

Government of India
Ministry of Finance
Department of Expenditure

LOK SABHA
UNSTARRED QUESTION No.6447

TO BE ANSWERED ON FRIDAY, APRIL 6, 2018/CHAITRA 16, 1940 (SAKA)

EQUAL BASIC PENSION UNDER SEVENTH CPC

6447: SHRI P. K. KUNHALIKUTTY

Will the Minister of FINANCE be pleased to state:

- (a) whether the Seventh Central Pay Commission (CPC) has recommended option-I for ensuring equal basic pension to pre – 2016 and post – 2015 pensioners retiring from similar/equal posts and stages and if so, the details thereof;
- (b) whether the Government has finally not accepted that recommendation and if so, the details thereof; and
- (c) the steps taken/being taken by the Government to ensure that such similarly placed pensioners get equal basic pension from 01.01.2016?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI P. RADHAKRISHNAN)

(a) to (c) The 7th Central Pay Commission had recommended two formulations for revision of pension of employees who retired before 01.01.2016 and the employees were given option to choose whichever formulation was beneficial. As per the first formulation, the Commission recommended for revision of pension based on notional pay arrived at by adding the number of increments an employee had earned in the appropriate level while in service. This formulation was later on examined by a Committee under the Chairmanship of Secretary, Department of Pension and Pensioners' Welfare. The Committee recommended that instead of counting of increments earned in the retiring scale and applying directly to the 7th Pay Commission Pay Matrix, a more scientific and rational method would be to refix pay in each successive Pay Commission as per the formula for revision of pay right up to the 7th Pay Commission. This method of fixing notional pay and pension would benefit a larger number of pensioners as compared to the increment method which benefits only a select segment of pensioners who served for a longer period in the retiring scale without being promoted to a higher grade. This has been accepted by the Government and appropriate orders have been issued.
