## Minimum Pay

5.1.26 The JCM-Staff Side, in their memorandum, have proposed that the minimum salary, at the lowest level, should be determined using a need based approach. They have proposed that the minimum wage for a single worker be based on the norms set by the 15th Indian Labour Conference, with certain additions to the same. The minimum pay as suggested in the memorandum is ₹26,000, which is around 3.7 times the existing minimum salary of ₹7,000. While the broad approach is similar, the specifics do vary and the Commission has, based on need-based minimum wage for a single worker with family as defined in the Aykroyd formula, computed the minimum pay at ₹18,000. Details on the computation of minimum pay have been brought out in Chapter 4.2.

## Fitment

5.1.27 The starting point for the first level of the matrix has been set at ₹18,000. This corresponds to the starting pay of ₹7,000, which is the beginning of PB-1 viz., ₹5,200 + GP 1800, which prevailed on 01.01.2006, the date of implementation of the VI CPC recommendations. Hence the starting point now proposed is 2.57 times of what was prevailing on 01.01.2006. **This fitment factor of 2.57 is being proposed to be applied uniformly for all employees**. It includes a factor of 2.25 on account of DA neutralisation, assuming that the rate of Dearness Allowance would be 125 percent at the time of implementation of the new pay. Accordingly, the actual raise/fitment being recommended is 14.29 percent.

## Pay Fixation in the New Pay Structure

5.1.28 The fitment of each employee in the new pay matrix is proposed to be done by multiplying his/her basic pay on the date of implementation by a factor of 2.57. The figure so arrived at is to be located in the new pay matrix, **in the level that corresponds to the employee's grade pay on the date of implementation, except in cases where the Commission has recommended a change in the existing grade pay**. If the identical figure is not available in the given level, the next higher figure closest to it would be the new pay of the concerned employee. A couple of examples are detailed below to make the process amply clear.

5.1.29 The pay in the new pay matrix is to be fixed in the following manner:
**Step 1**: Identify Basic Pay (Pay in the pay band plus Grade Pay) drawn by an employee as on the date of implementation. This figure is 'A'.
**Step 2**: Multiply 'A' with 2.57, round-off to the nearest rupee, and obtain result 'B'.
**Step 3**: The figure so arrived at, i.e., 'B' or the next higher figure closest to it in the Level assigned to his/her grade pay, will be the new pay in the new pay matrix. In case the value of 'B' is less than the starting pay of the Level, then the pay will be equal to the starting pay of that level.