

These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>

# 7<sup>th</sup> Pay Commission

Chairman - Justice Shri Ashok Kumar Mathur

Member - Shri Vivek Rae

Member - Dr. Rathin Roy

Secretary - Smt. Meena Agarwal

Pay Commission	Established	Implemented	Chairman	Financial Impact	Details
First	January 1946	May 1947	Srinivasa Varadachariar		During Interim government
Second	August 1957	1959	Jagannath Das	₹ 39.6 crore	Recruiting minimum qualification persons to ensure efficient functioning of the system
Third	April 1970	March 1973	Raghubir Dayal	₹ 144 crore	Introduced 3 concepts for pay structure: inclusiveness, comprehensibility & Adequacy
Fourth	June 1983	March 1987	P N Singhal	₹ 1282 crore	Introduce Rank Pay concept for armed forces officer
Fifth	April 1994	May 1994	Justice S. Ratnavel Pandian	₹ 17,000 crore	Scramble in salary of about 3.3 million central government employees
Sixth	July 2006	April 2008	Justice B.N. Srikrishna	₹ 20,000 crore	total of 5.5 million government employees benefited
Seventh	September 2013	January 2016	Justice Ashok Kumar Mathur	₹ 1,02,100 crore	23.55% hike in pay and allowances

These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>

## Need for 7<sup>th</sup> Pay Commission

### Affected People

- Recommended 14.27% hike in basic pay at junior levels, the lowest in 70 years.
- 6th PC it was 20% hike which the government doubled while implementing it in 2008.
- 7<sup>th</sup> PC recommended changes in the pay of:
  - 33 lakh central government employees
  - 14 lakh armed forces personnel
  - 52 lakh pensioners

These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>

## Highlights

- Fitment Factor = 2.57 across all pay grades
- Yearly increment rate same as 3% before
- House Building Advance now Rs 25 lakh from Rs 7.5 Lakhs
- Increase Gratuity to Rs. 25 Lakhs from 10 Lakhs

Gratuity is a collectable amount for an employee, paid as a gratitude by the organization for individual who has worked in an organization for a minimum of 5 years. Known as end of service benefits.

Based on average salary, DA and number of years worked

## Dr. Wallace Akroyd

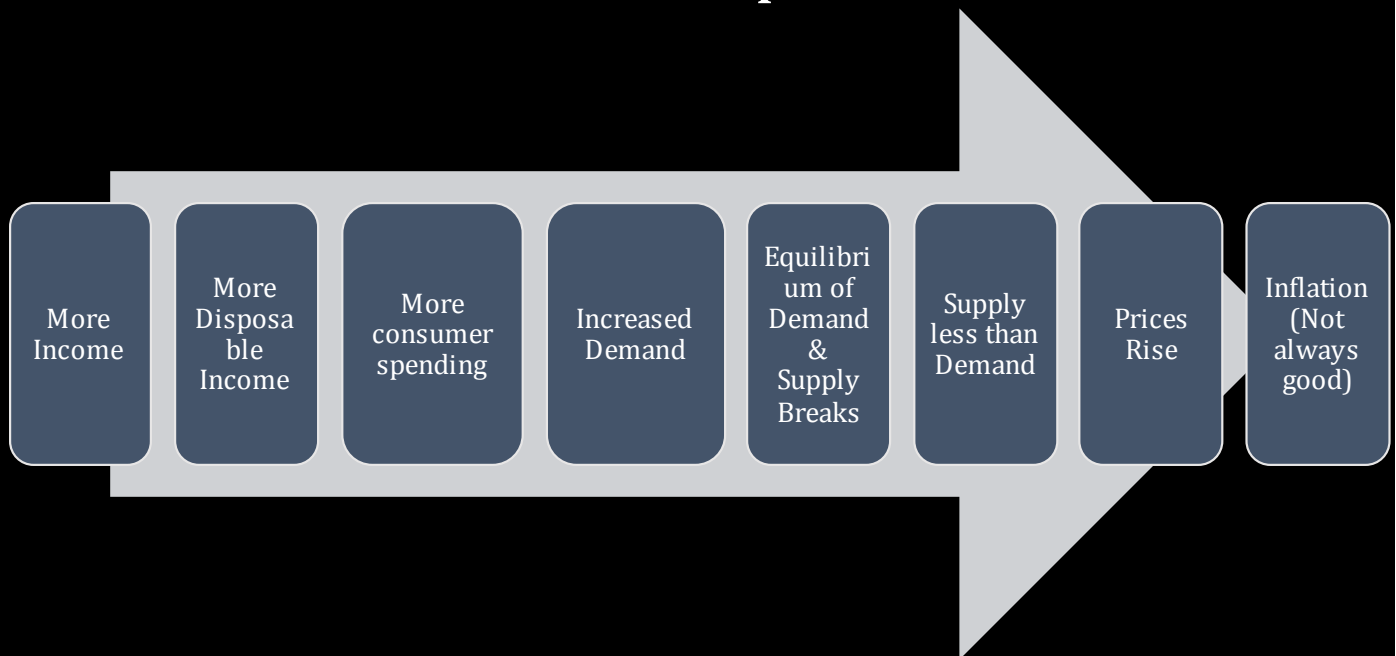
- First director of the Department of Nutrition at Food and Agricultural Organisation (FAO)
- In 1935, he was appointed director of the government's nutritional research center at Coonoor in Kerala, India.
- Laid the food requirement for Indian adult
- Need-Based Minimum Wage concept to compute pay at the minimum level

These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>

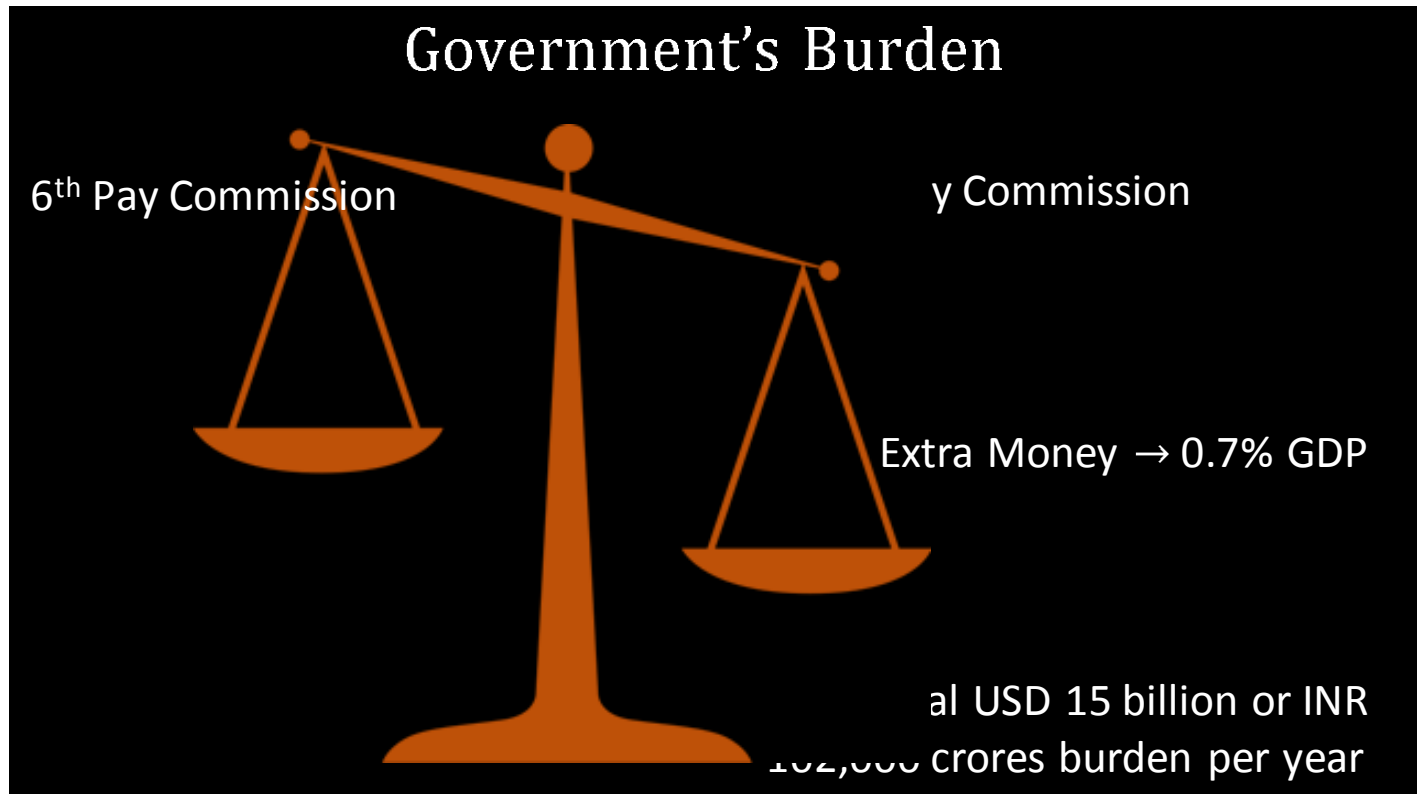
## 15<sup>th</sup> Indian Labour Conference (ILC) 1957 Norms

- Standard working class family to be taken as 3 consumption units for one earner, which is two adults and two children.
- Minimum food requirement to be taken as a balanced diet of 2,700 calories per day per consumption unit;
- Clothing requirement → per capita consumption of 18 yards per annum, which gives 72 yards per annum for the average worker's family;
- For housing, the rent corresponding to the minimum area provided for under the government's industrial housing schemes should be taken
- Fuel, lighting and other items of expenditure should constitute 20 per cent of the total minimum wage.

## What to Expect?



These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>



## Key Points!

- Fixation of Pay on Promotion
- Special pay system to be re-introduced
- Modified Assured Career Progression (MACP)
- Abolish 52 Allowances
- *Risk and Hardship Allowance – 9 cell with RH-Max for Siachen*

These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>

## Key Points!

- Maternity Leave and Paternity Leave at Status quo.
- Hutting Allowance to be deleted – In case of plague – Vacate houses
- Rent free Accommodation to be deleted
- Abolish Furlough leave (for defense personnel's)
- Family HRA Allowance - Incentive for posting to NE region. Must be extended to Andaman, Nicobar and Lakshadweep also

## Key Points!

- HRA should be 24%, 16% and 8% of the Basic Pay for Class X, Y and Z cities respectively.
- Rate of HRA will be revised to 27%, 18% and 9% when DA crosses 50 percent, and further to 30%, 20% and 10% when DA crosses 100%.
- Provide Compensatory City Allowance and Transport Allowance, Overtime allowance, Night Duty Allowance
- Hierarchical promotions to all employees in career

These Slides Accompany the YouTube Video Tutorial:  
<https://www.youtube.com/watch?v=o2EcRHL15pw>

## City Classification

- Before 6<sup>th</sup> PC, classification of cities was based on:
  - Compensatory City Allowance (CCA) → A-1, A, B-1 and B-2
  - HRA → A-1, A, B-1, B-2 and C
- *Under 6<sup>th</sup> PC:*
  - A-1 → X (Tier -1)
  - A, B-1, B-2 → Y (Tier -2)
  - C & Unclassified → Z (Tier -3)
- 2011, Pune & Ahmedabad upgraded to X from Y & 21 to Y from Z.
- Currently 8 - X Cities - Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata, Mumbai, Pune

## Pros & Cons of 7<sup>th</sup> Pay Commission

Examrace