

**IRTSA seeks 3.96 (about 4) times rise of all Basic Pay, Pay Bands & Grade Pays
from 7th CPC as per rise of NNP from 2005-06 to 2015-16**

Excerpts from IRTSA Memorandum to 7th CPC (Page 31-32)

DETERMINATION OF WAGES BASED ON THE RISE OF NNP SINCE LAST CPC

Seventh Pay Commission may please consider the following proposal for determination of Minimum and Maximum Pays for the Central Government Employees:

MINIMUM WAGE AS PER CRITERIA FOLLOWED BY FIFTH CPC FOR MINIMUM OF EACH PAY SCALE – BASED ON THE RISE OF NNP - BE ADOPTED FOR DETERMINATION OF PAY AT ALL LEVELS

The criteria adopted by the Fifth Pay Commission to determine the Minimum Pay could be adopted by the Seventh Pay Commission to determine the minimum pay for each pay scale – Percentage rise in NNP at factor cost at constant prices for the period of 10 years from 2005-06 to 2015-16. (*Macro Economic Aggregates – Statistics of Indian Economy, RBI 2012-13 is enclosed as Annexure-2 and those for the years 2013-14 to 2015-16 be calculated based on the average rise the previous 3 years*).

Pay in Pay Band + Grade Pay + % DA + Compensation factor based on rise in NNP at factor Cost may please be considered as per details submitted in the Table placed on the next page vide which the Common multiple Factor for fixing Pay at all level which works out to be 3.96 of the existing BP base on the rise of NNP.

IT IS THEREFORE REQUESTED AS UNDER:

- i) **The Pay Band and Grade Pay may please be fixed at all levels - based on the Common Multiple Factor of 3.96 (as per calculation in the Table placed on next page).**
- ii) **The existing pay of all employees be also revised based on this Common Multiple Factor of 3.96.**

Encl: 2 Annexures

(May also see Option 2 on the last Page)

ANNEXURE I
TABLE SHOWING DETERMINATION OF MINIMUM & MAXIMUM PAY
BASED ON %AGE RISE OF NNP AT FACTOR COST AT CONSTANT PRICES
AS FOLLOWED BY V CPC FOR DECIDING COMMON MULTIPLE FACTOR

Proposed Minimum Salary w.e.f. 1.1.2016 on %age increase of NNP At factor cost at Constant Price between 1.1.2006 to 1.1.2016 <i>(As per formula adopted by Fifth Pay Commission)</i>	
Minimum Basic Pay + DA 140%+ Compensation factor 65% of BP + DA	
Minimum Basic pay after VI CPC	Rs.7000
Projected DA 140% (as on 1.1.2016)	Rs.9800
BP+DA	Rs.16800
Compensation factor (65%)	Rs.10920
Proposed Minimum Pay	Rs.27720
Proposed Number of times increase of BP or Compensation Factor	3.96

Year	Per Capita NNP at factor cost At constant price	Increase over previous year
2004-05	24143	
2005-06	26015	1872
2006-07	28067	2052
2007-08	30332	2265
2008-09	31754	1422
2009-10	33901	2147
2010-11	36342	2441
2011-12	38037	1695
2012-13	39168	1131
2013-14*	41046	1878
2014-15*	42924	1878
% Increase of NNP at factor cost on Constant Prices for the period of ten years		65%

* Assumed figures as per average increase

Proposed Minimum & Maximum Salary w.e.f. 1.1.2016 Based on Rise of NNP at Constant Price between 1.1.2006 to 1.1.2016 <i>(As per formula adopted by Fifth Pay Commission for determining Common Multiple Factor)</i>	
Minimum Basic pay after VI CPC	Rs.7000
Anticipated DA 140% (as on 1.1.2016)	Rs.9800
BP+DA	Rs.16800
Compensation factor 65% of BP(as per rise of NNP) <i>(* As per details in the above Table)</i>	Rs.10920
Proposed Minimum Pay	Rs.27720
COMON MULTIPLE FACTOR (Proposed Number of times increase of BP or Compensation Factor	3.96
MAXIMUM PROPOSED REVISED PAY (BP x 3.96 as per Rise of NNP from 1-1-2006 tp 1-1-2016)	80000x3.96 =316800 or Rs.3,20,000
MINIMUM PROPOSED REVISED PAY BASED ON RISE OF NNP (BP x 3.96 as per Rise of NNP from 1-1-2006 tp 1-1-2016)	7000x3.96 = Rs.27720
MINIMUM REVISED PAY BASED ON RATIO OF 1:9 WITH MAXIMUM PAY	320000/9 =Rs.35550

Annexure- 2

**TABLE 2 : MACRO-ECONOMIC AGGREGATES
(At Constant Prices) (Concl'd.)**

(₹ Billion)						
Year	GDP of Public sector	NDP of Public Sector	Gross Domestic Capital Formation	Net Domestic Capital Formation	Per Capita GNP at Factor Cost (₹)	Per Capita NNP at Factor Cost (₹)
1	13	14	15	16	17	18
(Base Year : 2004-05)						
1951-52	-	-	454.02	226.48	7824	7200
1952-53	-	-	345.69	123.20	7898	7299
1953-54	-	-	374.94	156.42	8226	7650
1954-55	-	-	436.25	247.80	8415	7927
1955-56	-	-	533.01	339.97	8487	7996
1956-57	-	-	683.97	481.72	8788	8284
1957-58	-	-	619.36	409.58	8508	7995
1958-59	-	-	576.38	354.74	8953	8422
1959-60	-	-	606.17	376.66	8964	8425
1960-61	341.81	269.32	712.04	482.26	9418	8889
1961-62	382.48	302.87	704.61	463.53	9481	8938
1962-63	446.42	358.10	804.65	549.90	9462	8901
1963-64	490.14	392.32	864.31	595.12	9729	9149
1964-65	533.65	424.97	954.23	665.57	10236	9627
1965-66	584.27	463.61	1053.31	748.26	9632	9003
1966-67	620.74	488.89	1103.27	776.49	9536	8876
1967-68	661.62	519.98	1057.44	708.31	10078	9388
1968-69	717.11	569.81	1035.63	667.81	10107	9397
1969-70	774.29	617.33	1149.95	757.77	10542	9800
1970-71	843.79	677.73	1148.05	710.00	10826	10016
1971-72	893.73	717.91	1244.04	786.78	10681	9855
1972-73	951.11	763.03	1187.05	712.53	10408	9571
1973-74	1048.01	847.62	1417.82	922.22	10647	9792
1974-75	1071.83	854.37	1344.85	817.89	10547	9658
1975-76	1166.31	933.79	1209.45	653.69	11241	10326
1976-77	1288.72	1041.67	1430.53	838.55	11147	10192
1977-78	1354.43	1090.42	1668.43	1050.63	11723	10748
1978-79	1453.22	1174.17	1985.41	1342.39	12103	11111
1979-80	1515.76	1219.99	1754.45	1080.13	11216	10201
1980-81	1664.92	1346.24	1904.72	1193.27	11760	10712
1981-82	1750.98	1409.13	1800.32	1051.89	12172	11091
1982-83	1923.90	1550.05	1854.56	1063.01	12207	11089
1983-84	2044.86	1643.17	1980.20	1149.19	12891	11742
1984-85	2190.79	1753.98	2079.92	1191.15	13092	11889
1985-86	2385.89	1912.36	2245.67	1297.12	13351	12095
1986-87	2567.48	2059.04	2326.23	1320.10	13633	12328
1987-88	2733.24	2188.84	2632.65	1555.20	13784	12417
1988-89	2919.10	2338.10	2956.54	1820.94	14829	13418
1989-90	3168.88	2552.73	3196.89	1993.68	15411	13947
1990-91	3241.05	2577.72	3794.36	2507.01	15865	14330
1991-92	3425.14	2714.88	3167.69	1791.06	15766	14157
1992-93	3516.56	2769.01	3577.10	2118.62	16315	14643
1993-94	3666.75	2903.24	3659.48	2139.26	16885	15181
1994-95	3945.62	3134.37	4372.24	2749.32	17618	15835
1995-96	4292.15	3446.06	4712.42	2986.53	18535	16675
1996-97	4434.01	3553.76	4755.26	2919.15	19655	17714
1997-98	4876.52	3959.88	5462.85	3482.38	20158	18103
1998-99	5177.85	4234.67	5669.30	3550.42	21090	18934
1999-00	5714.80	4777.79	6669.08	4382.57	22363	20079
2000-01	5732.21	4781.11	6300.56	3859.40	22813	20418
2001-02	6061.89	5088.43	6588.27	3988.83	23592	21093
2002-03	6384.05	5407.12	7086.37	4352.70	24166	21578
2003-04	6589.44	5581.09	8199.25	5288.98	25700	22985
2004-05	6805.19	5715.14	10640.41	7441.50	27081	24143
2005-06	7186.50	6039.38	12369.27	8860.33	29188	26015
2006-07	7803.53	6598.67	14023.69	10166.70	31505	28067
2007-08	8279.64	7002.94	16568.92	12292.62	34090	30332
2008-09	9121.77	7773.62	15703.33	11014.30	35817	31754
2009-10	10272.39	8793.13	18412.63	13193.56	38362	33901
2010-11	11223.97	9721.38	21203.77	15483.22	41166	36342
2011-12	11966.56	10353.13	21318.40	15070.66	43235	38037
2012-13	-	-	-	-	45409	39168

Note : 1. Data for 2012-13 are Provisional.
2. Data for 2011-12 are First Revised Estimates.
3. Data for 2010-11 are Second Revised Estimates.

Also see Notes on Tables.

Source : Central Statistics Office (CSO).

OPTION - 2

MINIMUM WAGE AS PER THE CRITERIA RECOMMENDED BY SIXTH CPC & SUBSEQUENTLY MODIFIED BY GOVERNMENT – BY ADDING BP, DP, DA & FIXATION BENEFIT FOR DETERMINING PAY AT ALL LEVELS

The criteria adopted by the Sixth Pay Commission & subsequently modified by Government to determine the Minimum Pay could be adopted by the Seventh Pay Commission to determine the minimum pay. – 40% fixation benefit given on the sum of Basic Pay, Dearness Pay & Dearness Allowance.

DETERMINATION OF MINIMUM SALARY BASED ON INFLATION

BP + 100% DA AS DP + 40% DA UP TO 1-1-2016+ 40% FIXATION

Min. Revised Basic pay after VI CPC	Rs.7000
Proposed DP (By merging 100% DA with Pay)	Rs.7000
BP+DA up to 1-1-2014	14000
Anticipated DA 40% up to 1-1-2016 on Pay+ 100% DP up to 1.1.2016	5600
Minimum Salary (BP+100 DA+40% Anticipated DA up to 1-1-2016	19600
Fixation Benefit (40%) of Pay +DA+DP up to 2016	7840
Proposed Minimum Pay	27440
Proposed Number of times increase of BP or Common Multiple Factor	3.92