

Immediate


F.No.11012/15/2016-Estt.A-III
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training
Establishment A-III Desk

North Block, New Delhi
Dated the January 10, 2018

OFFICE MEMORANDUM

Subject: Regulation of Pay on imposition of a penalty under CCS (CCA) Rules, 1965 - comments regarding

This Department intends to issue instructions on the above mentioned subject. Before the instructions in the Draft O.M. (**copy enclosed**) are finalized, all stakeholders, Ministries / Departments are requested to offer their comments / views, if any, in this regard latest by **25th January, 2018** at the e-mail address nitin.gupta@nic.in.


(Nitin Gupta)

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To All Ministries / Departments of the Government of India

Copy to:

✓ NIC, DoP&T with the request to place the above O.M. alongwith its enclosures on the website of this Ministry on the homepage for 15 days under "**What's New**"

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OFFICE MEMORANDUM

Sub: Regulation of pay on imposition of a penalty under CCS (CCA) Rules, 1965.

The Undersigned is directed to say that the following penalties prescribed in the Rule 11 of CCS (CCA) Rules, 1965, have a bearing on the pay of the officer:

11. Penalties

.....

Minor Penalties –

- (iii a) reduction to a lower stage in the time-scale of pay by one stage for a period not exceeding three years, without cumulative effect and not adversely affecting his pension.
- (iv) withholding of increments of pay;

Major Penalties -

- (v) save as provided for in clause (iii) (a), reduction to a lower stage in the time-scale of pay for a specified period, with further directions as to whether or not the Government servant will earn increments of pay during the period of such reduction and whether on the expiry of such period, the reduction will or will not have the effect of postponing the future increments of his pay
- (vi) reduction to lower time-scale of pay, grade, post or Service for a period to be specified in the order of penalty, which shall be a bar to the promotion of the Government servant during such specified period to the time-scale of pay, grade, post or Service from which he was reduced, with direction as to whether or not, on promotion on the expiry of the said specified period -
 - (a) the period of reduction to time-scale of pay, grade, post or service shall operate to postpone future increments of his pay, and if so, to what extent; and
 - (b) the Government servant shall regain his original seniority in the higher time scale of pay , grade, post or service;

2. Vide Central Civil Services (Revised Pay) Rules, 2016 notified vide notification No. GSR 721(E) dated 25.07.2016, the present system of Pay Bands and Grade Pays have been dispensed with and a new system of pay matrix as specified under Part A of Schedule of Central Civil Service (Revised Pay) Rules, 2016 have been introduced. The status of the employee so far determined by Grade Pay, will now be determined by **Level** in the Pay Matrix. Further, as per Rule 10 (1) of the CCS (Revised Pay) Rules, 2016, there are two dates for

grant of increment namely, 1st January and 1st July of every year, instead of the existing date of 1st July.

3. As per clause 3 of the Central Civil Services (Revised Pay) Rules, 2016 'Level' is defined as under:

'Level' in the Pay Matrix shall mean the Level corresponding to the existing Pay Band and Grade pay or Scale specified in Part A of the Schedule."

4. In the light of Implementation of the Revised (Pay) Rules, 2016, the regulation of pay on imposition of these penalties, is discussed in the subsequent paras:

A. Reduction to a lower stage of pay by one stage {Rule 11(iii a)}

On imposition of a penalty under this Rule, the pay would be fixed at the next lower vertical cell in the same level in the pay matrix. In other words, in case of reduction by one stage, the revised pay would be the pay drawn in the same level at the stage before the last increment.

Note: The above mentioned penalty cannot be imposed on a Government Servant drawing pay at the minimum of the Level.

B. Withholding of increment {Rule 11(iv)}

As already noted in para 2 above, increment is granted either on 1st January or 1st July of every year, as per the eligibility. Therefore, on imposition of penalty of withholding of increment, the next increment(s) due after the date of imposition of the penalty would be withheld. In case where penalty of withholding of multiple increments is imposed, increments due on 1st January or 1st July, as the case may be, in the subsequent years would similarly be withheld. The increment would be restored at the end of the period for which the penalty is imposed. The increments will be given on notional basis without arrears and without affecting date of next increment on restoration of increment.

This also applies to cases where the penalty is imposed for part of a year. For instance, if the penalty of withholding of one increment for six months is imposed on a Government servant in October 2017, then withholding of increment will be on following manner:

When the date of increment is 1 st January	When the date of increment is on 1 st July
The increment falling due on 1.01.2018 will be withheld for a period of next six months, that is, till 30.06.2018. The increment would be released on 1.07.2018 without arrear. In this case, the next increment accruing on 1.01.2019 will also be allowed as the Government servant would have completed 6 months in the increased pay by then.	The increment falling due on 1.07.2018 will be withheld for a period of next six months, that is, till 31.12.2018. The increment would be released on 01.01.2018 without arrears. In this case the next increment accruing on 1.07.2019 will also be allowed as the Government servant would have completed 6 months in the increased pay by then.

C. Reduction to a lower stage in the time-scale of pay for a specified period{Rule 11(v)}

The process of imposition of penalty of reduction by one stage under Rule 11(iii a) explained above shall be repeated for every additional stage of reduction to the lower vertical cell in the same level of pay in the Pay Matrix.

Note 1: It is not permissible to impose a penalty under this rule if the pay after imposition of the penalty would fall below the first cell of the same Level.

D. Reduction to lower time-scale of pay under Rule 11(vi)

In the case of imposition of penalty of reduction to lower time-scale of pay, the pay of the Government servant would be reduced to the stage of pay he/she would have drawn had he/she continued in the lower post for the period of penalty. The mode of fixation of pay in this case is similar to reversing the mode of fixation of pay on promotion.

However, Disciplinary Authority has the power, in terms of FR 28, to indicate the pay which the Government servant on whom a penalty of reduction in rank has been imposed, would draw.

It may also be noted that a Government servant cannot be reduced in rank to a post not held earlier by him in the cadre.

For example,

- (i) A direct recruit Assistant Section Officer cannot be reduced to the lower rank like UDC/ LDC.
- (ii) A Government servant holding any post like LDC/ Tax Assistant etc. who qualifies as Assistant Section Officer as a Direct Recruit and is later promoted as Section Officer cannot be reduced to the rank, which was earlier held by him before ASO (DR) but only to that of an Assistant Section Officer.

5. Some illustrations on pay fixation on the above cases are annexed.

(.....)
Under Secretary to the Govt. of India

To

All Ministries/ Departments (as per standard list)]

ILLUSTRATIONS

Reduction to lower stage in the time-scale of Pay

Example

	Level	Cell	Pay
On the date of Penalty	9	7	Rs. 63300
Reduction by 1 Stage	9	6	Rs. 61500
Reduction by 2 Stage	9	5	Rs. 59700
Reduction by 3 stage	9	4	Rs. 58000
Reduction by 4 stage	9	3	Rs. 56300
Reduction by 5 stage	9	2	Rs. 54700

Example: 2

	Level	Cell	Pay
On the date of Penalty	9	3	Rs. 56300
Reduction by 1 Stage	9	2	Rs. 54700
Reduction by 2 Stage	9	1	Rs. 53100
Reduction by 3 stage	**	**	**
Reduction by 4 stage			
Reduction by 5 stage			

** In the above illustration, a penalty of reduction by more than two stages would fall below the first cell of the same Level, such a penalty therefore, would not be implementable. Therefore, while imposing the penalty of reduction to a lower stage in time-scale of pay under Rule 11 (v) of the CCS (CCA) Rules, 1965, Disciplinary Authority may weigh all factors before deciding upon the quantum of penalty, i.e. the number of stages by which the pay is to be reduced.

(i) **Case 1: Reduction to a lower stage [penalty under Rule 11 (iii a)]**

The penalty of reduction to a lower stage in the time-scale of pay by one stage for a period of one year, without cumulative effect and not adversely affecting his pension is imposed on a Government servant w.e.f. 13.08.2017. The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on following manner:

	When the date of increment is 1 st January	When the date of Increment is 1 st July
Pay when Penalty imposed	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Reduced Pay w.e.f. 13.08.2017	Rs. 49000 [4 th Cell of Level 7]	Rs. 49000 [4 th Cell of Level 7]
Increment (notional)	On 1 st January, 2018	On 1 st July, 2018
	Rs. 52000 [6 th Cell of Level 7]	Rs. 52000 [6 th Cell of Level 7]
Increment (Actual)	On 1 st January, 2018	On 1 st July, 2018
	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Pay w.e.f. 13.08.2018	Rs. 52000 [6 th Cell of Level 7]	Rs. 52000 [6 th Cell of Level 7]

(ii) **Case 2: Reduction to a lower stage [penalty under Rule 11 (iii a)]**

The penalty of reduction to a lower stage in the time-scale of pay by one stage for a period of two years, without cumulative effect and not adversely affecting his pension is imposed on a Government servant w.e.f. 13.08.2017. The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on following manner:

	When the date of increment is 1 st January	When the date of Increment is 1 st July
Pay when Penalty imposed	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Reduced Pay w.e.f. 13.08.2017	Rs. 49000 [4 th Cell of Level 7]	Rs. 49000 [4 th Cell of Level 7]
Increment (notional)	On 1 st January, 2018	On 1 st July, 2018
	Rs. 52000 [6 th Cell of Level 7]	Rs. 52000 [6 th Cell of Level 7]
Increment (Actual)	On 1 st January, 2018	On 1 st July, 2018
	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Increment (notional)	On 1 st January, 2019	On 1 st July, 2019
	Rs. 53600 [7 th Cell of Level 7]	Rs. 53600 [7 th Cell of Level 7]
Increment (Actual)	On 1 st January, 2019	On 1 st July, 2019
	Rs. 52000 [6 th Cell of Level 7]	Rs. 52000 [6 th Cell of Level 7]
Pay w.e.f. 13.08.2019	Rs. 53600 [7 th Cell of Level 7]	Rs. 53600 [7 th Cell of Level 7]

(iii) **Case 3: Withholding of increment [Penalty under Rule 11(iv)]**

The penalty of withholding of one increment for a period of two years is imposed on a Government servant on 13.08.2017. The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on the following manner.

	When the date of increment is 1st January	When the date of Increment is 1st July
Pay when Penalty imposed i.e. 13.08.2017	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Pay during the currency period	<p>The increment due on 01.01.2018 will be withheld for two years i.e. upto 31.12.2019.</p> <p>As such, the pay w.e.f. 13.08.2017 will be as under:</p> <p>(i) Pay w.e.f. 13.08.2017 to 31.12.2017 will be Rs. 50500 [5th Cell of Level 7]</p> <p>(ii) Pay w.e.f. 1.01.2018 to 31.12.2018 will be Rs. 50500 [5th Cell of Level 7] [due to imposition of penalty]</p> <p>(iii) Pay w.e.f. 1.01.2019 to 31.12.2019 will be Rs. 52000 [6th Cell of Level 7]</p>	<p>The increment due on 01.07.2018 will be withheld for two years i.e. upto 30.06.2020.</p> <p>As such, the pay w.e.f. 13.08.2017 will be as under:</p> <p>(i) Pay w.e.f. 13.08.2017 to 30.06.2017 will be Rs. 50500 [5th Cell of Level 7]</p> <p>(ii) Pay w.e.f. 1.07.2018 to 30.06.2019 will be Rs. 50500 [5th Cell of Level 7] [due to imposition of penalty]</p> <p>(iii) Pay w.e.f. 1.07.2019 to 30.06.2020 will be Rs. 52000 [6th Cell of Level 7]</p>
Increment (notional)	<p>On 1st January, 2018 Rs. 52000 [6th Cell of Level 7]</p> <p>On 1st January, 2019 Rs. 53600 [7th Cell of Level 8]</p>	<p>On 1st July, 2018 Rs. 52000 [6th Cell of Level 7]</p> <p>On 1st July, 2019 Rs. 53600 [7th Cell of Level 8]</p>
Pay after the currency period	w.e.f 1.01.2020 = Rs. 55200 [8 th Cell of Level 7]	w.e.f 1.07.2020 = Rs. 55200 [8 th Cell of Level 7]
Currency Period	13.08.2017 to 31.12.2019	13.08.2017 to 30.06.2020

(iv) **Case 4: Withholding of increment [Penalty under 11(iv)]**

The penalty of Withholding of one increment for a period of six months is imposed on a Government servant on 13.08.2017. The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on following manner:

	When the date of increment is 1st January	When the date of Increment is 1st July
Pay as on 13.8.2017 when Penalty imposed	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Pay during the currency period	The increment due on 01.01.2018 will be withheld i.e. upto 30.06.2018. As such, the pay w.e.f. 13.08.2017 to 30.06.2018 = Rs. 50500 [5 th Cell of Level 7]	The increment due on 01.07.2018 will be withheld i.e. upto 31.12.2018. As such, the pay w.e.f. 13.08.2017 to 31.12.2018 = Rs. 50500 [5 th Cell of Level 7]
Increment (notional)	On 1st January, 2018 Rs. 52000 [6th Cell of Level 7]	On 1st July, 2018 Rs. 52000 [6th Cell of Level 7]
Pay after the currency period	w.e.f 1.07.2018 = Rs. 52000 [6 th Cell of Level 7] [He will be entitled for his normal increment w.e.f. 01.01.2019]	w.e.f 1.1.2019 = Rs. 52000 [6 th Cell of Level 7] [He will be entitled for his normal increment 01.07.2019]
Currency Period	13.08.2017 to 30.06.2018	13.08.2017 to 31.12.2018

(v) **Case 5: Reduction to a lower stage without cumulative effect [penalty under Rule 11(v)]:-**

The penalty of reduction to a lower stage by two stages in the time-scale of pay for a period of one year is imposed on a Government servant w.e.f. 13.08.2017. It is further directed that the **Government servant would earn increment during the period and the reduction will not have the effect of postponing his future increments of pay.** The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on following manner:

	When the date of increment is 1st January	When the date of increment is 1st July
Pay when Penalty imposed	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Reduced Pay w.e.f. 13.08.2017	Rs. 47600 [3 rd Cell of Level 7]	Rs. 47600 [3 rd Cell of Level 7]
Increment (notional)	On 1st January, 2018 Rs. 52000 [6 th Cell of Level 7]	On 1st July, 2018 Rs. 52000 [6 th Cell of Level 7]
Increment (Actual)	On 1 st January, 2018 Rs. 49000 [4 th Cell of Level 7] [Pay during the period from 1.01.2018 to 12.08.2018]	On 1 st July, 2018 Rs 49000 [4 th Cell of Level 7] [Pay during the period from 01.07.2018 to 12.08.2018]
Pay w.e.f. 13.08.2018	Rs. 52000 [6 th Cell of Level 7]	Rs. 52000 [6 th Cell of Level 7]

(vi) **Case 6: Reduction to a lower stage without cumulative effect [penalty under Rule 11(v)]**

The penalty of reduction to a lower stage by two stages in the time-scale of pay for a period of one year is imposed on a Government servant w.e.f. 13.08.2017. It is further directed that the Government servant **would not earn increment** during the period and the **reduction will not have the effect of postponing future increments of pay**. The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on following manner:

	When the date of increment is 1 st January	When the date of Increment is 1 st July
Pay when Penalty imposed	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Reduced Pay w.e.f. 13.08.2017	Rs. 47600 [3 th Cell of Level 7]	Rs. 47600 [3 th Cell of Level 7]
Pay during the currency period	Pay w.e.f. 13.08.2017 to 12.08.2018 will be Rs. 47600 [3 rd Cell of Level 7]	Pay w.e.f. 13.08.2017 to 12.08.2018 will be Rs. 47600 [3 rd Cell of Level 7]
Increment (notional)	No increment during the period of penalty	No increment during the period of penalty
Pay w.e.f. 13.08.2018	Rs. 52000 [6 th Cell of Level 7] @ Rs. 53600 [7 th Cell of Level 7] {w.e.f. 1.01.2019}	Rs. 50500 [5 th Cell of Level 7] Rs. 52000 [6 th Cell of Level 7] {w.e.f. 1.07.2019}

@ One increment would be allowed on the pre-penalty pay as the Government servant completed more than six months in the existing level as on date of penalty 13.08.2017.

(vii) **Case 7: Reduction to a lower stage with cumulative effect [penalty under Rule 11(v)]**

The penalty of reduction to a lower stage by two stages in the time-scale of pay for a period of one year is imposed on a Government servant w.e.f. 13.08.2017. It is further directed that the Government servant **would not earn increment** during the period and the **reduction will have the effect of postponing future increments of pay**. The Government servant is drawing Rs. 50500 in Level 7 of Pay Matrix. Pay would be fixed on following manner:

	When the date of increment is 1 st January	When the date of Increment is 1 st July
Pay when Penalty imposed	Rs. 50500 [5 th Cell of Level 7]	Rs. 50500 [5 th Cell of Level 7]
Reduced Pay w.e.f. 13.08.2017	Rs. 47600 [3 th Cell of Level 7]	Rs. 47600 [3 th Cell of Level 7]
Pay during the currency period	Pay w.e.f. 13.08.2017 to 12.08.2018 will be Rs. 47600 [3 rd Cell of Level 7]	Pay w.e.f. 13.08.2017 to 12.08.2018 will be Rs. 47600 [3 rd Cell of Level 7]
Increment (notional)	No increment during the period of penalty	No increment during the period of penalty
Pay w.e.f. 13.08.2018	Rs. 49000 [4 th Cell of Level 7] @ Next increment will be due w.e.f. 01.01.2019 raising his pay to Rs. 50500 (5 th Cell of Level 7)	Rs. 47600 [3 rd Cell of Level 7] Next increment will be due w.e.f. 01.07.2019 raising his pay to Rs. 49000 (4 th Cell of Level 7)

@ One increment would be allowed on the pre-penalty pay as the Government servant completed more than six months in the existing level as on date of penalty 13.08.2017.

(viii) **Case 8: Reduction to lower time-scale of pay/ grade**

The penalty of reduction to the lower grade carrying Level 8 for a period of two years is imposed on Government servant who is at Level 9 w.e.f. 04.11.2018, with further directions that the **reduction shall not postpone his future increments** and on the expiry of the period he shall regain his original seniority in the higher grade.

On 4.11.2018, the Government servant is drawing Rs. 58000 in Level 9 of Pay Matrix. The Government servant was promoted from the post in Level 8 to the post in Level 9 of the Pay Matrix on 13.08.2016 and on promotion his pay was fixed at Rs. 54700/-. At the time of promotion, his pay was Rs. 52000 in Level 8 of the Pay Matrix.

In this case the pay in Level 8 would need to be fixed w.e.f. 4.11.2018 to 3.11.2020 as if he had continued in Level 8. [In such cases, the details of pay in the lower time-scale of pay/ grade are taken from the service book of the officer at the time of his promotion.]. Pay on penalty would be regulated as under:

Date	Level 9	Level 8
13.08.2016	54700 [2 nd Cell in Level 9]	52000 [4 th Cell in Level 8] [@]
1.07.2017	56300 [3 rd Cell in Level 9]	53600 [5 th Cell in Level 8] [@]
1.07.2018	58000 [4 th Cell in Level 9]	55200 [6 th Cell in Level 8] [@]
3.11.2018	58000 [4 th Cell in Level 9]	
4.11.2018 [date of penalty order]		55200 [6th Cell in Level 8] [after imposition of penalty]
1.07.2019	59700 [5th Cell in Level 9] [Notional Increment]	56900 [7 th Cell in Level 8] (Actual)
1.7.2020	61500 [6th Cell in Level 9] [Notional Increment]	58600 [8 th Cell in Level 8] (Actual)
4.11.2020 (actual)	61500 [6 th Cell in Level 9]	
1.7.2021 (actual)	63300 [7 th Cell in Level 9]	

NOTE:

1. [@] Notional pay in Level 8 from 13.08.2016 to 3.11.2018.

2. Under FR-28, the authority which orders the reduction of a Government servant as a penalty from a higher grade or post to a lower grade or post may allow him to draw pay at any stage, not exceeding the maximum of the lower grade or post, which it may think proper. Provided the pay allowed to be drawn by a government servant shall not exceed the pay which he would have drawn by the operation of FR 22 read with clause (b) or (c), as the case may be of FR 26. This illustration is where no such orders have been passed. Where the disciplinary authority has specified the pay to be drawn in the lower post pay will be drawn as per those directions.

(ix) **Case 9: Reduction to lower time-scale of pay/ grade**

The penalty of reduction to the lower grade/post carrying at Level 11 for a period of three years is imposed on Government servant in Level 12 w.e.f. 6.03.2017, with further directions that the **reduction shall postpone his future increments** and on the expiry of the period he shall regain his original seniority in the higher grade.

On 6.03.2017, the Government servant is drawing Rs. 112400 in Level 12 of Pay Matrix. The Government servant had been promoted to the post in the Grade Pay Rs. 7600 on 1.02.2013. At that time his pay was Rs. 29420+ GP 6600 in Pay Band 3.

In this case the pay in GP 6600 would need to be fixed w.e.f. 1.02.2013 to 6.03.2017 as if he had continued in GP 6600. Pay would be regulated as under:

Date	Pay in GP 7600/ Level 12	Pay in GP 6600/ Level 11
1.02.2013	31590 + 7600 = 39190	29420 + 6600 = 36020 [@]
1.07.2013		30510 + 6600 = 37100 [@]
1.07.2014	32770 + 7600 = 40370	31630 + 6600 = 38220 [@]
1.07.2015	33990 + 7600 = 41590	32780 + 6600 = 39370 [@]
1.01.2016	109100 [12 th Cell in Level 12] [revised pay structure w.e.f. 1.1.2016, under CCS (RP) Rules, 2016. 41590*2.57=106886.3, As such, revised Basic Pay is 109100 in Level 12]	102500 [15 th Cell in Level 11] [@] [revised pay structure w.e.f. 1.1.2016, under CCS (RP) Rules, 2016. 39370*2.57=101180.9, As such, revised Basic Pay is 102500 in Level 11]
1.7.2016	112400 [13 th Cell in Level 12]	105600 [16 th Cell in Level 11] [@]
5.3.2017	112400 [13 th Cell in Level 12]	
6.3.2017 [date of penalty order]		105600 [16th Cell in Level 11] [after imposition of penalty]
1.7.2017		108800 [17 th Cell in Level 11]
1.7.2018		112100 [18 th Cell in Level 11]
1.7.2019		115500 [19 th Cell in Level 11]
6.3.2020	115800 [14 th Cell in Level 12] ^{\$\$}	
1.7.2020	119300 [15 th Cell in Level 12]	

NOTE:

1. [@] Notional pay in GP 6600/ Level 11 from 1.02.2013 to 6.3.2017.
2. ^{\$\$} One increment would be allowed on the Pre Penalty pay as the Government servant would have drawn that pay for more than six months as on 6-3-2017.