

GOVERNMENT OF INDIA  
MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS  
(Department of Pension and Pensioners' Welfare)


**RESOLUTION**

New Delhi, the 4<sup>th</sup> August, 2016

No.38/37/2016-P&PW (A) - The Terms of Reference of the Seventh Central Pay Commission as contained in Ministry of Finance (Department of Expenditure) Resolution No.1/1/2013-E.III (A) dated 28.2.2014 included the following:

“To examine the principles which should govern the structure of pension and other retirement benefits, including revision of pension in the case of employees who have retired prior to the date of effect of these recommendations, keeping in view that retirement benefits of all Central Government employees appointed on and after 01.01.2004 are covered by the New Pension Scheme (NPS).”

2. The Commission, on 19<sup>th</sup> November, 2015, submitted its report to the Government on Terms of Reference as contained in aforementioned Resolution dated 28.02.2014. Government, after consideration, has decided to accept the recommendations of the Commission on pensionary benefits to the Central Government civil employees, including employees of the Union Territories and Members of All India Services subject to certain modifications, as specified hereinafter. .
3. Detailed recommendations of the Commission relating to pensionary benefits and the decisions taken thereon by the Government are listed in the statement annexed to this Resolution.
4. The revised provisions regarding pensionary benefits, which have been accepted as indicated in the Annexure, will be effective from 01.01.2016.

  
(Vandana Sharma)  
Joint Secretary to the Govt. of India

## Annexure

Statement showing the recommendations of the Seventh Central Pay Commission relating to principles which should govern the structure of pension and other terminal benefits and the decisions of the Government thereon.

<b>Item No.</b>	<b>Recommendation</b>	<b>Decision of Government</b>
1.	<p><b><u>Fixed Medical Allowances</u></b></p> <p>The Commission notes that this allowance was enhanced from Rs.300/- p.m. to Rs.500/- p.m. from 19.11.2014. As such, further enhancement of this allowance is not recommended.</p> <p>(Para 8.17.52 of the Report)</p>	<p>To be examined by a Committee comprising Finance Secretary and Secretary (Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Posts, Health &amp; Family Welfare, Personnel &amp; Training and Chairman, Railway Board as Members. Till a final decision is taken based on the recommendations of the Committee, Fixed Medical Allowance shall be paid at existing rates.</p>
2.	<p><b><u>Constant Attendance Allowance.</u></b></p> <p>The allowance may be increased by a factor of 1.5 i.e. to Rs. 6750/- per month. The allowance needs further increase by 25% each time DA rises by 50% .</p> <p>(Para 8.17.29 of the Report)</p>	<p>To be examined by a Committee comprising Finance Secretary and Secretary (Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Posts, Health &amp; Family Welfare, Personnel &amp; Training and Chairman, Railway Board as Members. Till a final decision is taken based on the recommendations of the Committee, Constant Attendant Allowance shall be paid at existing rates.</p>
3.	<p><b><u>General Provident Fund</u></b></p> <p>Status quo may be maintained in this respect.</p> <p>(Para 9.4.4 of the Report)</p>	<p>Accepted</p>
4.	<p><b><u>Rates of Pension &amp; Family Pension</u></b></p> <p>The Commission does not recommend any further increase in the rate of Pension and Family Pension from the existing levels.</p> <p>(Para 10.1.25 of the Report)</p>	<p>Accepted</p>

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5.	<p><b><u>Quantum of Minimum Pension</u></b></p> <p>The recommendations of the Commission in relation to pay of a personnel will lead to a significant increase in the minimum from the existing Rs.7,000 per month to Rs.18,000 per month. This, based on computation of pension, will raise minimum pension from the existing Rs.3500 to Rs.9,000. The minimum pension based on the recommendations of the Commission will increase by 2.57 times over the existing level.</p> <p>(Para 10.1.27 of the Report)</p>	Accepted
6.	<p><b><u>Rate of Additional Pension and Family Pension to the older pensioners.</u></b></p> <p>The Commission is of the view that the existing rates of additional pension and additional family pension are appropriate.</p> <p>(Para 10.1.30 of the Report)</p>	Accepted
7.	<p><b><u>Time Period for enhanced family pension.</u></b></p> <p>The Commission notes that the recommendation with regard to period of eligibility of the enhanced family pension of 10 years in case of death of a serving employee was made based on the recommendations of VIth CPC Report. No further change is being recommended by the Commission.</p> <p>(Para 10.1.33 of the Report)</p>	Accepted
8.	<p><b><u>Gratuity ceiling and its indexation.</u></b></p> <p>The Commission recommends enhancement in the ceiling of gratuity from the existing Rs.10 lakh to Rs.20 lakh from 01.01.2016. The Commission further recommends the ceiling on gratuity may increase by 25% whenever DA rises by 50%.</p> <p>(Para 10.1.37 of the Report)</p>	Accepted

9.	<p><b><u>Rationalization of death gratuity</u></b></p> <p>The Commission, after examination of the matter, recommends the following rates for payment of death gratuity:</p> <table border="1" data-bbox="389 725 1106 1436"> <thead> <tr> <th data-bbox="389 725 772 799">Length of Service</th> <th data-bbox="772 725 1106 799">Rate of Death Gratuity</th> </tr> </thead> <tbody> <tr> <td data-bbox="389 799 772 873">Less than One year</td> <td data-bbox="772 799 1106 873">2 times of monthly emoluments</td> </tr> <tr> <td data-bbox="389 873 772 948">One Year or more but less than 5 years</td> <td data-bbox="772 873 1106 948">6 times of monthly emoluments</td> </tr> <tr> <td data-bbox="389 948 772 1022">5 years or more but less than 11 years</td> <td data-bbox="772 948 1106 1022">12 times of monthly emoluments</td> </tr> <tr> <td data-bbox="389 1022 772 1096">11 years or more but less than 20 years</td> <td data-bbox="772 1022 1106 1096">20 times of monthly emoluments</td> </tr> <tr> <td data-bbox="389 1096 772 1436">20 years or more</td> <td data-bbox="772 1096 1106 1436">Half month of emoluments for every completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments.</td> </tr> </tbody> </table> <p>Para 10.1.41 of the Report)</p>	Length of Service	Rate of Death Gratuity	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 completed six monthly period of qualifying service subject to a maximum of 33 times of emoluments.	Accepted
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10	<p><b><u>Commutation of Pension and restoration of commuted pension</u></b></p> <p>The Commission does not recommend any change either in the maximum percentage of commutation or in the period of restoration.</p> <p>(Para 10.1.43 of the Report)</p>	Accepted												

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<p>11</p>	<p><b><u>Revision of Pension of pre 7<sup>th</sup> CPC retirees</u></b></p> <p>The Commission recommends the following pension formulation for civil employees including CAPF personnel who have retired before 01.01.2016</p> <p>(i) All the Civilian personnel including CAPF who retired prior to 01.01.2016 (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 retiree, 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.</p> <p>(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 recommendations, shall be multiplied by 2.57 to arrive at an alternate value for the revised pension.</p> <p>(iii) Pensioners may be given the option of choosing whichever formulation is beneficial to them.</p> <p>It is recognized that the fixation of pension as per formulation in (i) above may take a little time since the records of each pensioner will have to be checked to ascertain the number of increments earned in the retiring level. It is therefore recommended that in the first instance the revised pension may be calculated as at (ii) above and the same may, be paid as an interim measure. In the event calculation as per (i) above yields a higher amount the difference may be paid subsequently.(Para 10.1.67 and Para 10.1.68 of the Report)</p>	<p>Both the options recommended by the 7<sup>th</sup> Central Pay Commission as regards pension revision be accepted subject to feasibility of the implementation. Revision of pension using the second option based on fitment factor of 2.57 be implemented immediately. The first option may be made applicable if its implementation is found feasible after examination by the Committee comprising Secretary (Pension) as Chairman and Member (Staff). Railway Board, Member (Staff), Department of Posts, Additional Secretary &amp; Financial Adviser, Ministry of Home Affairs and Controller General of Accounts as Members</p>
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**Ex-gratia Lumpsum Compensation**

Accepted

The commission recommends a Common regime for payment of ex-gratia lump-sum compensation for civil and defence forces personnel, payable to the next of Kin at the following rates:

Circumstances	Existing	Proposed
Death occurring due to accidents in course of performance of duties	10 lakh	25 lakh
Death in the course of performance of duties attributed to acts of violence by terrorists, anti social elements etc.	10 lakh	25 lakh
Death occurring in border skirmishes and action against militants, terrorists, extremists, sea pirates	15 lakh	35 lakh
Death occurring while on duty in the specified high altitude, unaccessible border posts, on account of natural disasters, extreme weather conditions	15 lakh	35 lakh
Death occurring during enemy action in war or such war like engagements, which are specifically notified by Ministry of Defence and death occurring during evacuation of Indian Nationals from a war-torn zone in foreign country	20 lakh	45 lakh

(Para 10.2.77)