

Implementation of the recommendations of Sixth Central Pay Commission

The Union Cabinet today gave its approval for implementation of the recommendations of the Sixth Central Pay Commission. The revised pay scales will come into effect from 1/1/2006 and revised rates of allowances from 1/9/2008. The Cabinet has also decided that arrears will be paid in cash in two instalments – first instalment of 40% during the current year (2008-09) and the remaining 60% in the next financial year (2009-10).

2. The Cabinet has broadly accepted the recommendations of Sixth CPC with some modifications in the wake of representations received from various sections/Associations of Central Government employees. The new system of four Pay Bands with 20 Grade Pays recommended by the Commission has been accepted with some minor modifications.

3. The minimum Basic Pay for a Government servant has been increased to Rs.7000 from Rs.6660 recommended by the Sixth CPC. Consequently, the total emoluments of an employee at the lowest level will exceed Rs.10,000 p.m., including allowances.

4. The other highlights of the Cabinet decision covering all Government employees including the Defence Forces are:-

- (i) Enhancement in the fitment in revised pay bands, which was recommended by the Sixth CPC to be based on multiplication factor of 1.74 to 1.86. This would result in increased emoluments for Government employees.
- (ii) Increase in the rate of annual increment from 2.5% to 3%.
- (iii) Removal of Campus restriction for grant of Transport Allowance.
- (iv) Increase in Transport Allowance at the lowest level to Rs.600 (from Rs.400 in A-1/A class cities recommended by the Sixth CPC) and Rs.400 (from Rs.300 in other cities recommended by the Sixth CPC).
- (v) At least three promotions have been assured for all Defence Forces' personnel and civilian employees under the modified Assured Career Progression (ACP) Scheme. While the civilians would get it after 10, 20 and 30 years of service, the Defence Forces Jawans would get ACP in 8, 16 and 24 years.

5. For the Armed Forces personnel, the Commission, for the first time recommended a Military Service Pay (MSP). The Cabinet has increased the rate of MSP for PBORs to Rs.2000 from Rs.1000 recommended by the Commission. The Officers of the Defence Forces would get an MSP of Rs.6000 over and above their Pay.

6. The middle level officers of the Defence Forces namely Colonels and Brigadiers have been placed in the highest Pay Band of PB-4.

7. Senior Lt. Generals overlooked for promotion as Army Commanders due to lack of residual service would now get the grade of Army Commander (Secretary's

grade). In the case of existing Major Generals/Lt. Generals, MSP will be taken into account notionally for fixation of pay on 1/1/2006.

8. As replacement of the pay scale of Rs 24050-26000, a separate pay scale has been carved for DGPs, PCCFs, GM (Railways), Members the Boards of Income Tax, Customs & Central Excise, Postal and Ordnance Factories, among others, who were in this pre-revised scale. This would take them to the level of Rs.80000 in two years as against three years in the pre-revised scale.

9. Further, the IPS Pay Rules and the Indian Forest Service Pay Rules will be appropriately modified to provide in each State cadre one post of DGP and one post of PCCF at the apex level of Rs.80000 for heading their respective Forces.

10. Middle level Police and Civilian officers i.e. DIGs, Conservator of Forests, Scientists E & F, Superintending Engineers, Directors, Additional Commissioners of Income Tax and Central Excise and posts in equivalent grades have also been placed in PB-4.

11. Other salient decisions taken by the Cabinet are:-

- (i) The lower limits of Disability Pension for Defence personnel to be doubled from Rs.1550 to Rs.3100. War Disability Pension to be granted at 60%;
- (ii) The rates of Special Forces Allowance for Army and Air Force to be equated with Navy's Marine Commando Allowance;
- (iii) For the officers of Central Para Military Forces, all the posts of Additional DIG upgraded to DIG level by the Pay Commission to continue to be manned by the cadre officers of CPMFs;
- (iv) For the Railway employees who are in receipt of Running Allowance, this allowance will be taken into account while fixing their pay in revised pay bands;
- (v) Government has continued the present position of granting Group A scale to Group B officers after 4 years of service and these officers would be placed in PB-3 instead of PB-2 recommended by the Sixth CPC. This would benefit Group B officers of the Railways, Accounts Services, CSS, CSSS and DANICS & DANIPS.
- (vi) For Doctors, the Cabinet has approved promotions under the Dynamic ACP Scheme upto Senior Administrative Grade (Joint Secretary level) for Doctors with 20 years of service. Counting of Dearness Allowance (DA) on Non-Practicing Allowance (NPA) as on 01.01.2006 for fixing their pay in revised pay bands has also been approved;
- (vii) For the scientists, continuation of the existing system of grant of Special Pay of Rs.2000 p.m. to Scientists G on promotion and doubling of the amount to Rs.4000 p.m. in Departments of Space and Atomic Energy and Defence Research & Development Organisation (DRDO) has been recommended.

12. The financial implications in 2008-09 on account of the implementation of the recommendations of the Sixth Central Pay Commission as modified by the Cabinet will be around Rs.15700 crore on the Central Budget and Rs.6400 crore on the Railway Budget.

AD/CS
