

**INTERPRETATION OF PROPOSED OPTION 3 FOR REVISED PENSION
HOW FAR IS IT AN ALTERNATIVE TO OPTION 1 RECOMMENDED BY 7th CPC?**

By N. P. MOHAN, President, RSCWS

The most significant recommendation of 7th CPC is to bring parity between past pensioners with those retiring after 1-1-2016 (Para 10.1.67). A long standing demand of the pensioners, who have been the victim of Modified Parity in the last two decades from 1-1-1996 (5th CPC), has been addressed by the Commission. The parity is sought to be achieved by the recommendation of Option 1 for revised pension which provides for consideration of increments earned in the last Level by a pensioner while in service. Recognizing the delay in checking record for ascertaining the increments for implementation of this option, revised pension in the interim phase was recommended to be fixed by multiplying the pension fixed after 6th CPC by MF of 2.57 (Option 2). This option has already been implemented.

While accepting the above recommendations, Govt. had constituted a 5 member Committee under the chairmanship of Secretary (Pension) to examine the feasibility of implementation of Option 1. The Committee in its meeting with JCM on 6th October has suggested an alternative option (Option 3) to overcome the difficulty of tracing record in some cases. It has been indicated in Para 5 of the minutes of the meeting "that the Committee has found that the alternative method of arriving at notional pay in Seventh CPC by applying formula for pay revision for serving employees in each Pay Commission and giving 50% of this as pension to be beneficial to all pensioners in comparison to the fitment method."

Dispensation of revised pension under alternative Option 3 will depend on the decision of the Govt on the recommendations of this Committee. The impact of Option 3 as understood from the proposal of the Committee mentioned in above is reflected in the 3 tables indicating the revised pension.

EXAMPLE OF REVISED PENSION UNDER OPTIONS 1 & 2 of 7 th CPC & OPTION 3 BASED ON NOTIONAL PAY IN SUCCESSIVE PAY COMMISSIONS (As proposed in Para 5 of the minutes of the meeting of Feasibility Committee held with JCM on 6-10-2016) FOR PENSIONERS RETIRING IN 5TH CPC REGIME (1.1.1996 TO 31-12-2005) FROM SCALE S 13 (7450-11500)-LEVEL 7								
Average Pay on retirement	Pension after 5th CPC (Higher of Mod. Parity or with factor of 2.26) - whichever is higher	Notional pay-6th CPC (As per Fitment table-6th CPC)	Notional pay-7th CPC with MF OF 2.57-3rd option (col.2xMF)	Pay in the next cell of 7th CPC Pay Matrix-3rd Option	Pay based on option 1 with no. Of increments (7th CPC pay matrix-Level 7)	Revised Pension as per Option 3 (col.4/2)	Revised Pension as per Option 1 (col.5/2)	Revised Interim Pension as per Option 2 of 7th CPC (Col.2x2.57)
1	2	3	4	5	6	7	8	9
7450	9230	18460	47442	47600	44900	23800	22450	23721
7675	9230	18880	48522	49000	46200	24500	23100	23721
7900	9230	19300	49601	50500	47600	25250	23800	23721
8125	9230	19720	50680	52000	49000	26000	24500	23721
8350	9436	20144	51770	52000	50500	26000	25250	24249
8575	9690	20550	52814	53600	52000	26800	26000	24903
8800	9944	20970	53893	55200	53600	27600	26800	25556
9025	10198	21390	54972	55200	55200	27600	27600	26210
9250	10453	21810	56052	56900	56900	28450	28450	26863
9475	10707	22230	57131	58600	58600	29300	29300	27516
9700	10961	22650	58211	58600	60400	29300	30200	28170
9925	11215	23070	59290	60400	62200	30200	31100	28823
10150	11470	23480	60344	60400	64100	30200	32050	29477
10375	11724	23900	61423	62200	66000	31100	33000	30130
10600	11978	24320	62502	64100	68000	32050	34000	30783
10825	12232	24740	63582	64100	70000	32050	35000	31437
11050	12487	25160	64661	66000	72100	33000	36050	32090
11275	12741	25580	65741	66000	74300	33000	37150	32744
11500	12995	25990	66794	68000	76500	34000	38250	33397

NOTES:- 1. This table is illustrative under option 3 which is as per understanding of the proposal indicated by the Feasibility Committee based on Notional pay fixation in successive Pay Commissions.

2. Actual fixation of revised pension will depend on Govt's decision in the matter.

3. The figures of revised pension under Option 1 (Col. 8) are for each stage of increment.

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