: The rate of annual increment will be 3% of the Basic Pay in the case of officers effective from 1.1.07.

2.4 Stagnation Increments: Rate of Stagnation increment will be 3% of BP. Officers will be allowed to draw maximum three stagnation increments, one after every two years, upon reaching the maximum of the revised pay scale provided the officer gets a performance rating of 'Good' or above. Pay would be rounded off to next multiple of Rs.10/-.

3.0 Pay Related Allowances

3.1 Dearness Allowance

Officers: 100% DA neutralization for all the officers w.e.f. 1.1.07. DA is linked to AICPI of 126.33 (2001=100 series).

The periodicity of adjustment will be once in 3 months, as under:

Quarterly average for the months	DA payable from
September, October & November	1 st January
December, January & February	1 st April
March, April & May	1 st July
June, July & August	1 st October

3.2 City Compensatory Allowance: CCA has been dispensed with for officers w.e.f. 26.11.08 upon revision of their pay-scale.

3.3 House Rent Allowance (HRA)

Officers: HRA on revised BP w.e.f. 26.11.08 is payable at the following rates:

Cities with population	Rate of HRA
50 lac & above (classified as X)	30% of BP
5 to 50 lac (classified as Y)	20% of BP
Less than 5 lac (classified as Z)	10% of BP

An employee may be allowed to draw HRA either related to the place of his residence or place of work, whichever may be beneficial to him subject to the conditions that:

- a) Such an employee resides with his family as one unit at a city nearby or in proximity to the place of duty, due to absence of basic facilities at the work location., and
- b) He has not retained his family at a station other than the place of posting because of his transfer.

Stoppage of payment of HRA

Payment of HRA shall be automatically stopped for:

- i) having been provided with the company-owned/leased accommodation; or
- ii) having declined to accept the company-owned/leased accommodation; or
- iii) any stipulated contingency on the occurrence of which an employee would normally lose his title to the HRA

Conditions for drawing of HRA

An employee shall not be entitled to HRA if:

- i) He/She resides in accommodation allotted to his/her spouse or parents/son/daughter by the IOC.
- ii) He/She shares accommodation with an employee of the Corporation in a Refinery Township.

3.4 Non-Practising Allowance

NPA at the rate of 20% of Basic Pay subject to a maximum of Rs.6000/- per month is payable to Company's Medical officers in lieu of private practice. The revised ceiling has come into effect w.e.f.1.1.07.

NPA shall be reckoned for purpose of Dearness Allowance, Gratuity and Provident Fund but would not count for the purpose of fixation of pay in the revised scale. NPA shall also not be counted for grant of annual increments and increment on promotion. House rent recoveries shall also be made on NPA.

4.0 Allowances and Perquisite to officers – under Cafeteria approach

As per the Department of Public Enterprises (DPE) guidelines vide its OMs No.2/70/2008-DPE(WC) dated 26.11.08 and No.2/70/2008-DPE(WC)-GL-VII/09 dated 2.4.09, a provision has been made to regulate payment of allowances and accounting of monetary value of the perquisites and infrastructure facilities within a ceiling of 50% of Basic Pay of the officers

Accordingly, the allowances, perquisites and benefits currently admissible to officers have been reviewed effective from 26.11.2008 in the following manner:

- (i) To continue with the existing allowances and perquisites as drawn by the officers since we have already crossed the mid of the current financial year. The various perquisites

currently admissible would, however, be monetized as per methodology explained in Annexure-A.

- (ii) The existing list of allowances has been supplemented by adding four new allowances, which will be admissible as percentage of Basic Pay on optional basis to the officers. These are explained in Annexure-B.
- (iii) The recurring operating and maintenance expenses on various infrastructure facilities like, Corporation run hospitals (including domiciliary & hospitalization expenses reimbursed outside these hospitals as per Medical Rules), schooling facilities, Clubs (including reimbursements made on picnic/excursion in lieu of club facility) and Holiday-homes shall be monetized and included within the laid down ceiling as per the methodology explained against the each item in Annexure-A.
- (iv) The sum of allowances, monetary value of perquisites and infrastructure facilities shall in no case exceed 50% of annual BP of the officer in a year.
- (v) In case a location based compensatory/ hardship allowance is continued beyond the prescribed percentage laid down in the DPE guidelines, the differential amount would also be included as "Personal Allowance" for the 50% ceiling of BP. Further, on application of revised HRA rates/classification of cities if a higher amount of HRA is being protected, the differential amount of HRA shall also be included as "Personal Allowance" within the laid down ceiling of 50% of BP.

Allowances & Perquisites

Sl. No.	Allowances / Perquisite / Benefits	Value to be considered for regulating allowances & perks within the laid down ceiling
A	Existing Allowances & Perks	
1	Tea Allowance	Actual amount, as admissible (Rs.400/40 pm)
2	Reimbursement of lunch/ refreshment expenses	Actual amount, as admissible a) From 1.7.08 to 30.6.09 – Rs.538/- p.m. b) From 1.7.09 onwards (till further advice) – Rs.587/- p.m.
3	Subsidized Canteen facilities, wherever existing	Value would be equal to the amount of: a) From 1.7.08 to 30.6.09 – Rs.898/- p.m. b) From 1.7.09 onwards (till further advice) – Rs.947/- p.m.
4	Washing Allowance – for those who have not been provided with protective clothing	Actual amount, as admissible
5	Rationalization Adjustment Allowance (RAA)	Actual amount, as admissible
6	Professional Updation Allowance	Actual amount, as admissible
7	<u>Children Education Assistance:</u>	
a	Children Education Allowance	Actual amount as per claim
b	Hostel Subsidy	Actual amount as per claim
c	Reimbursement of rail fare to children for to and fro travel from place of study to the headquarter of the Officer by 2nd class on student concessional ticket twice a year during vacations.	Actual amount as per claim
8	Furniture items provided at residence of the officers and reimbursement of maintenance expenses under Furniture hire Scheme	a) Annual Value of the furniture facility would be computed as for determining perquisite tax under income tax rules, which at present is 10% of the furniture cost minus annual recovery of hire charges. For this purpose the actual cost of furniture items as on 30 th June would be taken into consideration. b) Actual annual claim on reimbursement of repairs and maintenance of the furniture.
9	Interest subsidy on HBA and Conveyance Advance	Value would be the difference in interest amount notionally computed at the Company's 'average borrowing rate' and the actual interest charged from the officer in the previous year .

10	(i) LFA	Amount equal to 50% of LFA entitlement as on 1 st April every financial year. (For the period 26.11.08-31.3.09, it shall be on proportionate basis for 4 months taking BP & DA as on 1.4.08).
	(ii) LTC for those who continue under the LTC scheme	a) 50% of LFA entitlement as on 1 st April every financial year. b) In case the actual amount of LTC claim inclusive of Daily Allowance paid towards hiring of accommodation is more than the LFA amount, the difference would be debited to the individual in the year of LTC claim. This provision would apply from the LTC block 2009-2010.
11	<u>Conveyance Facility:</u> - Reimbursement under the scheme of Conveyance Running & Maintenance for car/two-wheeler Or - Scheme of Transport Assistance Or - Conveyance Allowance claimed by blind/ orthopaedically handicapped officers Or - Availing of company provided Bus/Transport facility	Amount of Transport Assistance as admissible to the officer in his Grade. The Transport Assistance entitlements are Rs.1000 for Gd.A, Rs.1200 for Gd.B, Rs.1300 for Gd.C, Rs.1700 for Gd.D, Rs.1800 for Gd.E, Rs.1900 for Gd.F and Rs.2000 for officers in Gd.G & above. In case the R&M claim in a year is less than the entitlement of Transport Assistance, actual R&M would be considered for the purpose.
12	Nominated Hotel Facility	On actual on individual basis in the year of claim.
13	Brief Case/ Electronic Organizer/ Digital Diary	Average annual cost of these items on individual basis
B	Infrastructure facilities	
1	Operating & running of Company owned hospitals and medical facilities under Rules.	The average annual expenditure as percentage of total Basic Pay of Officers for the previous year would apply at uniform rate on all the officers.
2	Holiday Home facilities	The average annual expenditure as percentage of total Basic Pay of Officers for the previous year would apply at uniform rate on all the officers.
3	Clubs facility / Picnic / excursion facilities	The average annual expenditure as percentage of total Basic Pay of Officers for the previous year would apply at uniform rate on all the officers.
4	Operating cost of infrastructure facilities on schools	The monthly average per child cost would be considered for those officers who are actually availing the schooling facility for their child(ren). Av. cost will vary from location to location and would be considered on <i>individual basis</i> for the number of children availing the school facility.

Allowances admissible on optional basis

Sl. No.	Allowances	Maximum limit
1	House Maintenance/Upkeep allowance - To meet expenses on one or more items involving protecting/ safeguarding, conserving/ preserving, house-keeping, pest control, anti-termite treatment, routine minor jobs of plumbing/ electrical fittings, gardening etc. in a residential accommodation in occupation of the officer.	Up-to 20% of BP (on monthly basis)
2	Fitness Allowance – To meet expenses on keeping bodily fit for self and family members.	Up-to 10% of BP (on monthly basis)
3	Professional Attire Allowance – To meet expenses on outfit and accessories suiting to office/ workplace decorum	Up-to 10% of BP (on monthly basis).
4	Sundry Allowance – To meet expenses on any miscellaneous account.	Up-to 8% of BP (to be claimed on annual basis)