



**HIGHLIGHTS
OF
IMPLEMENTATION OF 7TH CPC
RECOMMENDATIONS**

GENERAL FEATURES

- Recommendations of 7th CPC on pay and pensionary benefits will come into effect from 01.01.2016.
- 7th CPC recommendations are being implemented within 6 months from the due date.
- Arrears of pay & pensionary benefits to be paid during FY 2016-17 itself, unlike past when parts of arrears were paid in the next FY.
- Award of 7th CPC approved by Cabinet will benefit over 1 crore employees including over 47 lakh central government employees and 53 lakh pensioners, of which 14 lakh employees and 18 lakh pensioners are from defence forces.



PAY

- Separate Pay Matrices for Civil, Defence and MNS
- Minimum Pay increased from 7000 to 18000
- Fitment factor of 2.57 to apply for pay revision of all employees
- Rate of annual increment retained at 3%.
- Two dates of increments in place of existing one : 1st Jan & 1st July
- Improvements made in Defence Pay Matrix:
 - Index of Rationalisation for Brigadier increased from 2.57 to 2.67
 - Additional stages provided in Levels of Lt. Col., Col & Brig.



PENSION

- General recommendations of Commission on pension and related benefits approved
- Both options of Commission regarding pension revision accepted subject to feasibility of their implementation
- Revision of pension using second formulation based on fitment factor of 2.57 shall be implemented immediately.
- Committee to address the implementation issues anticipated in first formulation.
- First formulation to be made applicable if its implementation is found feasible after examination by proposed Committee which is to submit its Report within 4 months.
- Gratuity increased from 10 to 20 lakh



ALLOWANCES AND ADVANCES

- Committee headed by Finance Secretary to examine recommendations on Allowances in view of significant departure from existing system and demands from employees for review
- Report of Committee to be submitted in 4 months
- Pending final decision based on the report of the Committee, all allowances to be paid as per existing rates in existing pay structure
- Interest bearing advances – HBA and PC advance retained. HBA ceiling raised to 25 lakh from 7.5 lakh
- All interest free advances abolished except for – medical treatment, TA on tour/Transfer, TA for family of deceased employee and LTC to avoid hardship to employees



OTHER ISSUES

- The existing rates of monthly contribution towards Group Insurance - CGEGIS to continue.
- MoF to work out a customized group insurance scheme with low premium and high risk cover.
- Ex-gratia lump sum compensation for civil and defence forces personnel payable to Next of Kin enhanced from ₹ 10-20 lakh to 25-45 lakh.
- Military Service Pay increased from ₹ 1000, 2000, 4200 & 6000 to 3600, 5200, 10800 & 15500 respectively.
- Terminal gratuity for Short Service Commissioned Officers exiting between 7 and 10 years of service increased to 10.5 times reckonable emoluments.



OTHER ISSUES (CONTD.)

- All administrative issues other than pay, pension and allowances to be examined by concerned Ministries/Departments
- Two separate Committees to be set up to
 - suggest measures for streamlining the implementation of National Pension System (NPS);
 - to look into anomalies likely to arise out of implementation of the Commission's Report.



FINANCIAL IMPLICATIONS

- Additional financial impact, as per 7th CPC, on account of implementation of all its recommendations for 2016-17 will be ₹ 1,02,100 crore (including Allowances)
- Additional implication of ₹ 12,133 crore on account of payments of arrears of pay and pension for two months of 2015-16



THANK YOU

