

PROJECTED PAY STRUCTURE AFTER 7TH PAY COMMISSION (BASED ON COMPARATIVE RISE FROM 1ST TO 6TH CPC)

Demand for setting of Seventh Pay Commission is being raised since January 2011 on completion of 5 years since the date of effect of the sixth Pay Commission - as recommended by the last 2 Pay commissions.

Till now six pay commissions had been constituted since 1946 - to review and recommend pay structure of central government employees.

All the six pay commissions have taken many aspects into consideration to prescribe the pay structure for government servants.

In the first pay commission the concept of 'living wage' was adopted.

In second pay commission it had been reiterated that the pay structure and working condition to be crafted in a way so as to ensure the effective functioning of government mechanism.

The third pay commission adopted the concept of 'need based wage'

The Fourth CPC had recommended the government to constitute permanent machinery to undertake periodical review of pay and allowances of Central Government employees, but which got never implemented.

In Fifth pay commission all federations demanded that the pay scale should be at par with the public sector. But the pay commission didn't accept this and told that the demand for parity with the Public Sector was however difficult to concede as it felt that the Job content and condition of service in the government and public sector not necessarily the same. There were essential differences between the two sectors.

The Sixth Central Pay Commission, claimed that it had not only tried to evolve a proper pay package for the Government employees but also to make recommendations rationalizing the governmental structure with a view to improve the delivery mechanisms for providing better services to the common man

What about seventh pay commission?

Generally every pay commission, before recommending a pay structure, analyzed all the aspects including the economic situation of the country, financial resources of the government, comparison with the public sector, private sector and state government pay structure etc.

Pay Determination is very complicated and sensitive task. Without any doubt every one accepts that this is very challenging task too. In order to determine the new pay structure the pay commission has to go through voluminous data consisting current economic condition, strength of the work force and working condition etc.

If one tries to suggest or comment about 7th pay commission pay scale or about what the seventh pay commission pay scales, it will seem too pre-mature.

However, we observed an interesting factor which is common to all the past pay commission recommendations, particularly in the matter of percentage of increase in the pay. Average 3 times increase in the pay was recommended by each pay commission and it was accepted by government and implemented (except that the rise was only about 2.26 times after 6th CPC for the scales from S4 to S23 and nearly 3 times or more for the higher scales).

Average increase after each Pay Commission - is shown in each of the following tables.

Obviously it is simple thing, we can say it a mathematical coincidence that we have in common in all previous pay commission, but we cannot neglect this. Because it was there, every time it is noticed that the revised pay was approximately three times higher than its pre revised pay. Apart from all the factors which has been used to determine the pay revision, we can use this simple formula 'common multiplying factor' to know the 7th pay commission pay scale . If next pay commission prefer to continue the same running pay band and grade pay system for seventh pay commission also, the pay structure may be like the following projected figures given below, using common multiplying factor '3'. The Following is only the projected figure using common multiplying factor '3'...

CONTINUED ----

SIXTH CPC PAY STRUCTURE				PROJECTED PAY STRUCTURE FOR 7 th PAY COMMISSION		
Name of Pay Band/ Scale	Corresponding Pay Bands	Corresponding Grade Pay	Entry Grade +band pay	Projected entry level pay using uniform multiplying factor of '3'		
				Band Pay	Grade Pay	Entry Pay
PB-1	5200-20200	1800	7000	15600-60600	5400	21000
PB-1	5200-20200	1900	7730	15600-60600	5700	23190
PB-1	5200-20200	2000	8460	15600-60600	6000	25380
PB-1	5200-20200	2400	9910	15600-60600	7200	29730
PB-1	5200-20200	2800	11360	15600-60600	8400	34080
PB-2	9300-34800	4200	13500	29900-104400	12600	40500
PB-2	9300-34800	4600	17140	29900-104400	13800	51420
PB-2	9300-34800	4800	18150	29900-104400	14400	54450
PB-3	15600-39100	5400	21000	29900-104400	16200	63000
PB-3	15600-39100	6600	25530	46800-117300	19800	76590
PB-3	15600-39100	7600	29500	46800-117300	22800	88500
PB-4	37400-67000	8700	46100	112200-20100	26100	138300
PB-4	37400-67000	8900	49100	112200-20100	26700	147300
PB-4	37400-67000	10000	53000	112200-20100	30000	159000
HAG	67000- (ann increment @ 3%) -79000	Nil				201000
HAG+ Scale	75500- (ann increment @ 3%) -80000	Nil				226500
Apex Scale	80000 (Fixed)	Nil				240000
Cab. Sec.	90000 (Fixed)	Nil				270000

CONTINUED ----

Short Description about Sixth Pay Commission

SIXTH PAY COMMISSION

Initially the then government refused to set up sixth pay commission to review the pay and allowances of central government employees. The then finance minister told that there was no need to constitute next pay commission since 50 % dearness allowance was already merged with the basic pay. The employees had threatened to go on a nationwide strike if the government failed to set up 6th pay commission. In July 2006, the Cabinet approved setting up of the sixth pay commission. This commission has been set up under the Chairmanship of Justice B.N.Srikrishna with a timeframe of 18 months to submit the report. The cost of hikes in salaries is anticipated to be about Rs. 20,000 crore for a total of 3.5 million government employees. The commission submitted the Report to the Government on March, 24, 2008.

The Sixth Pay Commission mainly focused on removing ambiguity in respect of various pay scales and mainly focused on reducing number of pay scales. It recommended for removal of Group-D cadre.

The Fifth CPC had compressed many scales. The number of pay scales was reduced from 51 pay scales as on 31.12.1995 to 34 pay scales by the Fifth CPC. In many cases, this led to the promotion and feeder cadres being placed in an identical pay scale. Although Department of Expenditure issued orders that existence of the feeder and promotion posts in the same pay scale will not constitute an anomaly, however, these orders have consistently been rejected by the various courts of this country. The sixth pay Commission, therefore, decided to evolve a new system of pay scales that would effectively address most of the existing anomalies.

To remove stagnation, introduction of running pay bands for all posts in the Government presently existing in scales below that of Rs.26,000 (fixed).

The total number of grades reduced to 20 spread across four distinct running pay bands; one Apex Scale and another grade for the post of Cabinet Secretary/equivalent as against 35 standard pay scales existing earlier.

Four distinct running pay bands being recommended – one running band each for all categories of employees in groups 'B' and 'C' with 2 running pay bands for Group A posts.

Annual increments to be paid in form of three percent of the total of pay in the Pay Band and the corresponding grade pay. The date of annual increments, in all cases, is first of July. Employees completing six months and above in the scale as on July 1 will be eligible.

The revised pay bands have been implemented retrospectively from 1.1.2006. The Fifth CPC also had recommended implementation of the next Pay Commission's revised pay scales from 1.1.2006. This was also in consonance with demands of a majority of the Associations of Government employees that had sought implementation of Sixth CPC revised pay scales from 1.1.2006.

Minimum salary at the entry level of PB-1 pay band is Rs.7000 (Rs.5200 as pay in the pay band plus Rs.1800 as grade pay). Maximum salary at the level of Secretary/equivalent is Rs.80000. The minimum: maximum ratio 1:12. The increase from V CPC to VI CPC in all grades starts from 2.4 times to 3.7 times. The increase ratio between 5th pay commission and 6th pay commission is 1:3.

V CPC PAY SCALES VS VI CPC PAY SCALES

V CPC Pay Scale			Sixth CPC Pay Structure				Increase (X) Time
Sl. No.	Post/ Grade	Scale of Pay	Name of Pay Band	Corresponding Pay Bands	Corresponding Grade Pay	Entry Grade +band pay	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	S-1 to 4	Upgraded & Merged					
	S-4	2750-70-3800-75-4400	PB-1	5200-20200	1800	7000	2.54
	S-5	3050-75-3950-80-4590	PB-1	5200-20200	1900	7730	2.53
	S-6	3200-85-4900	PB-1	5200-20200	2000	8460	2.64
	S-7	4000-100-6000	PB-1	5200-20200	2400	9910	2.47
	S-8	4500-125-7000	PB-1	5200-20200	2800	11360	2.52
	S-9	5000-150-8000	PB-2	9300-34800	4200	13500	2.7
	S-10	5500-175-9000	PB-2	9300-34800	4200		
	S-11	6500-200-6900	PB-2	9300-34800	4200		
	S-12	6500-200-10500	PB-2	9300-34800	4600	17140	2.63
	S-13	7450-225-11500	PB-2	9300-34800	4600		
	S-14	7500-250-12000	PB-2	9300-34800	4800	18150	2.42
	S-15	8000-275-13500	PB-2	9300-34800	5400	21000	2.62
	New Scale	8000-275-13500 (Group A Entry)	PB-3	15600-39100	5400		
	S-16	9000	PB-3	15600-39100	5400		
	S-17	9000-275-9550	PB-3	15600-39100	5400		
	S-18	10325-325-10975	PB-3	15600-39100	6600	25530	2.47
	S-19	10000-325-15200	PB-3	15600-39100	6600		
	S-20	10650-325-15850	PB-3	15600-39100	6600		
	S-21	12000-375-16500	PB-3	15600-39100	7600	29500	2.45
	S-22	12750-375-16500	PB-3	15600-39100	7600		
	S-23	12000-375-18000	PB-3	15600-39100	7600		
	S-24	14300-400-18300	PB-4	37400-67000	8700	46100	3.23
	S-25	15100-400-18300	PB-4	37400-67000	8700		
	S-26	16400-450-20000	PB-4	37400-67000	8900	49100	2.99
	S-27	16400-450-20900	PB-4	37400-67000	8900		
	S-28	14300-450-22400	PB-4	37400-67000	10000	53000	3.7
	S-29	18400-500-22400	PB-4	37400-67000	10000		
	S-30	22400-525-24500	PB-4	37400-67000	12000	59100	2.63
	S-31	22400-600-26000	HAG+ Scale	75500- 80000	Nil		3.13
	S-32	24050-650-26000	HAG+ Scale	75500- 80000	Nil		3.13
	S-33	26000 (Fixed)	Apex Scale	80000 (Fixed)	Nil		3.07
	S-34	30000 (Fixed)	Cab. Sec.	90000 (Fixed)	Nil		3

CONTINUED ----

FOURTH PAY COMMISSION

The Fourth Pay Commission was constituted in June 1983 and its Chairman was Shri. P N Singhal. But the report of 4th CPC was submitted to government in three phases within the period of four years. There from it was started maintaining huge gap between lowest grade and highest grade as for as pay is concerned.

There was a huge difference in basic pay between lowest grade and highest grade in IV pay commission pay scales. The basic pay of lowest grade was Rs.750, where as highest grade was Rs.9000. The pay of top most grade was 12 times higher than the pay of Group D employee. The Fourth CPC had recommended the government to constitute permanent machinery to undertake periodical review of pay and allowances of Central Government employees, but which got never implemented.

FIFTH PAY COMMISSION

The Fifth Pay Commission was set up in 1994. The chairman of fifth pay commission was Justice S. Ratnavel Pandian. The commission gave its report in January 1997. Government accepted most of the recommendations and issued appropriate order in July 1997. The recommendations were implemented with effect from 1-1-1996. It recommended to reduce the number of pay scale from 51 to 34. It is noted that about 93% of the employees were in Group 3 and Group 4

The minimum Starting Pay has been revised from Rs. 750/ to Rs. 2550/-. In this, the pay of 5th CPC scale were about 3 times higher than the pay of IV CPC pay Scale. The pay scale starts from Rs.2550 and ends up with Rs.30000. The hike of 12 times between low level and top level was also maintained in V pay commission.

The pay scale of IV pay commission and V pay commission are given below. we need all this reference for working out to reach a formula to infer what would be the increase in VII pay commission.

IV CPC PAY SCALES VS V CPC PAY SCALES

FOURTH PAY COMMISSION PAY SCALES		FIFTH PAY COMMISSION PAY SCALES		INCREASE X TIMES
1	750-12-870-14-940	S-1	2550-55-2660-60-3200	3.4
2	775-12-871-14-1025	S-2	2610-60-3150-65-3540	3.3
3	800-15-1010-20-1150	S-3	2650-65-3300-70-4000	3.3
4	825-15-900-20-1200	S-4	2750-70-3800-75-4400	3.3
5	950-20-1150-25-1400 950-20-1150-25-1500 1150-25-1500	S-5	3050-75-3950-80-4590	3.2
6	975-25-1150-30-1540 975-25-1150-30-1660	S-6	3200-85-4900	3.3
7	1200-30-1440-30-1800 1200-30-1560-40-2040 1320-30-1560-40-2040	S-7	4000-100-6000	3.3
8	1350-30-1440-40-1800-50-2200 1400-40-1800-50-2300	S-8	4500-125-7000	3.3
9	1400-40-1600-50-2300-60-2600 1600-50-2300-60-2660	S-9	5000-150-8000	3.5
10	1640-60-2600-75-2900	S-10	5500-175-9000	3.35
11	2000-60-2120	S-11	6500-200-6900	3.25
12	2000-60-2300-75-3200 2000-60-2300-75-3200-3500	S-12	6500-200-10500	3.25
13	2375-75-3200-100-3500 2375-75-3200-100-3500-125-3750	S-13	7450-225-11500	3.13
14	2500-4000 (proposed new pre-revised scale)	S-14	7500-250-12000	3
15	2200-75-2800-100-4000 2300-100-2800	S-15	8000-275-13500	3.5
16	2630/- FIXED	S-16	9000/- FIXED	3.42
17	2630-75-2780	S-17	9000-275-9550	3.42
18	3150-100-3350	S-18	10325-325-10975	3.2
19	3000-125-3625 3000-100-3500-125-4500 3000-100-3500-125-5000	S-19	10000-325-15200	3.3
20	3200-100-3700-125-4700	S-20	10650-325-15850	3.32
21	3700-150-4450 3700-125-4700-150-5000	S-21	12000-375-16500	3.24
22	3950-125-4700-150-5000	S-22	12750-375-16500	3.22
23	3700-125-4950-150-5700	S-23	12000-375-18000	3.24
24	4100-125-4850-150-5300 4500-150-5700	S-24	14300-400-18300	3.4
25	4800-150-5700	S-25	15100-400-18300	3.1
26	5100-150-5700 5100-150-6150 5100-150-5700-200-6300	S-26	16400-450-20000	3.2
27	5100-150-6300-200-6700	S-27	16400-450-20900	3.2
28	4500-150-5700-200-7300	S-28	14300-450-22400	3.1
29	5900-200-6700 5900-200-7300	S-29	18400-500-22400	3.1
30	7300-100-7600	S-30	22400-525-24500	3
31	7300-200-7500-250-8000	S-31	22400-600-26000	3
32	7600/- FIXED 7600-100-8000	S-32	24050-650-26000	3.1
33	8000/- FIXED	S-33	26000/- FIXED	3.2
34	9000/- FIXED	S-34	30000/- FIXED	3.3

First CPC to Third CPC Pay Scales

Now all the central government employees federations are demanding the govt. to set up seventh pay commission soon. So far six pay Commissions have been set up till date from 1946 by Government of India to review and recommend wage structure for all the central government employees including postal, railway, defence civilian employees and armed forces. All the matters pertaining to the government servants like Pay and Allowances, promotion policy, retirement benefits, service condition also been thoroughly reviewed by these Pay commissions after every ten years and they submit recommendations to the government for the approval.

At the advent of First Pay Commission, there was 1934 th year pay Scales were remained in effect. The pay scales prescribed by first pay commission replaced the 1934 pay Scales.

First Pay Commission

The first pay commission was constituted in 1946 and the government appointed Srinivasa Varadacharia as Chairman of this commission. The first pay commission was based upon the idea of “living wages” to the employees, this idea was taken from the Islington Commission and the commission observed that “the test formulated by the Islington Commission is only to be liberally interpreted to suit the conditions of the present day and to be qualified by the condition that in no case should be a man’s pay be less than a living wage.

The minimum basic pay for Class IV staff has been raised from Rs. 10/- to Rs. 30/- and for Class III from Rs. 35/- to Rs. 60/- per month.

The Commission had fixed Rs. 55/- as minimum wage (Rs. 30 plus Rs. 25 as Dearness Allowance). The recommendations were accepted and implemented in 1946.

The Second Pay Commission

10 years after independence, the second pay commission was set up in August 1957. Shri Jaganath Das was appointed as Chairman of this Commission. The second pay commission finished its report within two years and submitted it to the Government. The recommendations of the second pay commission had a financial impact of Rs 396 million. The second pay commission reiterated the principle on which the salaries have to be determined. It stated that the pay structure and the working conditions of the government employee should be crafted in a way so as to ensure efficient functioning of the system by recruiting persons with a minimum qualification. The Commission revised the pay scales by merging 50% of the Dearness Allowance with basic Pay and it recommended Rs. 80 as the minimum remuneration (Basic Pay Rs. 70 plus DA Rs.10/-) payable to a Government employee.

Third Pay Commission

Shri. Raghubir Dayal was appointed as Chairman of the third pay commission. It was set up in April 1970 and gave its report in March 1973. The commission took almost 3 years to submit the report,. The main demand of employees for a need based minimum wage as per the norms of 15th Indian Labour Conference was accepted in principle even though Commission evolved its own concept of need based wage.

The Third Pay Commission recommended Minimum remuneration of Rs. 185 per month.

By taking into the consideration of employee’s views Government modified some of the recommendations of the Commission and minimum wage was raised from Rs. 185 per month to Rs. 196/- per month.

The pay scales of group ‘D’, ‘C’ and ‘B’ of Third Pay commission and IV pay commission given below. In the case of minimum basic pay of each scale of Pay in the two pay commissions recommended scales given below , it is to be kept in mind that 4th CPC pay was increased by 2.8 to 3.8 times from 3rd CPC.

CONTINUED ----

III PAY COMMISSION VS IV PAY COMMISSION GROUP D, C and B

S.N	III PAY COMMISSION PAY SCALES	IV PAY COMMISSION PAY SCALE	INCREASE (X) TIMES
1	a) 196-3-220-EB-3-232	750-12-870-EB-14- 940	3.8
	b) 200-3-212-4-232-EB-4-240(SG)		
2	a) 200-3-212-4-232-EB-4-240	775-12-955-EB-14-1025	3.8
	b) 200-3-206-4-234-EB-4-250		
3	a).210-4-250-EB-5-270	800-15-1010-EB-20-1150	3.8
	b) 210-4-226-EB-4-250-EB-5290		
4	225-5-260-6-EB-6-308	825-15-900-EB-20-1200	3.7
5	260-326-EB-8-350	950-20-1150-EB-25-1400	3.7
6	a) 290-6-326-EB-8-350	950-20-1150-EB-25-1500	3.4
	b) 260-6-290-EB-6-326-8-366-EB-8-390-10-400		
7	260-8-300-EB-8-340-10-380-EB-10-430	975-25-1150-EB-30-1540	3.7
8	330-8-370-10-400-EB-10-480	1200-30-1440-EB-30-180	3.6
9	a) 330-10-380-EB-12-500-EB-15-560	1200-30-1560-EB-40-2040	3.6
10	a) 380-12-500-15-530	1320-30-1560-EB-40-2040	3.5
	b) 380-12-500-EB-15-560		
11	a)380-12-440-EB-14-560-EB-20-640	1350-30-1440-40-1800-EB-50-2200	3.5
	b) 425-15-530-EB-15-560-20-600		
12	a) 425-15-560-EB-20-640	1400-40-1800-EB-50-2300	3.3
	b) 425-15-500-EB-15-560-20-700		
	c) 455-15-560-20-700		
13	a) 425-15-500-EB-15-560-20-640-EB-20-700-25-750	1400-40-1600-50-2300-EB-60-2600	3.3
	b) 425-15-500-EB-15-560-20-700-EB-25-800		
	c) 470-15-530-EB-20650-EB-25-750		
14	a) 550-20-650-25750	1600-50-2300-EB-60-2660	2.9
	b) 550-20-650-25-800		
15	a) 500-20-700-EB-25-900	1640-60-2600-EB-75-2900	3.1
	b) 550-25-750-EB-30-900		
16	a) 650-30-74035-800-EB-40-960	2000-60-2300-EB-75-3200	2.8
	b) 650-30-740-35-880-EB-40-1040		
	c) 700-30-760-35-900		
	d) 775-35-880-40-1000		
17	650-30-740-35-810-EB-880-40-1000-EB-40-1200	2000-60-2300-EB-75-3200-100-3500	3
18	a) 840-40-1040	2375-75-3200-EB-100-3500	2.8
	b) 840-40-1000-EB-40-1200		
19	a) 650-30-740-35-880-EB-40-1040	2000-60-2300-EB-3200-100-3500	3
	b) 650-30-740-35-810-EB-35-880-40-1000-EB-40-1200		