

Railways

Projection of Pension Expenditure on Railways

Year	<i>(Rs. in Cr.)</i>		
	Scenario I	Scenario II	Scenario III
2000-01	5317	5317	5317
2001-02	5754	5811	5867
2002-03	6221	6340	6460
2003-04	6720	6908	7096
2004-05	7253	7517	7781
2005-06	7824	8170	8516
2006-07	8433	8869	9304
2007-08	9083	9617	10151
2008-09	9778	10418	11059
2009-10	10519	11276	12032

Note :- Scenario I is based on 6% inflation
 Scenario II is based on 8% inflation
 Scenario III is based on 10% inflation

COMMENTS ON REQUEST SET 2

Requirement 1

The base used by the individual departments to calculate the projections is crucial to the credibility of the projections. How are these respective bases arrived at?

Comments

Railway pensioners have increased in the range of 5% to 7% in the previous years. Accordingly, projections for the future years assumes a 5% yearly growth in Railway pensioners and the basic pensionary charges. The dearness relief has been increased by 6%, 8% & 10%, respectively as desired by the W.G.

Requirement 2

A statement on the impact of the 5th CPC, if possible by Groups (A,B,C and D), both on basic pensioners and mechanism of indexation to inflation.

Comments

The pensionary charges on Railways have increased from Rs 2509 cr in 1996-97 to Rs 5314 cr consequent to implementation of the recommendations of FCPC. The main constituent of the pensionary charges have increased as shown below :

		1996-97	2000-01 (BE) Without Dearness Relief	2000-01 (BE) With Dearness Relief	Variation	
		(1)	(2)	(3)	(2-1)	(3-1)
(i)	Superannuation and Retiring Pension	1526	2041	2782	515	1256
(ii)	Commuted Pension	236	791	791	555	555
(iii)	Family Pension	375	571	813	196	438
(iv)	DCRG	302	676	676	374	374

The break-up of the above is not available by groups.

Requirement 3

A comparison of these impact *vis-à-vis* those of Fourth CPC.

Comments

A distinct comparison of impact of 5th CPC with the 4th CPC is not available. However, the level of pensionary charges increased from Rs 353 cr in 1985-86 (Pre 4th CPC) to Rs 711 cr in 1987-88 (Post 4th CPC) consequent to implementation of 4th CPC.

Requirement 4

A summary from the Defence department of its 1997 Survey of pensioners.

Comments

Does not pertain to Railways.

Requirement 5

The best possible estimate of arrears from 1997-98 to 2000-01, or a minimum, the arrears in 2000-01, to enable a fixing of a reasonable base from which to start projections for 2001-02.

Comments

The arrears paid to Railway pensioners during 1997-98 to 1999-2000 on account of 5th CPC are estimated at Rs 547 cr. A provision of Rs 100 cr has been kept in BE 2000-01 also for the remaining arrear payments.