

Pay Structure (Civilian Employees)

Chapter 5.1

Historical Perspective on Pay: The Trends so far

5.1.1 The thrust of all the previous Pay Commissions has been to propose an improvement in the pay structure by way of ‘**simplification and rationalisation.**’ The most visible results of this exercise are evident in terms of reduction in number of pay scales as well as the compression ratio. Traditionally, compression ratio has been taken as a ratio of maximum salary drawn by the Secretary to Government of India to minimum salary drawn by the lowest functionary in the government. Table 1 below brings out the trend in pay structure in the government of India over the years:

Table 1: Pay Structure

Central Pay Commission (CPC)	Minimum Salary (₹)	Maximum Salary (₹)	Compression Ratio	Number of Pay Scales
I CPC (1946-47)	55	2000	1: 36.4	150 → 30
II CPC (1957-59)	80	3000	1: 37.5	500 → 140
III CPC (1972-73)	196	3500	1: 17.9	500 → 80
IV CPC (1983-86)	750	8000	1: 10.7	153 → 36
V CPC (1994-97)	2550	26000	1: 10.2	51 → 34
VI CPC (2006-08)	7000	80000	1: 11.4	35 → 19 [4 PBs with 15 GPs+ 4 distinct scales]

5.1.2 It can be seen from the table above that successive Pay Commissions have consciously tried to reduce the number of pay scales even though they tended to increase during the intervening period between any two Pay Commissions. There were, however, no significant changes in the pay structure per se until the IV CPC, when the concept of running pay scales was introduced in a limited way in respect of Defence forces. For others, individual pay scales continued till the V CPC. It was the VI CPC which recommended running pay bands for both Civilians as well as Defence forces. This was coupled with the introduction of the concept of Grade Pay as a level differentiator. Another new feature was the calculation of the annual increment on percentage basis. Prior to VI CPC, the increment was a flat sum, depending on the pay scale. The effort at compression of levels was carried forward by the VI CPC, which reduced the existing 35 levels to 19. Another radical measure was the doing away with ‘Group-D’ as a category and placement of ‘Group-D’ personnel in ‘Group-C’ after appropriate training whenever necessary. Hence, it can be seen that the simplification process set in motion by previous Pay Commissions acted as a precursor for progressive rationalisation by the subsequent Commissions.

Terms of Reference with regards to the Pay Structure before the Seventh CPC

5.1.3 One of the Terms of Reference (TOR) before this Commission is “*to examine, review, evolve and recommend changes that are desirable and feasible regarding the principles that should govern the emoluments structure including pay, allowances and other facilities and benefits in cash or kind having regard to rationalisation and simplification therein.*”

5.1.4 Further, it is expected that the recommendations on the pay structure should ensure that the framework for an emoluments structure is linked with “*the need to attract the most suitable talent to government service, promote efficiency, accountability and responsibility in the work culture, and foster excellence in the public governance system to respond to complex challenges of modern administration and rapid political, social, economic and technological changes, with due regard to expectations of stakeholders.*”

5.1.5 The Commission has endeavored to incorporate the above principles while devising the new pay structure. The approach of the Commission has been to ensure that the emolument structure is in consonance with the nature of work, role and responsibilities and accountability involved at various levels of the hierarchy in the Government of India. The value that individual employees are expected to bring to the job, by way of relevant educational qualifications, skill sets and experience are also important considerations. Internal equity, by way of salaries payable at comparable levels within the organization, are also important considerations.

Existing System

5.1.6 The new paradigm of running pay bands was brought in by the VI CPC primarily to address the problem of stagnation faced in the earlier regime. Until then the limited span of individual pay scales resulted in employees reaching the maximum of the scale and stagnating until their next regular promotion. To alleviate the situation, often new posts were created even when no functional justification existed. This led to proliferation of levels and unwarranted increase in financial liability. Frequent movement from one scale to another also led to problems in pay fixation of seniors who, in some cases, ended up drawing lesser pay than their juniors.

5.1.7 At the time of constitution of the VI CPC there were about 35 standard pay scales in existence. Many of these pre revised scales were merged by the VI CPC to arrive at 19 grades spread across four distinct Pay bands along with 4 distinct scales including one Apex scale (fixed) for Secretary/equivalent and one scale for Cabinet Secretary/equivalent (fixed). The concept of Grade pay was intended as a fitment benefit but it also served as a level determiner within a pay band.

5.1.8 Following implementation of the VI CPC recommendations, the pay structure in the Civilian set up consists of four pay bands with 15 levels of grade pay, along with four standalone scales viz., the HAG scale, HAG+ scale, Apex scale (fixed) and the scale of Cabinet Secretary (fixed) as shown below in Table 2:

Table 2: Present Pay Structure (Civilian)*

Pay Band 1 (5200- 20200)					
Grade Pay	1800	1900	2000	2400	2800
Pay Band 2 (9300-34800)					
Grade Pay	4200	4600	4800	5400	
Pay Band 3 (15600-39100)					
Grade Pay	5400	6600	7600		
Pay Band 4 (37400-67000)					
Grade Pay	8700	8900	10000		
HAG (67000-79000)					
HAG+ (75500-80000)					
Apex 80000 (fixed)					
Cabinet Secretary 90000 (fixed)					

**For the Defence Forces the structure is identical, with only minor variations with regard to certain grade pay levels.*

5.1.9 The pay structure as it stands today is fairly compact and manageable.

5.1.10 As has been mentioned earlier the VI CPC introduced several new features in the overall structure for determination of pay and allowances. In the course of implementation, while according approvals, the government, in some cases, departed from the recommendations of the Pay Commission.

5.1.11 Since the concept of running pay bands coupled with grade pays was novel, this Commission, at the outset, sought feedback from all stakeholders regarding the existing pay structure before deciding whether to continue with the existing pay structure or to devise a new pay model.

Key Demands Received

5.1.12 Consequent to receipt of feedback from various stakeholders as part of the response to the questionnaire circulated by the Commission as well as memoranda submitted by various Association/Federations and during oral evidence, the major issues which have been brought to the notice of the Commission in respect of the pay structure are discussed below seriatim:-

- a. **Grade pay:** As mentioned earlier, the grade pay was in the nature of a fitment benefit and was computed at 40 percent of the maximum of pre-revised pay scale. This was also meant to delineate the hierarchy in any cadre. The issue raised by various groups of employees is that the methodology that was adopted in arriving at the grade pay values resulted in the difference in grade pay between adjacent levels not being uniform. This in itself has caused resentment particularly at the lower levels. The quantum of difference between successive grade pays varies within pay bands too. For example in Pay Band-1, the difference between successive Grade pays is ₹400 between

GP 2000 and GP 2400 and only ₹100 between GP 1800 and GP 1900. A large number of stakeholders have represented that the benefit accruing from progression either through MACP or from regular promotion was miniscule, especially in Pay Bands 1 and 2. As per the rules on pay fixation a promotion or financial upgrade by way of MACP fetches one increment plus the difference of grade pay and a low differential in grade pay presently results in only a nominal increase in pay. Consequently, there have been numerous demands for rationalisation of the grade pay structure.

- b. **Pay bands:** Employees have pointed out that while moving from one pay band to another the difference between successive pay bands is also not uniform and the variation is much more remarkable between Pay bands 3 and 4. This has led to significant difference in benefits accruing on account of fixation of pay (and of pension) for persons in adjacent pay bands. As a result, there have been demands from some quarters for going back to the system of individual pay scales and from some other to move towards an open ended pay structure.
- c. **Uniform Fitment factor:** The fitment recommended by the VI CPC was in the form of grade pay. Any inconsistency in the computation of grade pay or in the spacing between pay bands has a direct bearing on the quantum of fitment benefit. Therefore, these issues have also been raised by numerous stakeholders. It has been demanded by a majority of the stakeholders that there should be a single fitment factor which should be uniformly applied for all employees.
- d. **Entry Pay:** Entry to any pay band could either be through an upward movement from a lower pay band or through direct entry. While the pay of persons moving from a lower pay band to a higher one on promotion would be regulated by the pay fixation formulation prescribed (pay was fixed at the minimum of the pay band plus grade pay), the VI CPC had recommended a separate entry pay for new recruits, taking into account the length of qualifying service prescribed by Department of Personnel and Training (DoPT) for movement from the first grade in the pay band to the grade in which recruitment was being made. The resultant formulation was such that it led to many situations where direct recruits drew higher pay as compared to personnel who reached that stage through promotion. Demands have been received from many staff associations and employees for removal of this disparity.
- e. **MACP:** In almost all the memoranda received in the Commission, the inadequacy of the benefit accruing from the present MACP formulation has been underscored. As per the existing dispensation, upward movement in this scheme is through the grade pay hierarchy and the financial benefit as a result of this progression is equivalent to one increment plus the difference in grade pay between the existing and next level. It has been stated by employees that this amount is very meagre especially when the difference in grade pay is as low as ₹100. Further, progression through the MACP scheme can take place only when ten years have lapsed after the previous promotion/MACP upgrade, making the position even starker. Comparisons are also made of the MACP introduced post VI CPC with the ACP scheme introduced post V CPC. In the case of earlier ACP scheme, although it was available with lesser frequency i.e., after the passage of 12 and 24 years of service, the upgrade that was given was in the promotional hierarchy. Therefore the monetary benefit to the employee was sizeable

as compared to that under the present MACP. Numerous demands have therefore been received in the Commission to rationalize the progression of grade pay, to increase the frequency of administering MACP and to make the progression follow the promotional instead of the grade pay hierarchy.

New Pay Structure

5.1.13 Although the VI CPC had mentioned that grade pay would be equivalent to 40 percent of the maximum of the pre-revised scale and that the grade pay will constitute the actual fitment, yet the computation varied greatly. After the implementation of recommendations, the difference became more pronounced in Pay Band 4 as compared to the other three pay bands. This resulted in varying fitment factors for various levels and promotional benefits that were perceived to be rather differentiated. The same pattern was discernible in the pension fixation too.

5.1.14 After analysing the issues brought out by various stakeholders, this Commission is suggesting a new pay model that is expected to not only address the existing problems but will also establish a rationalised system which is transparent and simple to use.

5.1.15 To begin with, the system of Pay Bands and Grade Pay has been dispensed with and the new functional levels being proposed have been arrived at by merging the grade pay with the pay in the pay band. All of the existing levels have been subsumed in the new structure; no new level has been introduced nor has any existing level been dispensed with.

5.1.16 The pay structures in vogue, by way of pay scales or pay bands, indicate the definite boundaries within which the pay of an individual could lie. It is however difficult to ascertain the exact pay of an individual at any given point of time. Further, the way the pay progression would fan out over a period of time was also not evident. Since various cadres are designed differently the relative pay progression also varies. The Commission believes that any new entrant to a service would wish to be able to make a reasonable and informed assessment of how his/her career path would traverse and how the emoluments will progress alongside. The new pay structure has been devised in the form of a pay matrix to provide complete transparency regarding pay progression.

5.1.17 The Commission has designed the new pay matrix keeping in view the vast opportunities that have opened up outside government over the last three decades, generating greater competition for human resources and the need to attract and retain the best available talent in government services. The nomenclature being used in the new pay matrix assigns levels in place of erstwhile grade pay and Table 3 below brings out the new dispensation for various grades pay pertaining to Civil, Defence and MNS.

Table 3: Levels as per the Pay Matrix

Existing Pay Bands	Existing levels of Grade Pay	Available for*	New Levels
PB-1	1800	C	1
	1900	C	2
	2000	C,D	3
	2400	C	4
	2800	C,D	5
PB-2	3400	D	5A
	4200	C,D	6
	4600	C,D	7
	4800	C,D	8
	5400	C	9
PB-3	5400	C,D,M	10
	5700	M	10A
	6100	D	10B
	6100	M	10B
	6600	C,D,M	11
	7600	C	12
PB-4	7600	M	12
	8000	D	12A
	8400	M	12B
	8700	C	13
	8700	D	13
	8900	C	13A
	8900	D	13A
	9000	M	13B
10000		14	
HAG			15
HAG+			16
Apex			17
Cabinet Secretary, Defence Chiefs			18
*C: Civil; D: Defence; M: Military Nursing Service (MNS)			

5.1.18 Prior to VI CPC, there were Pay Scales. The VI CPC had recommended running Pay Bands with Grade Pay as status determiner. The Seventh CPC is recommending a Pay matrix with distinct Pay Levels. The Level would henceforth be the status determiner.

5.1.19 Since the existing pay bands cover specific groups of employees such as PB-1 for Group 'C' employees, PB-2 for Group 'B' employees and PB-3 onwards for Group 'A' employees, any promotion from one pay band to another is akin to movement from one group to the other. These are significant jumps in the career hierarchy in the Government of India. Rationalisation has been done to ensure that the quantum of jump, in financial terms, between these pay bands is reasonable. This has been achieved by applying 'index of rationalisation' from PB-2 onwards on the premise that with enhancement of levels from Pay Band 1 to 2, 2 to 3 and onwards, the role, responsibility and accountability increases at each step in the hierarchy. The proposed pay structure reflects the same principle. Hence, the existing entry pay at each level corresponding to successive grades pay in each pay band, from PB-2 onwards, has been enhanced by an 'index of rationalisation' as shown below in Table 4:

Table 4: Rationalisation Applied in the Present Pay Structure

Pay Band 1	(5200- 20200)				
Grade Pay	1800	1900	2000	2400	2800
Current Entry Pay	7000	7730	8460	9910	11360
Rationalised Entry Pay (2.57)	7000*(2.57) =18000	7730*(2.57) =19900	8460*(2.57) =21700	9910*(2.57) =25500	11360*(2.57) =29200
Pay Band 2	(9300-34800)				
Grade Pay	4200	4600	4800	5400	
Current Entry Pay	13500	17140	18150	20280 [^]	
Rationalised Entry Pay (2.62)	13500*(2.62) =35400	17140*(2.62) =44900	18150*(2.62) =47600	20280*(2.62) =53100	
Pay Band 3	(15600-39100)				
Grade Pay	5400	6600	7600		
Current Entry Pay	21000	25350	29500		
Rationalised Entry Pay (2.67)	21000*(2.67) =56100	25350*(2.67) =67700	29500*(2.67) =78800		
Pay Band 4	(37400-67000)				
Grade Pay	8700	8900	10000		
Current Entry Pay	46100	49100	53000		
Rationalised Entry Pay (2.57/2.67/2.72)	46100*(2.57) =118500	49100*(2.67) =131100	53000*(2.72) =144200		
HAG	(67000-79000)				
Current Entry Pay	67000				
Rationalised Entry Pay (2.72)	67000*(2.72) =182200				
HAG+	(75500-80000)				
Current Entry Pay	75500				
Rationalised Entry Pay (2.72)	75500 *(2.72) =205400				
Apex	80000 (fixed)				
Rationalised Pay (2.81)	80000*2.81 =225000				
Cabinet Secretary	90000 (fixed)				
Rationalised Pay (2.78)	90000*2.78 =250000				

[^] In the existing system no entry pay has been prescribed at the level of GP 5400 (PB-2). Therefore a logical figure has been interpolated here based on the fitment table issued by Government of India post VI CPC recommendations.

5.1.20 While a carefully calibrated gradation has been adopted as the levels progress upwards, it would be seen that two levels, corresponding to GP 8700 and GP 10000 witness a slight departure.

- i. In the existing system there is a disproportionate increase in entry pay at the level pertaining to GP 8700. To address this, the proposed increase at this level has been moderated.
- ii. In so far as GP 10000 is concerned, this represents the Senior Administrative Grade, which carries a significantly higher degree of responsibility and accountability. Further, the levels of SAG and above are those which are involved in policy formulation.
- iii. Hence, in recognition of the same, the entry pay pertaining to GP 10000 as well as that of HAG and HAG+ has been enhanced by a multiple of 2.72.

- iv. The Apex pay of Secretary/equivalent and pay of Cabinet Secretary/equivalent has been fixed by applying indices of 2.81 and 2.78 respectively. The rationalised entry pay so arrived has been used in devising the new pay matrix.

5.1.21 The pay matrix comprises two dimensions. It has a “**horizontal range**” in which each level corresponds to a ‘**functional role in the hierarchy**’ and has been assigned the numbers 1, 2, and 3 and so on till 18. The “**vertical range**” for each level denotes ‘**pay progression**’ within that level. These indicate the steps of annual financial progression of three percent within each level. The starting point of the matrix is the minimum pay which has been arrived based on 15th ILC norms or the Aykroyd formula. This has already been explained in Chapter 4.2.

5.1.22 On recruitment, an employee joins at a particular level and progresses within the level as per the vertical range. The movement is usually on an annual basis, based on annual increments till the time of their next promotion.

5.1.23 When the employee receives a promotion or a non-functional financial upgrade, he/she progresses one level ahead on the horizontal range.

5.1.24 The pay matrix will help chart out the likely path of pay progression along the career ladder of any employee. For example, it can be clearly made out that an employee who does not have any promotional prospects in his cadre will be able to traverse through **at least three levels** solely by means of assured financial progression or MACP, assuming a career span of 30 years or more.

5.1.25 The new pay matrix for civilian employees is brought out in Table 5:

Table 5: Pay Matrix (Civilian Employees)

Pay Band	5200-20200					9300-34800				15600-39100			37400-67000			67000-79000	75500-80000	80000	90000
	1800	1900	2000	2400	2800	4200	4600	4800	5400	5400	6600	7600	8700	8900	10000				
Grade Pay	1800	1900	2000	2400	2800	4200	4600	4800	5400	5400	6600	7600	8700	8900	10000				
Entry Pay (EP)	7000	7730	8460	9910	11360	13500	17140	18150	20280	21000	25350	29500	46100	49100	53000	67000	75500	80000	90000
Level	1	2	3	4	5	6	7	8	9	10	11	12	13	13A	14	15	16	17	18
Index	2.57	2.57	2.57	2.57	2.57	2.62	2.62	2.62	2.62	2.67	2.67	2.67	2.57	2.67	2.72	2.72	2.72	2.81	2.78
1	18000	19900	21700	25500	29200	35400	44900	47600	53100	56100	67700	78800	118500	131100	144200	182200	205400	225000	250000
2	18500	20500	22400	26300	30100	36500	46200	49000	54700	57800	69700	81200	122100	135000	148500	187700	211600		
3	19100	21100	23100	27100	31000	37600	47600	50500	56300	59500	71800	83600	125800	139100	153000	193300	217900		
4	19700	21700	23800	27900	31900	38700	49000	52000	58000	61300	74000	86100	129600	143300	157600	199100	224400		
5	20300	22400	24500	28700	32900	39900	50500	53600	59700	63100	76200	88700	133500	147600	162300	205100			
6	20900	23100	25200	29600	33900	41100	52000	55200	61500	65000	78500	91400	137500	152000	167200	211300			
7	21500	23800	26000	30500	34900	42300	53600	56900	63300	67000	80900	94100	141600	156600	172200	217600			
8	22100	24500	26800	31400	35900	43600	55200	58600	65200	69000	83300	96900	145800	161300	177400	224100			
9	22800	25200	27600	32300	37000	44900	56900	60400	67200	71100	85800	99800	150200	166100	182700				
10	23500	26000	28400	33300	38100	46200	58600	62200	69200	73200	88400	102800	154700	171100	188200				
11	24200	26800	29300	34300	39200	47600	60400	64100	71300	75400	91100	105900	159300	176200	193800				
12	24900	27600	30200	35300	40400	49000	62200	66000	73400	77700	93800	109100	164100	181500	199600				
13	25600	28400	31100	36400	41600	50500	64100	68000	75600	80000	96600	112400	169000	186900	205600				
14	26400	29300	32000	37500	42800	52000	66000	70000	77900	82400	99500	115800	174100	192500	211800				
15	27200	30200	33000	38600	44100	53600	68000	72100	80200	84900	102500	119300	179300	198300	218200				
16	28000	31100	34000	39800	45400	55200	70000	74300	82600	87400	105600	122900	184700	204200					
17	28800	32000	35000	41000	46800	56900	72100	76500	85100	90000	108800	126600	190200	210300					
18	29700	33000	36100	42200	48200	58600	74300	78800	87700	92700	112100	130400	195900	216600					
19	30600	34000	37200	43500	49600	60400	76500	81200	90300	95500	115500	134300	201800						
20	31500	35000	38300	44800	51100	62200	78800	83600	93000	98400	119000	138300	207900						
21	32400	36100	39400	46100	52600	64100	81200	86100	95800	101400	122600	142400	214100						
22	33400	37200	40600	47500	54200	66000	83600	88700	98700	104400	126300	146700							
23	34400	38300	41800	48900	55800	68000	86100	91400	101700	107500	130100	151100							
24	35400	39400	43100	50400	57500	70000	88700	94100	104800	110700	134000	155600							
25	36500	40600	44400	51900	59200	72100	91400	96900	107900	114000	138000	160300							
26	37600	41800	45700	53500	61000	74300	94100	99800	111100	117400	142100	165100							
27	38700	43100	47100	55100	62800	76500	96900	102800	114400	120900	146400	170100							
28	39900	44400	48500	56800	64700	78800	99800	105900	117800	124500	150800	175200							

Pay Band	5200-20200					9300-34800				15600-39100			37400-67000			67000-79000	75500-80000	80000	90000
	1800	1900	2000	2400	2800	4200	4600	4800	5400	5400	6600	7600	8700	8900	10000				
Grade Pay	1800	1900	2000	2400	2800	4200	4600	4800	5400	5400	6600	7600	8700	8900	10000				
Entry Pay (EP)	7000	7730	8460	9910	11360	13500	17140	18150	20280	21000	25350	29500	46100	49100	53000	67000	75500	80000	90000
Level	1	2	3	4	5	6	7	8	9	10	11	12	13	13A	14	15	16	17	18
Index	2.57	2.57	2.57	2.57	2.57	2.62	2.62	2.62	2.62	2.67	2.67	2.67	2.57	2.67	2.72	2.72	2.72	2.81	2.78
29	41100	45700	50000	58500	66600	81200	102800	109100	121300	128200	155300	180500							
30	42300	47100	51500	60300	68600	83600	105900	112400	124900	132000	160000	185900							
31	43600	48500	53000	62100	70700	86100	109100	115800	128600	136000	164800	191500							
32	44900	50000	54600	64000	72800	88700	112400	119300	132500	140100	169700	197200							
33	46200	51500	56200	65900	75000	91400	115800	122900	136500	144300	174800	203100							
34	47600	53000	57900	67900	77300	94100	119300	126600	140600	148600	180000	209200							
35	49000	54600	59600	69900	79600	96900	122900	130400	144800	153100	185400								
36	50500	56200	61400	72000	82000	99800	126600	134300	149100	157700	191000								
37	52000	57900	63200	74200	84500	102800	130400	138300	153600	162400	196700								
38	53600	59600	65100	76400	87000	105900	134300	142400	158200	167300	202600								
39	55200	61400	67100	78700	89600	109100	138300	146700	162900	172300	208700								
40	56900	63200	69100	81100	92300	112400	142400	151100	167800	177500									

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.

Example I

- i. For example an employee **H** is presently drawing Basic Pay of ₹55,040 (Pay in the Pay Band ₹46340 + Grade Pay ₹8700 = ₹55040). After multiplying ₹55,040 with 2.57, a figure of ₹1,41,452.80 is arrived at. This is rounded off to ₹1,41,453.
- ii. The level corresponding to GP 8700 is level 13, as may be seen from Table 4, which gives the full correspondence between existing Grade Pay and the new Levels being proposed.
- iii. In the column for level 13, the figure closest to ₹1,41,453 is ₹1,41,600.
- iv. Hence the pay of employee **H** will be fixed at ₹1,41,600 in level 13 in the new pay matrix as shown below:

Table 6: Pay Fixation

GP 8700	GP 8900	GP 10000
Level 13	Level 13A	Level 14
118500	131100	144200
122100	135000	148500
125800	139100	153000
129600	143300	157600
133500	147600	162300
137500	152000	167200
141600	156600	172200
145800	161300	177400
150200	166100	182700

5.1.30 As part of its recommendations if Commission has recommended any upgradation or downgrade in the level of a particular post, the person would be placed in the level corresponding to the newly recommended grade pay.

Example II

- i. Take the case of an employee T in GP 4200, drawing pay of ₹20,000 in PB-2. The Basic Pay is ₹24,200 (20,000+4200). If there was to be no change in T's level the pay fixation would have been as explained in Example I above. After multiplying by 2.57, the amount fetched viz., ₹62,194 would have been located in Level 6 and T's pay would have been fixed in Level 6 at ₹62,200.
- ii. However, assuming that the Commission has recommended that the post occupied by T should be placed one level higher in GP 4600. T's basic pay would then be ₹24,600 (20000 + 4600). Multiplying this by 2.57 would fetch ₹63,222.
- iii. This value would have to be located in the matrix in Level 7 (the upgraded level of T).
- iv. In the column for Level 7 ₹63,222 lies between 62200 and 64100. Accordingly, the pay of T will be fixed in Level 7 at ₹64,100.

Entry Pay

5.1.31 The Commission has received numerous representations on the issue of fixation of entry pay for direct recruits at a level higher than those promoted into the same level from below. In the existing system, the entry pay for new or direct recruits takes into consideration the weightage given to qualifying service prescribed by DoPT, whereas for those reaching the grade through promotion from lower grade, the entry pay is fixed at the minimum of the pay band plus grade pay corresponding to the new grade. The entry pay therefore varies, and is different for those entering a level directly and those getting promoted into it. There have been demands for a uniform entry pay for all.

5.1.32 In the new pay matrix, it is proposed that direct recruits start at the minimum pay corresponding to the level to which recruitment is made, which will be the first cell of each level. For example a person entering service as a direct recruit at level 3 will get a pay of ₹21,700, at level 8 of ₹47,600, at level 10 of ₹56,100 and so on.

5.1.33 For those who have been promoted from the previous level, the fixation of pay in the new level will depend on the pay they were already drawing in the previous level. For instance, if a person who was drawing ₹26,000 in level 3 gets a promotion to level 4, his pay fixation will be as shown in Table 7:

Table 7: Entry Pay

L3	L4	L5	L6	L7	L8
21700	25500	29200	35400	44900	47600
22400	26300	30100	36500	46200	49000
23100	27100	31000	37600	47600	50500
23800	27900	31900	38700	49000	52000
24500	28700	32900	39900	50500	53600
25200	29600	33900	41100	52000	55200
26000	30500	34900	42300	53600	56900
26800	31400	35900	43600	55200	58600
27600	32300	37000	44900	56900	60400
28400	33300	38100	46200	58600	62200
29300	34300	39200	47600	60400	64100
30200	35300	40400	49000	62200	66000
31100	36400	41600	50500	64100	68000

Step 1: After grant of one increment in level 3 the pay increases to ₹26,800 in level 3 itself.

Step 2: Locate the equal or next higher amount in level 4 which in this case will be ₹27,100. Hence the new pay on promotion from level level 3 to level 4 will be fixed at ₹27,100.

5.1.34 In case of a direct recruit to level L4 the entry pay will be fixed at the start of the level L4 i.e., at ₹25,500.

5.1.35 To take another example, if a person drawing Basic Pay of, say, ₹40,400 in level L5 is promoted to L7, the steps to arriving at his pay on promotion will be to first add one increment within level L5 to arrive at ₹41,600, and then fix the pay at ₹44,900 in level L7 as ₹44,900 is the nearest, next higher figure to ₹41,600 in the column of figures for level L7.

5.1.36 Although the rationalisation has been done with utmost care to ensure minimum bunching at most levels, however if situation does arise whenever more than two stages are bunched together, one additional increment equal to 3 percent may be given for every two stages bunched, and pay fixed in the subsequent cell in the pay matrix.

5.1.37 For instance, if two persons drawing pay of ₹53,000 and ₹54,590 in the GP 10000 are to be fitted in the new pay matrix, the person drawing pay of ₹53,000 on multiplication by a factor of 2.57 will expect a pay corresponding to ₹1,36,210 and the person drawing pay of ₹54,590 on multiplication by a factor of 2.57 will expect a pay corresponding to ₹1,40,296. Revised pay of both should ideally be fixed in the first cell of level 15 in the pay of ₹1,44,200 but to avoid bunching the person drawing pay of ₹54,590 will get fixed in second cell of level 15 in the pay of ₹1,48,500.

Annual Increment

5.1.38 The rate of annual increment is being retained at 3 percent.

Span of Each Level

5.1.39 In the true spirit of having open ended pay scales the span of levels 1 to 11 has been kept at 40 years. This has been done to ensure that no stagnation takes place. However, level 12 and beyond, the span of successive levels has been reduced so that the maximum at each level is lower than the maximum pay at the subsequent level. This has been done as a result of capping of maximum pay at HAG+ (level 16) at a lower stage as compared to the Apex pay at level 17. Since Apex pay at level 17 is fixed at ₹2,25,000, a person residing in the previous level (level 16) should not draw equivalent or more than the apex pay, the maximum pay has been restricted to ₹2,24,400. Similarly the process has been followed until level 11 keeping in mind the maximum pay drawn by the person in the next higher level. Accordingly, the span of levels beyond level 11 progressively reduces from 39 years at level 11 to 4 years at level 16. It is important to note that the end-points of any column **do not signify** the end points of any traditional pay scale. Hence in any kind of calculation which attempts to work with the “maximum pay of a particular pay scale” it would be inappropriate, even incorrect, to pick the last figure of the column to be so. As has been stated earlier in this paragraph the column spans have been kept at 40 to cater to persons who may enter a particular level at any stage and may

have resided in the level for a fair length of time. The end-points of the column, representing the possible highest and lowest pay in that level, **may not be treated as the maximum and minimum of any closed pay scale**, as used to prevail prior to the implementation of the VI CPC.

Compression Ratio

5.1.40 This Commission has felt that comparison of entry pay of the lowest functionary in the government with the highest pay drawn by the Secretary to Government of India is not appropriate. The comparison should be like to like while calculating the compression ratio. Accordingly, the lowest pay at entry level of Group 'C' should be compared with the entry pay of Group 'A' to arrive at the compression ratio. This Commission has recommended a minimum pay of ₹18,000 at entry level in Group 'C' and ₹56,100 as entry pay at Group 'A' level. **The compression ratio is thus arrived at 1: 3.12** which signifies that a Group 'A' officer entering the government on direct recruitment basis gets roughly three times the pay drawn by a Group 'C' level functionary at their entry level.

5.1.41 Similarly comparisons can be made between maximum pay (₹56,800) of any employee who has joined in level 1 and rendered 35 years of service and received pay progression solely by way of MACP with the maximum pay of ₹2,25,000 drawn by Group 'A' officer at Apex level (level 17), **the compression ratio works out to be 1:3.96**. Since the maximum pay drawn for different officials will depend on their age of entry, promotional prospects in their services/cadres and individual performance, the minimum pay at entry level is considered a better comparator.

Date of Effect

5.1.42 The various associations of the JCM-Staff Side have demanded that the recommendations of this Commission should be implemented w.e.f. 01.01.2014. Their argument is that there has been substantial erosion in the value of wages owing to non-merger of DA, which has crossed the 100 percent mark in January 2014. They have also demanded wage revision after every five years, instead of the present decennial exercise.

5.1.43 However, it is to be noted that this Commission was constituted in year 2014, well before the completion of ten years since the implementation of the VI CPC recommendations, which were made effective on 01.01.2006. As a result, its recommendations would be available for consideration before the ten year period gets over on 01.01.2016. The Commission does not agree with the demand of early implementation of revised pay structure and recommends that **the date of effect should be 01.01.2016**.

Modified Assured Career Progression (MACP)

5.1.44 Although a number of demands were received for increasing the frequency of MACP as well as to enhance the financial benefit accruing out of it, this Commission feels that the inherent issues in the existing pay structure owing to which there was widespread resentment have been set right by way of rationalisation of pay levels, abolition of pay band and grade pay

and introduction of a matrix based open pay structure. Hence, there is no justification for increasing the frequency of MACP and it will continue to be administered at 10, 20 and 30 years as before. In the new Pay matrix, the employees will move to the immediate next level in the hierarchy. Fixation of pay will follow the same principle as that for a regular promotion in the pay matrix. MACP will continue to be applicable to all employees up to HAG level except members of Organised Group 'A' Services where initial promotions up to NFSG are time bound and hence assured.

5.1.45 There is, however, one significant aspect where this Commission feels that a change is required. This is with regard to the benchmark for performance appraisal for MACP as well as for regular promotion. **The Commission recommends that this benchmark, in the interest of improving performance level, be enhanced from 'Good' to 'Very Good.'** In addition, introduction of more stringent criteria such as clearing of departmental examinations or mandatory training before grant of MACP can also be considered by the government.

Withholding Annual Increments of Non-performers after 20 Years

5.1.46 There is a widespread perception that increments as well as upward movement in the hierarchy happen as a matter of course. The perception is that grant of MACP, although subject to the employee attaining the laid down threshold of performance, is taken for granted. This Commission believes that employees who do not meet the laid down performance criterion should not be allowed to earn future annual increments. The Commission is therefore proposing withholding of annual increments in the case of those employees who are not able to meet the benchmark either for MACP or a regular promotion within the first 20 years of their service. This will act as a deterrent for complacent and inefficient employees. However, since this is not a penalty, the norms for penal action in disciplinary cases involving withholding increments will not be applicable in such cases. This will be treated as an "efficiency bar". Additionally, for such employees there could be an option to leave service on similar terms and conditions as prescribed for voluntary retirement.

Benefits of Migrating to a New System

5.1.47 The following benefits are expected to accrue by migrating to the new system:

- a. The issues raised by various stakeholders in respect of the existing pay structure have been addressed by subsuming of grade pay and pay bands into one composite level.
- b. The correction of variable spacing between adjacent grade pay and pay bands by way of rationalisation has been effected. The disparity between PB-3 and PB-4 has been set right by the process of normalisation. This will also help address the demands for upgradation of grade pay received in the Commission solely on grounds of disparity between various pay bands.
- c. The fixation of revised pay has been greatly simplified in the new pay matrix and will not involve further calculations. The basic pay being drawn by any person on the date of implementation is to be multiplied by a factor of 2.57 and the figure so obtained will

be matched for the closest figure in the level pertaining to his/her existing grade pay and fixed there.

- d. The issue of differential entry pay has been resolved.
- e. The employee can traverse both vertically within a level in the new pay matrix by way of annual progression, and horizontally across levels by way of MACP as well as on regular promotion. This will enable him/her to visualise the career path across levels and span of service.
- f. The new matrix will provide greater visibility and transparency with respect to actual pay drawn as compared to the earlier system of pay scales or pay bands. It will also depict the exact amount payable to a person in relation to number of years spent in service in each level.
- g. The new pay matrix is expected to be easy to administer.
- h. In line with the principle of greater transparency, the new pay matrix will provide an unambiguous and complete view of the pay system in the Government of India.
- i. The pay matrix can be gainfully analysed to provide crucial data on trends in pay progression, number of personnel populating each level, number of personnel entering and retiring at various levels, promotional trends of various cadres, financial outgo at various levels, and so on. Hence, it can act as a powerful tool to bring in financial management reforms.

5.1.48 Similar pay matrices have been designed for the personnel of defence forces and the MNS so as to ensure uniformity in pay structures.

5.1.49 The Commission, after its interaction with the authorities of Australia and New Zealand, feels that India should also have a permanent Remuneration Authority that should review the pay structure based on job roles evaluation, remuneration prevailing in the market for comparable job profiles, general working of the economy, etc. within a given budgetary outlay. With this, the pay structure could be revised periodically, at more regular intervals, say annually, without putting an undue burden on the public exchequer every ten years, as is the case now. Such a periodic review may have many possible fallouts: impact of revision of wages could be easily absorbed in each year's budget and quicker remediation of anomalies would take place, leading to greater employee satisfaction. In the backdrop of annual revisions, the present system of biannual revision of DA could also be dispensed with.

Some Additional Illustrative Examples in Respect of Pay Fixation in the New Pay Matrix

5.1.50 Normal Fitment

<p>Ms. ABC is presently drawing a Basic Pay of ₹12,560 in GP 2400. For Normal Fitment, her Basic Pay will first be multiplied by a factor of 2.57 and then rounded-off to the nearest Rupee. In this case $12560 \times 2.57 = 32,279.20$, which will be rounded-off to ₹32,279. She will then be placed in the Pay Matrix in the Level corresponding to GP 2400 (Level 4 in this case) in a cell either equal to or next higher to ₹32,279. In this case, her salary will be fixed at ₹32,300.</p>	Pay Band	5200-20200				
	Grade Pay	1800	1900	2000	2400	2800
	Entry Pay (EP)	7000	7730	8460	9910	11360
	Levels	1	2	3	4	5
	Index	2.57	2.57	2.57	2.57	2.57
	1	18000	19900	21700	25500	29200
	2	18500	20500	22400	26300	30100
	3	19100	21100	23100	27100	31000
	4	19700	21700	23800	27900	31900
	5	20300	22400	24500	28700	32900
	6	20900	23100	25200	29600	33900
	7	21500	23800	26000	30500	34900
	8	22100	24500	26800	31400	35900
9	22800	25200	27600	32300	37000	
10	23500	26000	28400	33300	38100	
11	24200	26800	29300	34300	39200	

5.1.51 Upgraded by Seventh CPC

<p>Suppose, Ms. ABC, who is presently drawing a Basic Pay of ₹12,560 in GP 2400 (10160+2400), is upgraded to GP 2800 as a result of Seventh CPC's recommendations. Then the fitment will be in two steps:</p> <ol style="list-style-type: none"> 1. The new basic pay will be computed using the upgraded grade pay. The pay arrived will be as follows: Basic Pay: $10160+2800=12,960$. 2. Then this value will be multiplied by a factor of 2.57 and then rounded-off to the nearest Rupee. In this case $12960 \times 2.57 = 33,307.20$, which will be rounded-off to ₹33,307. She will then be placed in the Pay Matrix in the Level corresponding to her upgraded Grade Pay, i.e. GP 2800 (Level 5 in this case) in a cell either equal to or next higher to ₹33,307. In this case, her salary will be fixed at ₹33,900. 	Pay Band	5200-20200				
	Grade Pay	1800	1900	2000	2400	2800
	Entry Pay (EP)	7000	7730	8460	9910	11360
	Levels	1	2	3	4	5
	Index	2.57	2.57	2.57	2.57	2.57
	1	18000	19900	21700	25500	29200
	2	18500	20500	22400	26300	30100
	3	19100	21100	23100	27100	31000
	4	19700	21700	23800	27900	31900
	5	20300	22400	24500	28700	32900
6	20900	23100	25200	29600	33900	
7	21500	23800	26000	30500	34900	

5.1.52 Promotion/MACP

<p>Suppose, Ms. ABC, who, after having been fixed in the Pay Matrix, is drawing a Basic Pay of ₹28,700 in Level 4. She is upgraded to Level 5 (either regular promotion or through MACP). Then her salary will be fixed in the following manner:</p> <ol style="list-style-type: none"> 1. She will first be given one increment in her current Level 4 (to ₹29,600 in this case). 2. Then she will be placed in the Level 5 at a Level equal to or next higher compared to ₹29,600, which comes to ₹30,100 in this case. 	Pay Band	5200-20200				
	Grade Pay	1800	1900	2000	2400	2800
	Entry Pay (EP)	7000	7730	8460	9910	11360
	Levels	1	2	3	4	5
	Index	2.57	2.57	2.57	2.57	2.57
	1	18000	19900	21700	25500	29200
	2	18500	20500	22400	26300	30100
	3	19100	21100	23100	27100	31000
	4	19700	21700	23800	27900	31900
	5	20300	22400	24500	28700	32900
	6	20900	23100	25200	29600	33900
	7	21500	23800	26000	30500	34900

5.1.53 Annual Increment

<p>Suppose, Ms. ABC, who, after having been fixed in the Pay Matrix, is drawing a Basic Pay of ₹32,300 in Level 4. When she gets an annual increment on 1st of July, she will just move one stage down in the same Level. Hence, after increment, her pay will be ₹33,300.</p>	Pay Band	5200-20200				
	Grade Pay	1800	1900	2000	2400	2800
	Entry Pay (EP)	7000	7730	8460	9910	11360
	Levels	1	2	3	4	5
	Index	2.57	2.57	2.57	2.57	2.57
	1	18000	19900	21700	25500	29200
	2	18500	20500	22400	26300	30100
	3	19100	21100	23100	27100	31000
	4	19700	21700	23800	27900	31900
	5	20300	22400	24500	28700	32900
	6	20900	23100	25200	29600	33900
	7	21500	23800	26000	30500	34900
	8	22100	24500	26800	31400	35900
9	22800	25200	27600	32300	37000	
				↓		
10	23500	26000	28400	33300	38100	
11	24200	26800	29300	34300	39200	

Pay Structure (Defence Forces Personnel)

Chapter 5.2

5.2.1 The Defence Services in their Joint Services Memorandum have contended that the emoluments in the Defence Services should stand a fair comparison with what is available in the Civil Services, otherwise the Defence Services will be denied their legitimate share of the available talent pool.

5.2.2 The Commission has devised pay matrices for civil and defence forces personnel, after wide ranging feedback from multiple stakeholders. The common aspects of the two matrices and the unique elements in the defence pay matrix are outlined in the succeeding paragraphs.

General Approach to the Pay Matrices: Civil and Defence

5.2.3 Pay levels have been set out in a pay matrix, separately for civilian and defence forces personnel. The Commission has evolved a fresh approach by merging the grade pay and pay bands into distinct pay levels. The approach regarding the pay levels and pay matrix has been explained in Chapter 5.1. Some of the major points in the pay matrix which have a common bearing on civilian and defence forces personnel, are highlighted below.

5.2.4 **Pay Bands and Grade Pay:** Pay Bands and Grade Pays have been dispensed with and the new functional levels have been arrived at by merging the Grade Pay in the Pay Band. All the existing levels have been subsumed in the new structure.

5.2.5 **Entry Pay:** The entry pay for various ranks of defence forces personnel, other than MNS Offices, has been arrived at on the same premise, as has been done in the case of civilian. As an illustration, entry pay for a Captain has been arrived at as follows:

Entry pay in existing pay band + (Residency Period for promotion to Captain from Lieutenant x annual increment) + grade pay of the rank of Captain
 = ₹15,600 + (2 x ₹630) + ₹6,100 = ₹22,960.

5.2.6 An exception to this approach has been made in the case of Brigadiers/equivalents where pay for the rank has been arrived at as per the fitment table notified by the Ministry of Defence through its Special Army Instructions of October 2008.

5.2.7 **Fitment:** The starting point of a Sepoy (and equivalent), the entry level personnel in the defence forces, has been fixed in the Defence Pay Matrix at ₹21,700. The starting point in the existing pay structure is ₹8,460 for a Sepoy/equivalent. The fitment in the new matrix is essentially a multiple factor of 2.57. This multiple is the ratio of the new minimum pay arrived at by the Commission (₹18,000) and the existing minimum pay (₹7,000). The fitment factor is being applied uniformly to all employees. It includes a factor of 2.25 to account for DA neutralisation, assuming that the rate of Dearness Allowance would be 125 percent at the time of implementation of the new pay as on 01.01.2016. The actual raise/fitment being

recommended by the Commission is 14.29 percent. An identical fitment of 2.57 has also been applied to the existing rates of Military Service Pay (MSP), applicable to defence forces personnel only.

5.2.8 Rationalisation: An 'index of rationalisation' has been applied while making enhancement of levels from Pay Band 1 to 2, 2 to 3 and 3 onwards on the premise that role, responsibility and accountability increases at each step in the hierarchy. At the existing PB-1, this index is 2.57, increasing to 2.62 for personnel in PB-2 and further to 2.67 from PB-3. Recognising the significantly higher degree of responsibility and accountability at levels corresponding to Senior Administrative Grade, the entry pay is recommended for enhancement by a multiple of 2.72. The same multiple is also being applied at the HAG and HAG+ levels. At the apex level the index applied is 2.81 and for the Service Chiefs/Cabinet Secretary the index has been fixed at 2.78.

5.2.9 As noted in Chapter 5.1, dealing with the Civilian pay matrix, marked increase was accorded to directors in the GP 8700 at the stage of implementation of the VI CPC Report. Accordingly in the matrix the rationalisation index applied at this level has been fixed at 2.57, lower than the index of 2.67 applied to existing PB-3 officers. A similar formulation has necessarily to be applied to the defence pay matrix since the Lieutenant Colonels also received a marked increase in their pay level, post VI CPC recommendations. Since the defence services have an additional level in the existing PB-4 and there is a common pay level for SAG level officers in Defence and Civil, the Commission has applied the rationalisation index of 2.57 also to the officers in the rank of Colonel and Brigadier and their equivalent.

5.2.10 MACP: The Commission is not recommending an increase in the number of MACPs. For defence forces personnel this will continue to be administered at 8, 16 and 24 years as before. In the new pay matrix defence forces personnel will move to the immediate next pay level in the hierarchy. Fixation of pay will follow the same principle as that for a regular promotion in the pay matrix.

5.2.11 Equivalence in Pay Levels for Certain Levels: The starting pay level for officers at Group 'A' entry level is identical at ₹56,100 in the case of both civilian and defence service officers. Similarly the pay of the Major General and Joint Secretary and equivalent officers and those above [viz., Lieutenant General (in HAG, HAG+, Apex) and Chief of each defence service] has been kept identical with their civilian counterparts. Identical pay levels has been devised for JCO/ORs and their civilian counterparts corresponding to the existing pay bands and grade pay.

Defence Pay Matrix: Some Distinct Aspects

5.2.12 For defence forces personnel, there are two separate matrices, one for the Service Officers and JCO/ORs and another for the Military Nursing Officers. The existing ranks among Officers and JCO/ORs in the Defence Forces personnel has been kept in view while devising the matrix. There are a number of common strands in the Civil and Defence Pay Matrices, indeed the principles and philosophy on which they are based are identical. In the case of the pay matrix for Military Nursing Officers (MNS), the Commission has adopted an approach

that blends elements of the principles and philosophy adopted in devising the pay matrices with the existing uniqueness in the pay structure of MNS officers. Some of the unique elements that merit mention in the defence Pay Matrix have been outlined below:

5.2.13 Commencement of Matrix: The commencement of the Defence Pay Matrix for combatants corresponds to the existing GP 2000, which is the induction level for Sepoys and equivalent.

5.2.14 More Compact: The Pay Matrix designed for the defence forces personnel is more compact than the civil pay matrix keeping in view the number of levels, age and retirement profile of the service personnel. For example, the term of engagement of various ranks of JCOs/ORs are fixed and of shorter duration. Service Officers on the other hand are given time scale promotion upto the rank of Colonel and Equivalent and will therefore move, from one pay level to another, in accordance with the stipulated time frame.

5.2.15 Pay Levels Unique to Defence Forces Personnel: Pay levels corresponding to the existing GP 3400, GP 5700, GP 6100, GP 6600, GP 7600, GP 8000, GP 8400, GP 8700, GP 8900 and GP 9000 are unique to defence forces personnel. The minimum pay corresponding to each of these pay levels takes into account the normative residency period of the various ranks of officers.

5.2.16 The Commission emphasises that the pay structure designed by it for the defence forces personnel has been done keeping in view (a) some of the aspects in their rank structure unique to them and (b) pay structure is not intended to determine the status of the personnel vis-à-vis their counterparts on the civil side.

Pay Matrix (Defence Forces Personnel - Except MNS)

Pay Band	5200-20200			9300-34800					15600-39100			37400-67000				67000-79000	75500-80000	80000	90000
	2000	2400	2800	3400	4200	4600	4800	5400	5400	6100	6600	8000	8700	8900	10000				
Grade Pay	2000	2400	2800	3400	4200	4600	4800	5400	5400	6100	6600	8000	8700	8900	10000				
Entry Pay (EP)	8460	9910	11360	12700	13500	17140	18150	20280	21000	22960	25980	45400	48900	52290	53000	67000	75500	80000	90000
Level	3	4	5	5A	6	7	8	9	10	10B	11	12A	13	13A	14	15	16	17	18
Index	2.57	2.57	2.57	2.62	2.62	2.62	2.62	2.62	2.67	2.67	2.67	2.57	2.57	2.57	2.72	2.72	2.72	2.81	2.78
1	21700	25500	29200	33300	35400	44900	47600	53100	56100	61300	69400	116700	125700	134400	144200	182200	205400	225000	250000
2	22400	26300	30100	34300	36500	46200	49000	54700	57800	63100	71500	120200	129500	138400	148500	187700	211600		
3	23100	27100	31000	35300	37600	47600	50500	56300	59500	65000	73600	123800	133400	142600	153000	193300	217900		
4	23800	27900	31900	36400	38700	49000	52000	58000	61300	67000	75800	127500	137400	146900	157600	199100	224400		
5	24500	28700	32900	37500	39900	50500	53600	59700	63100	69000	78100	131300	141500	151300	162300	205100			
6	25200	29600	33900	38600	41100	52000	55200	61500	65000	71100	80400	135200	145700	155800	167200	211300			
7	26000	30500	34900	39800	42300	53600	56900	63300	67000	73200	82800	139300	150100	160500	172200	217600			
8	26800	31400	35900	41000	43600	55200	58600	65200	69000	75400	85300	143500	154600	165300	177400	224100			
9	27600	32300	37000	42200	44900	56900	60400	67200	71100	77700	87900	147800	159200	170300	182700				
10	28400	33300	38100	43500	46200	58600	62200	69200	73200	80000	90500	152200	164000	175400	188200				
11	29300	34300	39200	44800	47600	60400	64100	71300	75400	82400	93200	156800	168900	180700	193800				
12	30200	35300	40400	46100	49000	62200	66000	73400	77700	84900	96000	161500	174000	186100	199600				
13	31100	36400	41600	47500	50500	64100	68000	75600	80000	87400	98900	166300	179200	191700	205600				
14	32000	37500	42800	48900	52000	66000	70000	77900	82400	90000	101900	171300	184600	197500	211800				
15	33000	38600	44100	50400	53600	68000	72100	80200	84900	92700	105000	176400	190100	218200					
16	34000	39800	45400	51900	55200	70000	74300	82600	87400	95500	108200	181700	195800						
17	35000	41000	46800	53500	56900	72100	76500	85100	90000	98400	111400	187200							
18	36100	42200	48200	55100	58600	74300	78800	87700	92700	101400	114700	192800							
19	37200	43500	49600	56800	60400	76500	81200	90300	95500	104400	118100								
20	38300	44800	51100	58500	62200	78800	83600	93000	98400	107500	121600								
21	39400	46100	52600	60300	64100	81200	86100	95800	101400	110700	125200								
22	40600	47500	54200	62100	66000	83600	88700	98700	104400	114000	129000								
23	41800	48900	55800	64000	68000	86100	91400	101700	107500	117400	132900								
24	43100	50400	57500	65900	70000	88700	94100	104800	110700	120900	136900								

Matrix for Military Nursing Service (MNS) Officers

5.2.17 In the design of the pay matrix for Military Nursing Service (MNS) Officers, the Commission has kept in view the approach followed by previous Pay Commissions as well as historical and traditional relativities between the Armed Forces Officers and Military Nursing Service Officers. In particular the pay scales/grade pay based on the V and VI CPC Reports were kept in view.

Pay Structure of Defence Officers and Military Nursing Service Officers over time				
Rank	V CPC		VI CPC	
	Army	MNS	Army	MNS
Lieutenant	8250-300-10050 RP=Nil	8000-300-9500 RP=Nil	GP 5400 (PB-3) MSP=₹6000	GP 5400 (PB-3) MSP=₹4200
Captain	9600-300-11400 RP=₹400	9400-300-12100 RP=Nil	GP 6100 MSP=₹6000	GP 5700 MSP=₹4200
Major	11600-325-14850 RP=₹1200	11200-300-14800 RP=Nil	GP 6600 MSP=₹6000	GP 6100 MSP=₹4200
Lieutenant Colonel	13500-400-17100 RP=₹1600	12800-300-15200 RP=Nil	GP 8000 MSP=₹6000	GP 6600 MSP=₹4200
Colonel	15100-450-17350 RP=₹2000	13400-300-15500 RP=Nil	GP 8700 MSP=₹6000	GP 7600 MSP=₹4200
Brigadier	16700-450-18050 RP=₹2400	14700-300-16200 RP=Nil	GP 8900 MSP=₹6000	GP 8400 MSP=₹4200
Major General	18400-500-22400 RP subsumed in Pay	16400-450-20000	GP 10000 MSP subsumed in Pay	GP 9000 MSP subsumed in Pay

RP- Rank Pay; MSP- Military Service Pay

Military Nursing Service (MNS) Officers Pay Matrix

5.2.18 Accordingly, the following Pay matrix for Military Nursing Service (MNS) Officers is recommended by the Commission:

Pay Matrix (MNS)

Pay Band	15600-39100				37400-67000		
Grade Pay	5400	5700	6100	6600	7600	8400	9000
Level	10	10A	10B	11	12	12B	13B
1	56100	59000	64100	96300	109800	119700	129800
2	57800	60800	69900	99200	112900	123300	133700
3	59500	62600	72000	102200	116300	127000	137700
4	61300	64500	74200	105300	119800	130800	141800
5	63100	66400	76400	108500	123400	134700	146100
6	65000	68400	78700	111800	127100	138700	150500
7	67000	70500	81100	115200	130900	142900	155000
8	69000	72600	83500	118700	134800	147200	159700
9	71100	74800	86000	122300	138800	151600	164500
10	73200	77000	88600	126000	143000	156100	169400
11	75400	79300	91300	129800	147300	160800	174500
12	77700	81700	94000	133700	151700	165600	179700
13	80000	84200	96800	137700	156300	170600	185100
14	82400	86700	99700	141800	161000	175700	190700
15	84900	89300	102700	146100	165800	181000	196400
16	87400	92000	105800	150500	170800		
17	90000	94800	109000	155000	175900		
18	92700	97600	112300	159700			
19	95500	100500	115700	164500			
20	98400	103500	119200	169400			
21	101400	106600	122800	174500			
22	104400	109800	126500				
23	107500	113100	130300				
24	110700	116500	134200				

5.2.19 As indicated earlier in the case of the Defence Pay Matrix, the Commission has adopted an approach that blends elements of the principles and philosophy adopted in devising the matrices for civil and defence forces personnel with the existing uniqueness in the pay structure of MNS officers.

5.2.20 Therefore while the minimum pay at the entry level for MNS officers is identical with their civil and defence counterparts, as is the application of the fitment in pay for officers migrating into the matrix, the Commission has had to adopt a different approach while determining minimum pay corresponding to the existing grade pays other than GP 5400 (PB-3). In doing so, the Commission has adopted a formulation as under:

$$\text{Minimum Pay for a Rank in MNS} = (\text{Minimum Pay for that Rank in Defence Pay Matrix}) \times (\text{Grade Pay of the Rank in MNS}) / (\text{Grade Pay of that Rank in the Services})$$

For example Minimum Pay for Colonel in MNS = (125,700) x (7600)/(8700) = ₹1,09,807. This has been approximated to ₹1,09,800 in the Matrix.

5.2.21 While this formulation has been adopted for all ranks of MNS officers, two exceptions have been made for purposes of rationalising the pay structure:

- i. In the case of Captains, the Commission has moderated the minimum pay level upwards to ₹59,000¹⁷, to avoid bunching of minimum pay of MNS Lieutenant and Captain.
- ii. In the case of Brigadiers some moderation downwards from the figure arrived at by the formula (₹1,26,800) has been effected to provide suitable differential in the minimum of the pay level between Brigadier and Major General of MNS. Hence the mid-point of the minimum of the pay levels of Colonel and Major General viz., ₹1,19,700 has been taken as the minimum pay for the Brigadier of MNS.

Military Service Pay (MSP)

5.2.22 The defence forces personnel, in addition to their pay as per the Matrices above, will be entitled to payment of Military Service Pay for all ranks up to and inclusive of Brigadiers and their equivalents. The Commission recommends an MSP for the four categories of Defence forces personnel at ₹15,500 for the Service Officers, ₹10,800 for Nursing Officers, ₹5,200 for JCO/ORs, and ₹3,600 for Non Combatants (Enrolled) in the Air Force per month. MSP will continue to be reckoned as **Basic Pay for purposes of Dearness Allowance, as also in the computation of pension.** Military Service Pay will however not be counted for purposes of House Rent Allowance, Composite Transfer Grant and Annual Increment.

¹⁷ Without moderation upwards, by use of formula, the minimum pay for a Captain of MNS would be ₹57,280, which would be very close to ₹56,100 the minimum pay at the level of an MNS Lieutenant.

Annex to Chapter 5.2

Annex: Levels as per the Pay Matrix			
Existing Pay Bands	Existing levels of Grade Pay	Available for*	New Levels
PB-1	1800	C	1
	1900	C	2
	2000	C,D	3
	2400	C	4
	2800	C,D	5
PB-2	3400	D	5A
	4200	C,D	6
	4600	C,D	7
	4800	C,D	8
	5400	C	9
PB-3	5400	C,D,M	10
	5700	M	10A
	6100	D	10B
	6100	M	10B
	6600	C,D,M	11
	7600	C	12
PB-4	7600	M	12
	8000	D	12A
	8400	M	12B
	8700	C	13
	8700	D	13
	8900	C	13A
	8900	D	13A
	9000	M	13B
	10000		14
HAG			15
HAG+			16
Apex			17
Cabinet Secretary, Defence Chiefs			18

*C: Civil; D: Defence; M: Military Nursing Service (MNS)