

**20.11.2015 SEVENTH CENTRAL PAY COMMISSION SUBMITS ITS REPORT:** The Seventh Central Pay Commission has submitted its Report to the Government yesterday evening i.e. on 19.11.2015. This is the first time in the history of the Commissions that the Report has been submitted before the scheduled date of implementation of the recommendations. Now the Government has to examine the recommendations and decide on their implementation or otherwise. The Unions may also like to take up the issues wherever they might ask for their improvements. The entire process may take some time and thereafter the orders are to be issued. The CPC has recommended raising of minimum pay to Rs. 18000 and maximum pay to Rs 2.25 lakh for Secretaries. However, the Cabinet Secretary, Chiefs of Armed Forces and CAG will get Rs. 2.50 lakhs. The pay package of Rs 4.5 lakhs have been recommended for chairpersons of TRAI, CERC, IRDA, SEBI, CCI, PFRDA, PNGRB, WDRA, AERAI, while its members would draw Rs 4 lakhs per month. Rate of annual increment for the CG employees has been retained at three percent as at present. Insured amount in Group Insurance Scheme has been recommended to be raised substantially. Health Insurance Scheme has also been proposed for both the serving and retired employees. The Commission has recommended abolition of 52 allowances and another 36 allowances have been recommended to be subsumed in existing or newly proposed allowances. In case of the pensioners, maximum limit of Gratuity has been raised to Rs 20 lakhs. Whenever the Dearness Allowance reaches 50%, this limit will increase by another 25%. The only recommendation that may make the pensioners happy is about pension formulation on the line of One Rank One Pension implemented for Armed Forces. Otherwise, the CPC did not agree to most of the demands to improve the existing benefits for the pensioners. The recommendations of the Pay Commission on gratuity and Pension Formulation are reproduced below:

- (1) **Enhancement in the Gratuity ceiling and its indexation:** The Commission recommends enhancement in the ceiling of gratuity from existing Rs 10 lakhs to Rs 20 lakhs from 1.1.2016. The Commission further recommends, as has been done in other cases of allowances, that are partially indexed to Dearness Allowance, the ceiling on gratuity may increase by 25 percent whenever DA rises by 50 percent.
- (2) **Rationalization of Death Gratuity:** The Commission, after examining the matter, recommends the following revised rates for payment of death gratuity:

<i>Length of service</i>	<i>Rate of Death Gratuity</i>
Less than one year	2 times of monthly emoluments
One year or more but less than 5 years	6 times of monthly emoluments
5 years or more but less than 11 years	12 times of monthly emoluments
11 years or more but less than 20 years	20 times of monthly emoluments
20 years or more	Half month of emoluments for every complete six monthly period of

	qualifying service subject to a maximum of 33 times of emoluments.
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**(3) Pension formulation:**

- (i) All the civilian personnel including CAPF who retired prior to 1.1.2016 (expected date of implementation of the seventh CPC recommendations) shall first be fixed in the Pay Matrix being recommended by this Commission, on the basis of the Pay Band and Grade Pay at which they retired, at the minimum of the corresponding level in the matrix. This amount shall be raised, to arrive at the notional pay of the retirees by adding the number of increments he/she had earned in that level while in service, at the rate of three percent. Fifty percent of the total amount so arrived at shall be the revised pension.
- (ii) The second calculation to be carried out is as follows. The pension, as had been fixed at the time of implementation of the VI CPC recommendation, shall be multiplied by 2.57 to arrive at the alternate value for the revised pension.
- (iii) Pensioners may be given the option of choosing whichever formulation is beneficial to them.