

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE

LOK SABHA
UNSTARRED QUESTION No. 212

TO BE ANSWERED ON MONDAY, DECEMBER 1, 2025/AGRAHAYANA 10, 1947 (SAKA)

"CONSTITUTION OF 8TH CENTRAL PAY COMMISSION"

212. SHRI ANAND BHADAURIA:

Will the Minister of **Finance** be pleased to state:

- a) whether the Government has issued notification for constitution of 8th Central Pay Commission recently;
- b) if so, the details thereof;
- c) whether the Government proposes to merge the existing DA/DR with basic pay as an immediate relief measure for Central Government employees/pensioners who are facing unprecedented inflation during the last 30 years since DA/DR given to these employees is not in consonance with the real time retail inflation;
- d) if so, the details thereof; and
- e) if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

- (a) to (b): Yes sir, Government has notified Resolution dated 03.11.2025 for constitution of the Eighth Central Pay Commission. A copy of the Notification is enclosed at Annexure-I.
- (c) to (e): No proposal regarding merger of the existing Dearness Allowance with the Basic Pay is under consideration with the Government at present. In order to adjust the cost of living and to protect Basic Pay/Pension from erosion in real value on account of inflation, the rates of DA/DR are revised periodically every 6 months on the basis of All India Consumer Price Index for Industrial Workers (AICPI-IW) released by Labour Bureau, Ministry of Labour and Employment.

Resolution No. 01-01/2025-E.III(A) dated 03.11.2025 as referred to in reply to part (a) and (b) of the Lok Sabha Unstarred Question No. 212 for answer on 01.12.2025.

MINISTRY OF FINANCE
(Department of Expenditure)
RESOLUTION

New Delhi, the 3rd November, 2025

F. No. 01-01/2025-E.III(A).—The Government of India have decided to appoint the Eighth Central Pay Commission comprising of the following:-

- | | | |
|----|-----------------------------|--------------------------------------|
| 1. | Chairperson | - Smt. Justice Ranjana Prakash Desai |
| 2. | Member (<i>Part-Time</i>) | - Prof. Pulak Ghosh |
| 3. | Member-Secretary | - Shri Pankaj Jain |

2. The terms of reference of the Commission will be as follows:-

- a) To examine and recommend changes that are desirable and feasible in the emoluments including pay, allowances, and other facilities/ benefits, in cash or kind, having regard to rationalization, contemporary functional requirements and the specialized needs of various Departments, agencies and services in respect of following categories of employees:
 - (i) Central Government employees — industrial and non-industrial;
 - (ii) Personnel belonging to the All India Services;
 - (iii) Personnel belonging to the Defence Forces;
 - (iv) Personnel of the Union Territories;
 - (v) Officers and employees of the Indian Audit and Accounts Department;
 - (vi) Members of the regulatory bodies (excluding the RBI) set up under the Acts of Parliament;
 - (vii) Officers and employees of the Supreme Court;
 - (viii) Officers and employees of the High Courts whose expenditure is borne by the Union Territories; and
 - (ix) Judicial officers of the subordinate courts in the Union Territories.

[Note: In respect of judicial officers, the Commission shall adhere to the principle enunciated by the Supreme Court in its Judgement dated 24th August, 1993 in All India Judges' Association and Others V/s Union of India and Others, viz. that there shall be no link between service conditions of judges and administrative executive and that the service conditions of judges have to meet the special needs of the judiciary].
- (b) To work out an emolument structure conducive to attracting talent to Government service, promoting efficiency, accountability and responsibility in the work culture.
- (c) To examine the existing schemes of bonus with a view to improving performance and productivity and make recommendations on the general principles, financial parameters, productivity and performance-linked parameters for an appropriate incentive Scheme to reward excellence in productivity and performance.
- (d) To review the existing allowances and conditions of their admissibility and recommend their rationalization keeping in view the multiplicity of allowances.
- (e)
 - (i) To review the Death-cum-Retirement Gratuity of employees borne on the National Pension System (including Unified Pension Scheme) and make recommendations thereon.
 - (ii) To review the Death-cum-Retirement Gratuity and pensions of employees not borne on the National Pension System (including Unified Pension Scheme) and make recommendations thereon keeping in view Para f(iii) below.
- (f) To make recommendations on the above, keeping in view:
 - (i) The economic conditions in the country and the need for fiscal prudence;
 - (ii) The need to ensure that adequate resources are available for developmental expenditure and welfare measures;

- (iii) The unfunded cost of non-contributory pension schemes;
- (iv) The likely impact of the recommendations on the finances of the State Governments which usually adopt the recommendations with some modifications; and
- (v) The prevailing emolument structure, benefits and working conditions available to employees of Central Public Sector Undertakings and private sector.

3. The Commission will devise its own procedure and may appoint such Advisors, Institutional Consultants and Experts, as it may consider necessary for any particular purpose. It may call for such information and take such evidence, as it may consider necessary. Ministries and Departments of Government of India shall furnish such information and documents and other assistance as may be required by the Commission. The Government of India trusts that State Governments, Service Associations and others concerned will extend to the Commission their fullest cooperation and assistance.

4. The Commission will have its headquarters in Delhi.

5. The Commission will make its recommendations within 18 months of the date of its constitution. It may consider, if necessary, sending interim reports on any of the matters as and when the recommendations are finalized.

V. VUALNAM, Secy.

ORDER

ORDERED that the Resolution be published in the Gazette of India.

ORDERED also that a copy of the Resolution be communicated to the Ministries/Departments of the Government of India, State Governments/ Administrations of Union Territories and all others concerned.

V. VUALNAM, Secy.