

Federation of National Postal Organisations

T-24, Atul Grove road, New Delhi -110001

No: FNPO/8th CPC/NC-JCM Draft committee

dated 07.01.2026

To
The Secretary,
National Council, JCM (Staff Side)
13-C, Ferozshah Road,
New Delhi -110001

Respected Sir,

Sub:- Memorandum for 8th CPC draft committee from NCJCM – regd.

Ref:- Your Lr No: NC-JCM-2025/6th CPC dated 17.11.2025

With reference to the above cited letter, your good office has invited views and inputs on various common issues of Central Government employees such as minimum wages, fitment factor, higher pay scales, pay structure, allowances, promotions, etc., for incorporation in the draft to be submitted to the Hon'ble Chairman, 8th Central Pay Commission.

Being a Member of NC-JCM and Secretary General of the Federation of National Postal Organisations (FNPO), I am submitting my views on the above-mentioned subjects for kind consideration while finalizing the main draft by the Draft Committee for submission to the 8th CPC on behalf of Central Government employees.

I trust that the views submitted will receive due consideration.

Yours sincerely,


(SIVAJI VASIREDDY)
Secretary General &
Member, NCJCM (staff side)

DA: as above

Copy to:

1. The Leader NC-JCM(Staff Side), 13-C, New Delhi for information and necessary action.
2. All the affiliated General secretaries of FNPO.

FEDERATION OF NATIONAL POSTAL ORGANISATIONS PROPOSAL TO THE 8th CENTRAL PAY COMMISSION DRAFT COMMITTEE -NJCM

1. Preamble

The Federation of National Postal Organisations (FNPO) submits this comprehensive proposal to the 8th Central Pay Commission draft committee (NJCM) after extensive consultations with its affiliated unions and a detailed examination of the historical and legal foundations governing minimum wage fixation for Central Government employees. This submission draws upon the evolution of minimum wage determination from the 1st to the 7th Central Pay Commissions, the norms prescribed by the 15th Indian Labour Conference (ILC) based on the Aykroyd nutritional formula, the binding judgment of the Hon'ble Supreme Court in *Raptakos Brett & Co. vs. Workmen (1991)*, and the methodology and conclusions adopted by the 7th Central Pay Commission.

While the 7th CPC formally acknowledged the primacy of the 15th ILC norms, its selective dilution, exclusion of mandated components, and mechanical rounding-off resulted in a minimum pay that fails to reflect the principles of a genuine need-based wage, particularly in the context of persistent inflation and rapidly escalating household expenditure. FNPO submits that the 8th CPC has both the opportunity and the constitutional obligation to restore doctrinal consistency, empirical credibility, judicial compliance, and social justice in the determination of minimum pay.

2. Historical Consensus from the 1st to the 7th Central Pay Commissions

2.1 Core Principles Historically Accepted

Across successive Central Pay Commissions, a consistent and settled understanding has emerged that wages cannot be determined on a single parameter. Pay fixation has historically been recognised as a composite exercise that must necessarily reflect a scientifically determined need-based minimum wage, the content of the job and the skill required to perform it, the economic capacity of the State, and internal pay relativities within the service structure. Within this framework, the norms evolved by the 15th Indian Labour Conference, founded on Dr. Wallace Aykroyd's scientifically validated nutritional framework, have remained the only tripartite-approved benchmark unanimously accepted by labour representatives and the Government.

2.2 Deviations Were Fiscal, Not Conceptual

The deviations introduced by the 2nd, 3rd, and 4th Central Pay Commissions from the ILC norms arose solely due to fiscal constraints prevailing at the relevant time and not on account of any conceptual deficiency in the norms themselves. The 5th CPC, despite recognising the Supreme Court-mandated 25 per cent addition, abandoned the need-based approach in favour of the Constant Relative Income Method, which constituted a policy departure rather than a welfare standard. The 6th CPC reverted to the 15th ILC norms but altered retail price bases and excluded housing at 7.5 per cent and social obligations at 25 per cent, thereby deviating from binding judicial directions.

3. Judicial Mandate – Binding and Non-Negotiable

The Hon'ble Supreme Court, in its authoritative judgment in *Raptakos Brett & Co. vs. Workmen (1991)*, categorically ruled that 25 per cent must be added to the minimum wage to meet unavoidable human and social requirements, including children's education, medical treatment, social obligations, and recreation and festivals. This component forms an integral part of minimum wage determination and cannot be diluted, deferred, or neutralised on the plea of allowances, particularly when such allowances are demonstrably inadequate, conditional, and unevenly accessible.

4. Empirical Basis – Updated 15th ILC Consumption Basket

FNPO has scientifically updated the 15th ILC consumption basket using current retail prices collected from Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Hyderabad, Bhubaneswar, and Trivandrum. This ensures a balanced national average and corrects long-standing regional distortions. The exercise strictly adheres to the 15th ILC norms, Aykroyd nutritional standards, and actual market prices paid by working-class households. The basket represents only essential and non-discretionary expenditure and consciously excludes all luxury or optional consumption, thereby reinforcing the conservative and realistic character of the computation.

| Sl | Item | Qty | Unit | Chennai | Delhi | Mumbai | Kolkata | Bengaluru | Hyderabad | Bhubaneswar | Trivandrum | City Avg |
|----|------------------|------|-------|---------|-------|--------|---------|-----------|-----------|-------------|------------|----------|
| 1 | Rice / Wheat | 42.5 | kg | 3,050 | 3,560 | 3,600 | 2,780 | 3,480 | 3,020 | 2,860 | 3,090 | 3,180 |
| 2 | Millets* | 5 | kg | 260 | 285 | 290 | 255 | 275 | 270 | 250 | 265 | 269 |
| 3 | Dal / Pulses | 8.5 | kg | 930 | 950 | 960 | 920 | 945 | 940 | 925 | 935 | 938 |
| 4 | Raw Vegetables | 12 | kg | 540 | 650 | 800 | 720 | 460 | 490 | 560 | 545 | 596 |
| 5 | Green Vegetables | 15 | kg | 740 | 760 | 770 | 735 | 755 | 750 | 730 | 745 | 748 |
| 6 | Other Vegetables | 8 | kg | 310 | 330 | 410 | 335 | 300 | 285 | 305 | 315 | 324 |
| 7 | Fruits | 14 | kg | 1,170 | 1,210 | 1,230 | 1,160 | 1,195 | 1,185 | 1,155 | 1,175 | 1,185 |
| 8 | Dry Fruits* | 3 | kg | 1,780 | 1,820 | 1,860 | 1,760 | 1,810 | 1,795 | 1,740 | 1,770 | 1,792 |
| 9 | Milk | 25 | L | 1,560 | 1,600 | 1,620 | 1,540 | 1,585 | 1,570 | 1,535 | 1,555 | 1,571 |
| 10 | Sugar / Jaggery | 5 | kg | 205 | 215 | 220 | 200 | 210 | 208 | 198 | 205 | 208 |
| 11 | Edible Oil | 4.5 | kg | 665 | 690 | 705 | 655 | 680 | 670 | 650 | 660 | 672 |
| 12 | Fish | 3 | kg | 1,040 | 1,100 | 1,080 | 980 | 1,030 | 1,000 | 990 | 1,060 | 1,035 |
| 13 | Meat | 6 | kg | 2,600 | 2,720 | 2,750 | 2,560 | 2,680 | 2,650 | 2,580 | 2,630 | 2,646 |
| 14 | Eggs | 120 | Nos | 880 | 910 | 920 | 860 | 900 | 890 | 850 | 875 | 886 |
| 15 | Detergents | — | Month | 380 | 400 | 420 | 375 | 395 | 390 | 370 | 380 | 389 |

5.1. Base Consumption Expenditure

The foundation of minimum pay calculation is the base consumption expenditure, which includes essential commodities necessary for a three-unit family, namely cereals (rice, wheat, millets), pulses, vegetables (raw, green, other), fruits, milk, eggs, meat, fish, dry fruits, sugar/jaggery, edible oil, clothing, detergents, LPG, and mobile & internet expenses. Market prices were collected from eight representative cities, and a city-average was computed to neutralize regional variations. The total base consumption for this basket of goods amounts to ₹20,220 per month. This represents the essential sustenance cost required to maintain a minimum standard of living, fully in line with the 15th ILC consumption norms.

5.2. Utilities: Fuel, Electricity, and Water Charges (30%)

The base consumption expenditure, as computed under the 15th Indian Labour Conference norms, covers only food, clothing, and detergent requirements and **does not include household utilities such as electricity, cooking fuel, and water charges**. In accordance with the established ILC methodology, a percentage addition is therefore required to account for these unavoidable expenditures. While the 7th Central Pay Commission, at an intermediate stage, recorded a provision of 20 per cent towards fuel and lighting, a closer examination of its own figures reveals that the actual incidence worked out to nearly **25 per cent of the base amount** (₹2,304.50 on a total of ₹9,217.99).

FNPO submits that, under present economic and climatic conditions, even this level of provisioning has become inadequate. Escalating electricity tariffs, rising LPG prices, increased dependence on electrical appliances due to climate stress, and higher water procurement costs have substantially raised the utility burden on households. Taking these realities into account, FNPO has prudently applied a **30 per cent addition** on the base consumption of ₹20,220 to cover fuel, electricity, and water charges. This results in an additional amount of **₹6,066**, raising the total monthly expenditure at this stage to **₹26,286**. This approach ensures that the computation of minimum pay reflects the **actual and contemporary cost of maintaining a household**, rather than an outdated or understated estimate of utility expenses.

5.3. Marriage, Recreation, Festivals, and Medical Contingencies (30%)

Central Government employees incur unavoidable expenditure on social and cultural obligations, including family ceremonies and festivals, as well as on medical contingencies. In the post-COVID period, medical costs have escalated substantially due to higher expenses on hospitalisation, diagnostics, outpatient care, medicines, and emergency treatment, often in private healthcare facilities. Taking these realities into account, FNPO has provided 30 per cent of the subtotal of ₹26,286, amounting to ₹7,886, towards marriage, recreation, festivals, and medical expenditure, raising the total to ₹34,172. The 7th CPC had limited this provision to 18 per cent, which FNPO submits is inadequate in the present socio-economic context. Restoration of a 30 per cent provision is therefore essential to reflect current living and healthcare costs realistically.

5.4. Housing Provision (7.5%)

Housing is an essential and integral component of minimum living standards. In accordance with the 15th Indian Labour Conference norms, a provision of **7.5 per cent** of total expenditure is required to account for rental or imputed housing costs. Accordingly, 7.5 per cent of ₹34,172, amounting to ₹2,563, has been added, raising the total expenditure before the skill factor to ₹36,735. While the 7th Central Pay Commission limited the housing component to **3 per cent**, FNPO submits that such a reduction is inconsistent with established ILC principles and does not reflect present housing realities. Restoration of the full **7.5 per cent housing norm** is therefore essential to ensure a realistic and need-based fixation of minimum pay.

5.5. Skill Component (25% Supreme Court Mandate)

As recognised by the Supreme Court, no Central Government employee can be classified as unskilled. All employees require prescribed educational qualifications, training, and functional competence. Therefore, a skill component of 25 percent is added to the subtotal of ₹36,735 to account for the minimum pay corresponding to multi-skilled employment. This results in $\text{₹36,735} \times 0.25 = \text{₹9,184}$. The total minimum pay for a three-unit family therefore becomes ₹36,735 + ₹9,184 = ₹45,918, which is rounded to ₹46,000 for administrative convenience. FNPO did not suggest change in this skill component.

5.6. Observations and Rationale

The derived minimum pay of ₹46,000 for a three-unit family ensures that Central Government employees can meet essential food, clothing, utility, housing, social, and healthcare needs. The post-COVID increase in medical expenditure has been explicitly factored into the 30 percent allocation for miscellaneous expenses. The Supreme Court-mandated 25 percent skill component recognizes that all employees are multi-skilled and ensures equitable remuneration for functional competence.

5.7. Need for Five-Unit Family Consideration

While the three-unit family norm remains a baseline, most Central Government employees have dependent parents or additional family members. Applying a 1.66 multiplier, consistent with the Aykroyd formula, the **five-unit family minimum pay** is projected at approximately ₹76,360. This adjustment reflects a realistic assessment of living costs and underscores the inadequacy of underestimating family units in minimum wage fixation.

5.8. FNPO Suggest to the 8th CPC Draft Committee

FNPO strongly believes that the 8th Central Pay Commission adopt a **need-based, 15th Indian Labour Conference (ILC)-aligned methodology without any dilution**. This

necessarily requires full restoration of the 15th ILC norms, explicit recognition of the steep escalation in **post-COVID medical expenditure**, provision for **housing at not less than 7.5 per cent**, and incorporation of a **25 per cent skill component** in conformity with binding Supreme Court judgments, which have categorically held that no Central Government employee can be treated as unskilled. Accordingly, the minimum pay for a **three-unit family** should be fixed at **₹46,000**, with proportional scaling for larger family units, and supported by a **fitment factor not less than 3.00** to adequately protect the lowest-paid employees and prevent structural erosion of real wages.

While the above computation strictly adheres to the 15th ILC norms and the Aykroyd formula, FNPO places on record that the **three-unit family norm prescribed by Dr. Aykroyd has become grossly inadequate under contemporary socio-economic realities**. In practice, the family of a Central Government employee is not confined to the employee, spouse, and children alone. In Indian conditions, **dependent parents invariably form an integral part of the household**, relying entirely on the earning employee for their sustenance, healthcare, and social security. When this social reality is factored in through the adoption of a **five-unit family concept**, and the **Aykroyd-based multiplier of 1.66** is applied, the minimum pay requirement logically scales up from **₹46,000 for a three-unit family to ₹76,360 for a five-unit family**. This increase of nearly **two-thirds** is neither arbitrary nor excessive, but a direct, proportionate, and inevitable outcome of the very methodology accepted under the ILC framework. It represents a **realistic, humane, and constitutionally compliant assessment** of the living costs of a modern Central Government employee's family and must therefore form the foundation for minimum pay fixation under the 8th Central Pay Commission.

5.9. Concluding Demand of FNPO to the 8th Central Pay Commission draft committee

In conclusion, FNPO unequivocally submits that **minimum pay fixation under the 8th Central Pay Commission must be firmly anchored in the full and undiluted application of the 15th Indian Labour Conference norms**. The Commission must explicitly recognise the sharp escalation in living costs, particularly **post-COVID medical expenditure**, ensure **housing provision at not less than 7.5 per cent**, and mandatorily include a **25 per cent skill component** in line with binding Supreme Court judgments. Accordingly, FNPO demands that the **minimum pay for Central Government employees be fixed at not less than ₹54,000**, with a **fitment factor of 3.00**, and with proportional scaling for larger family units, including the five-unit family norm. Any fixation below this level would be inconsistent with established wage jurisprudence, economically unrealistic, and detrimental to the morale, efficiency, and dignity of Central Government employees.

CHAPTER- II

FITMENT FACTOR:

The experience of successive Central Pay Commissions conclusively establishes that the fitment formula adopted at the time of pay revision has a decisive bearing on equity, internal relativities, and overall employee satisfaction. A recurring weakness in earlier Commissions was that the fitment benefit did not reflect the actual revision of wages. As a result, employees who were in service on the date of implementation often received comparatively lower benefits than new entrants, while among existing employees, those with shorter lengths of service gained disproportionately. This distortion arose primarily due to the rejection of the long-standing demand of the Staff Side for point-to-point fixation.

This anomaly was substantially addressed during the implementation of the 5th Central Pay Commission, when, after negotiations with the Group of Ministers in September 1997, the fitment benefit was enhanced from the proposed 20% to 40%. This correction resulted in near-universal satisfaction and, significantly, yielded a uniform multiplication factor, restoring parity across cadres and service lengths.

In contrast, the 7th Central Pay Commission adopted a uniform fitment factor of **2.57**, derived from its own assessment of the minimum pay. While this factor appeared uniform in form, it was inherently constrained by the under-assessed minimum pay of ₹18,000, which itself suffered from dilution of the 15th ILC norms and exclusion of mandated components. Consequently, the fitment factor of 2.57 failed to provide adequate real wage correction, particularly at the lower levels.

FNPO submits that the fitment factor must flow logically and mathematically from a scientifically determined, need-based minimum pay, rather than being an arbitrarily chosen multiplier.

Table-IV: Comparative Illustration of Fitment Factors – 7th CPC and FNPO Proposal

| Particulars | 7th CPC | 8th CPC Proposal |
|---|------------------------------------|---|
| Existing Minimum Pay (Pre-revision) | ₹7,000 (6th CPC) | ₹18,000 (Recommended 7th CPC) |
| Revised Minimum Pay | ₹18,000 | ₹54,000 |
| Basis of Derivation | Modified ILC norms with exclusions | Full 15th ILC norms + Aykroyd + Supreme Court mandate |
| Resultant Fitment Multiplication Factor | / 2.57 (18,000 ÷ 7,000) | 3.00 (54,000 ÷ 18,000) |

This comparison clearly demonstrates that FNPO's proposed **fitment factor of 3.00** is neither excessive nor unprecedented. It is, in fact, a **logical continuation of the wage revision trajectory**, fully justified by contemporary cost-of-living realities, restoration of diluted ILC norms, and compliance with binding judicial principles.

A uniform fitment factor of **3.00**, derived from a minimum pay of ₹54,000, will:

- Ensure fair and proportionate wage revision for existing employees,
- Prevent structural disadvantage vis-à-vis new entrants,
- Maintain internal pay relativities across grades and service lengths, and
- Correct the compression and under-fixation introduced by the 7th CPC.

FNPO therefore firmly reiterates that fixation of minimum pay at **not less than ₹54,000**, with a **uniform fitment factor of 3.00**, is essential to achieve a just, rational, and distortion-free pay structure under the 8th Central Pay Commission.

Note:

1. Exclusion of Housing Cost at the Normative Level

The 15th ILC norms explicitly provide for **housing expenditure at 7.5% of food and fuel costs**.

The 7th CPC, however:

- Excluded housing cost from the computation of minimum pay, and
- Justified the exclusion on the ground that housing-related allowances exist.

This approach directly contradicted the ILC framework, which treats housing as an **integral component of minimum wage**, independent of allowances.

2. Dilution of the Supreme Court–Mandated 25% Component

In **Raptakos Brett & Co. vs. Workmen (1991)**, the Hon'ble Supreme Court categorically ruled that **25% must be added** to the minimum wage towards:

- Children's education,
- Medical care,
- Social obligations, and
- Recreation and festivals.

The 7th CPC did not provide this 25% addition in a transparent and explicit manner. Instead, it assumed that various allowances would indirectly cover these needs, thereby:

- Neutralising a binding judicial directive, and
- Converting a statutory wage component into a discretionary benefit.

CHAPTER III

Fixation of Highest Salary

FNPO proposes that the 8th CPC Draft Committee should adopt a single and transparent norm for fixation of the maximum salary, establish a direct linkage between the need-based minimum wage and the maximum wage, apply a uniform multiplication factor across all levels to prevent distortion in the pay structure, and recognize that 100 per cent Dearness Allowance neutralisation applies equally to all categories of employees. FNPO further recommends that the minimum wage should be determined strictly in accordance with the 15th Indian Labour Conference norms and that the maximum wage should be fixed at not more than eight times the minimum wage. The intermediary pay levels should be evolved through a scientific and uniform multiplication factor to ensure gradual, fair, and equitable career progression. Any deviation beyond the minimum–maximum ratio of 1:8 should be explicitly justified with empirical evidence and international comparisons. The absence of a consistent and transparent norm for fixation of the maximum salary has resulted in widening inequity over successive Pay Commissions, and the 8th CPC Draft Committee has a historic opportunity to restore balance and fairness in the pay structure by adopting a minimum–maximum salary ratio of 1:8, in line with global practice, social acceptability, and the constitutional principles of equality and equity.

Ratio of Minimum to Maximum Pay

First to Seventh Central Pay Commission

| Central Pay Commission | Period | Minimum Pay (₹) | Maximum Pay (₹) | Compression Ratio |
|------------------------|---------|-----------------|-----------------|-------------------|
| 1st CPC | 1946–47 | 55 | 2,000 | 1 : 36.4 |
| 2nd CPC | 1957–59 | 80 | 3,000 | 1 : 37.5 |
| 3rd CPC | 1972–73 | 196 | 3,500 | 1 : 17.9 |
| 4th CPC | 1986 | 750 | 8,000 | 1 : 10.7 |
| 5th CPC | 1996 | 2,550 | 26,000 | 1 : 10.2 |
| 6th CPC | 2006 | 7,000 | 80,000 | 1 : 11.4 |
| 7th CPC | 2016 | 18,000 | 2,50,000 | 1 : 13.9 |

FNPO Observations:

1. Sharp disparity in early CPCs

The 1st and 2nd CPCs reflected extremely wide wage disparities, with ratios exceeding **1:36**, which were later acknowledged as socially inequitable.

2. Conscious compression from 3rd to 5th CPC

From the 3rd CPC onwards, a deliberate effort was made to **reduce inequality**, bringing the ratio close to **1:10** by the 4th and 5th CPCs.

3. Reversal during 6th and 7th CPC

The ratio again widened in the 6th CPC and further expanded to nearly **1:14** in the 7th CPC, mainly due to:

- Higher rationalisation indices at senior levels
- Uniform DA neutralisation
- Steeper increases at the apex level

4. Absence of a consistent norm

Across CPCs, there has been **no stable or codified principle** for fixing the maximum pay in relation to the minimum pay.

Relevance for the 8th CPC FNPO View:

- International experience generally supports a **compression ratio between 1:7 and 1:9**.
- Earlier NJCM deliberations had suggested **1:8 as a reasonable and socially just norm**.
- The **7th CPC ratio of nearly 1:14** represents an avoidable widening of inequality.

Therefore, FNPO submits to draft committee that:

The Draft Committee of the Eighth Central Pay Commission may consciously examine the existing disparity in the pay structure and take appropriate corrective measures to restore balance by fixing the minimum–maximum pay ratio within a rational and socially acceptable band, preferably not exceeding 1:8 to 1:9. In this context, it is emphasised that the minimum pay should constitute the firm and non-negotiable foundation of the entire pay matrix. It is also observed that, when the pay structure proposed by the FNPO in Chapter IV is examined with reference to the rationalisation pattern adopted by the Seventh Central Pay Commission, the resultant minimum–maximum pay ratio works out to approximately 1:15.046. This clearly highlights the degree of compression currently prevailing at the lower levels and indicates the necessity for a conscious review and rationalisation by the Eighth Central Pay Commission.

CHAPTER – IV

PROPOSED PAY STRUCTURE

4.1 Introduction

The Federation of National Postal Organisations (FNPO) submits that the pay structure to be recommended by the Eighth Central Pay Commission (8th CPC) must address the serious erosion in real wages that has occurred since the implementation of the Seventh Central Pay Commission (7th CPC). The proposed pay structure should not merely adjust pay arithmetically, but must restore the original objectives of a **need-based, equitable and motivating wage system**.

Accordingly, the FNPO suggestion to the 8th CPC Draft Committee is that the revised pay structure should:

- Be **simple, transparent and rational**;
- Ensure **adequate horizontal and vertical relativities** across all levels;
- Provide **meaningful financial progression throughout the service career**; and
- Be **firmly anchored on a realistic minimum pay**, reflective of present-day cost of living conditions.

The present proposal is therefore premised on a **restructured Pay Matrix**, with a higher minimum pay and an improved rate of annual increment.

4.2 Guiding Principles for the Proposed Pay Structure

The FNPO submits that the following guiding principles, which have been consistently recognised by earlier Pay Commissions, should continue to govern pay fixation under the 8th CPC:

4.2.1 Minimum Pay as the Foundation

The minimum pay should constitute the **cornerstone of the entire pay structure**, determining pay relativities across all levels. A realistic minimum pay ensures fairness, social justice and internal coherence.

4.2.2 Internal Equity and Rationalisation

The pay structure must preserve **logical differentials between successive levels**, reflecting differences in duties, responsibilities, functional requirements and accountability.

4.2.3 Transparency and Simplicity

The structure should be **easily understandable**, avoiding unnecessary complexity, discretion and ambiguity in pay fixation and progression.

4.2.4 Adequate Career Progression

Financial progression must be **visible and meaningful**, both through annual increments and assured career progression mechanisms, so as to reduce stagnation and improve morale.

4.2.5 Reasonable Compression Ratio

The ratio between the minimum and maximum pay must remain **moderate, defensible and socially acceptable**, avoiding excessive wage inequality within Government service.

4.3 Retention of the Pay Matrix System

The FNPO suggestion to the 8th CPC Draft Committee is to **retain the Pay Matrix system** introduced by the Seventh Central Pay Commission, as it has:

- Replaced multiple pay scales and grade pay with a **single, unified structure**;
- Brought **greater clarity and predictability** in pay fixation and progression; and
- Reduced avoidable disputes and anomalies relating to pay.

However, FNPO submits that while the **structural framework** of the Pay Matrix may be retained, there is a compelling need to **substantially revise the entry pay, the rate of annual increment, and the inter-level progression**, in order to correct the inadequacies of the existing system.

4.4 Proposed Minimum Pay

Based on a detailed analysis of:

- The steep increase in cost of living since the 7th CPC;
- The erosion of real wages due to inflation; and
- The requirement to ensure a **dignified minimum standard of living**,

the FNPO suggestion to the 8th CPC Draft Committee is that:

The Minimum Pay at Level-1 should be fixed at ₹54,000 per month.

This minimum pay shall form the **base of the entire Pay Matrix**, and the pay at higher levels shall be determined through appropriate rationalisation factors applied to the existing 7th CPC entry pay.

4.5 Rate of Annual Increment

The FNPO submits that the **existing annual increment rate of 3%** has proved to be inadequate to provide reasonable wage growth over a full service career.

Accordingly, the FNPO suggestion to the 8th CPC Draft Committee is:

A uniform annual increment of 5% at all levels.

A 5% increment would:

- Ensure **visible and meaningful financial progression**;
- Reduce stagnation-related dissatisfaction; and
- Bring Government pay structures closer to those prevailing in other organised sectors.

4.6 Proposed Pay Structure – Illustrative Pay Matrix

Based on the above principles, the FNPO proposes the following **illustrative pay structure** for the 8th CPC:

| Level | Status / Category | 7th CPC Entry Pay (₹) | Rationalisation Factor | Proposed Minimum Pay for 8 CPC (₹) |
|------------|--------------------------------|-----------------------|------------------------|------------------------------------|
| Level 1 | <i>Entry Level (Group 'C')</i> | 18000 | 3 | 54,000 |
| Level 2 | | 19900 | 3 | 59,700 |
| Level 3 | | 21700 | 3 | 65,100 |
| Level 4 | | 25500 | 3 | 76,500 |
| Level 5 | | 29200 | 3 | 87,600 |
| Level 6 | <i>Group 'B' Entry</i> | 35400 | 3.05 | 1,08,000 |
| Level 7 | | 44900 | 3.05 | 1,37,000 |
| Level 8 | | 47600 | 3.05 | 1,45,200 |
| Level 9 | | 53100 | 3.05 | 1,62,000 |
| Level 10 | <i>Group 'A' Entry</i> | 56100 | 3.1 | 1,74,000 |
| Level 11 | | 67700 | 3.1 | 2,09,900 |
| Level 12 | | 78800 | 3.1 | 2,44,300 |
| Level 13 | | 118500 | 3.05 | 3,61,500 |
| Level 13 A | | 131100 | 3.05 | 3,99,900 |
| Level 14 | | 144200 | 3.15 | 4,54,300 |
| Level 15 | <i>HAG</i> | 182200 | 3.15 | 5,74,000 |
| Level 16 | <i>HAG+</i> | 205400 | 3.2 | 6,57,300 |
| Level 17 | <i>Apex Scale</i> | 225000 | 3.25 | 7,31,300 |
| Level 18 | <i>Cabinet Secretary</i> | 250000 | 3.25 | 812,500 |

| Level | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 13A | 14 | 15 | 16 | 17 | 18 |
|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Index | 3 | 3 | 3 | 3 | 3 | 3 | 3.05 | 3.05 | 3.05 | 3.1 | 3.1 | 3.1 | 3.05 | 3.05 | 3.15 | 3.15 | 3.2 | 3.25 | 3.25 |
| 1 | 54000 | 59700 | 65100 | 76500 | 87600 | 108000 | 137000 | 145200 | 162000 | 174000 | 209900 | 244300 | 361500 | 399900 | 454300 | 574000 | 657300 | 731300 | 812500 |
| 2 | 56700 | 62700 | 68400 | 80300 | 92000 | 113400 | 143900 | 152500 | 170100 | 182700 | 220400 | 256500 | 379600 | 419900 | 477000 | 602700 | 690200 | | |
| 3 | 59500 | 65800 | 71800 | 84300 | 96600 | 119100 | 151000 | 160100 | 178600 | 191800 | 231400 | 269300 | 398600 | 440900 | 500900 | 632800 | 724700 | | |
| 4 | 62500 | 69100 | 75400 | 88600 | 101400 | 125000 | 158600 | 168100 | 187500 | 201400 | 243000 | 282800 | 418500 | 462900 | 525900 | 664500 | 760900 | | |
| 5 | 65600 | 72600 | 79100 | 93000 | 106500 | 131300 | 166500 | 176500 | 196900 | 211500 | 255100 | 296900 | 439400 | 486100 | 552200 | 697700 | | | |
| 6 | 68900 | 76200 | 83100 | 97600 | 111800 | 137800 | 174900 | 185300 | 206800 | 222100 | 267900 | 311800 | 461400 | 510400 | 579800 | 732600 | | | |
| 7 | 72400 | 80000 | 87200 | 102500 | 117400 | 144700 | 183600 | 194600 | 217100 | 233200 | 281300 | 327400 | 484400 | 535900 | 608800 | 769200 | | | |
| 8 | 76000 | 84000 | 91600 | 107600 | 123300 | 152000 | 192800 | 204300 | 228000 | 244800 | 295400 | 343800 | 508700 | 562700 | 639200 | 807700 | | | |
| 9 | 79800 | 88200 | 96200 | 113000 | 129400 | 159600 | 202400 | 214500 | 239300 | 257100 | 310100 | 360900 | 534100 | 590800 | 671200 | | | | |
| 10 | 83800 | 92600 | 101000 | 118700 | 135900 | 167500 | 212500 | 225300 | 251300 | 269900 | 325600 | 379000 | 560800 | 620400 | 704800 | | | | |
| 11 | 88000 | 97200 | 106000 | 124600 | 142700 | 175900 | 223200 | 236500 | 263900 | 283400 | 341900 | 397900 | 588800 | 651400 | 740000 | | | | |
| 12 | 92400 | 102100 | 111300 | 130800 | 149800 | 184700 | 234300 | 248300 | 277100 | 297600 | 359000 | 417800 | 618300 | 684000 | 777000 | | | | |
| 13 | 97000 | 107200 | 116900 | 137400 | 157300 | 194000 | 246000 | 260800 | 290900 | 312500 | 377000 | 438700 | 649200 | 718200 | 815900 | | | | |
| 14 | 101800 | 112600 | 122800 | 144300 | 165200 | 203700 | 258300 | 273800 | 305500 | 328100 | 395800 | 460700 | 681700 | 754100 | 856700 | | | | |
| 15 | 106900 | 118200 | 128900 | 151500 | 173400 | 213800 | 271300 | 287500 | 320700 | 344500 | 415600 | 483700 | 715700 | 791800 | 899500 | | | | |
| 16 | 112300 | 124100 | 135300 | 159000 | 182100 | 224500 | 284800 | 301900 | 336800 | 361700 | 436400 | 507900 | 751500 | 831400 | | | | | |
| 17 | 117900 | 130300 | 142100 | 167000 | 191200 | 235800 | 299100 | 317000 | 353600 | 379800 | 458200 | 533300 | 789100 | 872900 | | | | | |
| 18 | 123800 | 136800 | 149200 | 175300 | 200800 | 247500 | 314000 | 332800 | 371300 | 398800 | 481100 | 559900 | 828600 | 916600 | | | | | |
| 19 | 130000 | 143700 | 156700 | 184100 | 210800 | 259900 | 329700 | 349400 | 389900 | 418800 | 505100 | 587900 | 870000 | | | | | | |
| 20 | 136500 | 150900 | 164500 | 193300 | 221400 | 272900 | 346200 | 366900 | 409400 | 439700 | 530400 | 617300 | 913500 | | | | | | |
| 21 | 143300 | 158400 | 172700 | 203000 | 232400 | 286600 | 363500 | 385300 | 429800 | 461700 | 556900 | 648200 | 959200 | | | | | | |
| 22 | 150400 | 166300 | 181400 | 213100 | 244100 | 300900 | 381700 | 404500 | 451300 | 484800 | 584800 | 680600 | | | | | | | |
| 23 | 158000 | 174600 | 190400 | 223800 | 256300 | 315900 | 400800 | 424700 | 473900 | 509000 | 614000 | 714600 | | | | | | | |
| 24 | 165900 | 183400 | 200000 | 235000 | 269100 | 331700 | 420800 | 446000 | 497600 | 534400 | 644700 | 750400 | | | | | | | |
| 25 | 174200 | 192500 | 210000 | 246700 | 282500 | 348300 | 441800 | 468300 | 522500 | 561200 | 676900 | 787900 | | | | | | | |
| 26 | 182900 | 202200 | 220500 | 259100 | 296600 | 365700 | 463900 | 491700 | 548600 | 589200 | 710800 | 827300 | | | | | | | |
| 27 | 192000 | 212300 | 231500 | 272000 | 311500 | 384000 | 487100 | 516300 | 576000 | 618700 | 746300 | 868700 | | | | | | | |
| 28 | 201600 | 222900 | 243000 | 285600 | 327100 | 403200 | 511500 | 542100 | 604800 | 649600 | 783700 | 912100 | | | | | | | |

4.6.1 Justification for Differential Rationalisation Factors

FNPO submits that the **rationalisation factor has not been kept uniform across all levels by design and necessity**, and for the following reasons:

- Foundational Levels (Level 1 to Level 5):**
A uniform factor of **3.00** has been applied to ensure strong upward correction at the lower end, where erosion of real wages has been the most severe.
- Middle Levels (Level 6 to Level 12):**
A slightly higher factor (**3.05 to 3.10**) is applied to maintain **horizontal and vertical relativities**, reflecting higher skill requirements, supervisory responsibilities and functional complexity.
- Senior Administrative Levels (Level 13 to Level 15):**
Moderate enhancement in rationalisation is provided to recognise **policy formulation, administrative leadership and accountability**, while consciously avoiding excessive pay acceleration.
- Apex Levels (Level 16 onwards):**
Incrementally higher factors are applied only at the very top, to preserve **hierarchical coherence** within the Pay Matrix and to avoid compression-induced anomalies.

FNPO emphasises that this **graduated approach mirrors the methodology adopted by earlier Pay Commissions**, including the 7th CPC, and is essential to ensure a balanced and defensible pay structure.

**Though the Staff Side had earlier(1 to 7 CPC) suggested that the rationalisation factor should be uniform across all levels, it has been found that such uniformity is not practically feasible. Therefore FNPO appeal the draft committee to discuss this issue in-depth and find viable solution.*

4.7 Compression Ratio

Under the FNPO proposal:

- **Minimum Pay:** ₹54,000
- **Maximum Pay:** ₹8,12,500

The resulting compression ratio is approximately **1 : 15**, which FNPO submits is:

- Consistent with the proposed pay hierarchy,
- Necessary to preserve administrative relativities, and
- Within internationally observed ranges for public services.

4.8 Conclusion

In conclusion, the FNPO suggestion to the 8th Central Pay Commission Draft Committee on the proposed pay structure seeks to:

- Restore the **real value of wages**;
- Provide a **transparent, rational and internally consistent Pay Matrix**;
- Ensure **meaningful career-long financial progression**; and
- Promote **motivation, efficiency and stability** in public service.

FNPO respectfully urges the Draft Committee of the 8th CPC to give **serious and favourable consideration** to the above proposals while finalising its recommendations.

Footnote:

Illustration of Fitment Factor Variations and Resultant Loss

| Level | Grade Pay (6th CPC) | Entry Pay (6th CPC) | Expected Pay (\times 2.57) | Actual Pay fixed under 7th CPC | Effective Fitment Factor |
|---------|---------------------|---------------------|-------------------------------|--------------------------------|--------------------------|
| Level 1 | ₹1,800 | ₹7,000 | ₹17,990 | ₹18,000 | 2.571 |
| Level 2 | ₹1,900 | ₹7,730 | ₹19,866 | ₹19,900 | 2.574 |
| Level 3 | ₹2,000 | ₹8,460 | ₹21,742 | ₹21,700 | 2.565 |
| Level 4 | ₹2,400 | ₹9,910 | ₹25,475 | ₹25,500 | 2.574 |

It is evident from the above illustration that even fractional variations in the application of the fitment factor at the entry level lead to discrepancies in pay fixation. Although the difference in monetary terms at the initial stage may appear marginal—often limited to a few tens or hundreds of rupees—such deviations have a cascading effect over time. When compounded through annual increments, career progression (MACP) and eventual pension fixation, the cumulative financial loss to the employee becomes substantial, running into several thousands of rupees over a period of 10 years or more.

It is further noticed that during the implementation of the Seventh Central Pay Commission recommendations, these discrepancies arose mainly due to rounding-off and truncation practices adopted at different stages of pay fixation. Such practices, though arithmetically minor, have uniformly operated to the disadvantage of employees, particularly at the lower levels of the pay matrix.

In this context, it is submitted that while formulating the pay structure for the Eighth Central Pay Commission, the Draft Committee may ensure that the fitment factor is applied uniformly and rounded off at the base level itself. This would safeguard employees against any unintended loss arising from mathematical approximation. The Commission may also consider explicitly incorporating the principle that no employee should suffer a loss, however small, in pay fixation due to rounding or procedural convenience.

CHAPTER – V

FIXATION OF PAY ON PROMOTION AND MODIFIED ASSURED CAREER PROGRESSION (MACP)

5.1 Preamble

Fixation of pay on promotion and financial upgradation under the MACP Scheme are critical elements of service conditions, directly influencing motivation, efficiency, and morale of Central Government employees. Experience under the 7th Central Pay Commission (7th CPC) demonstrates that marginal or illusory financial gains have weakened the incentive value of both promotion and MACP. In this context, FNPO submits the following proposals for the consideration of the 8th Central Pay Commission.

5.2 Fixation of Pay on Promotion

5.2.1 Present Position

Under the existing system, promotion ordinarily results in placement in the immediate next higher level of the Pay Matrix, with fixation of pay involving the grant of a single increment. In several cases, the pay so fixed is only marginally higher than, or effectively equal to, the pre-promotion pay, thereby diluting the incentive attached to promotion.

5.2.2 Issues Observed

- Promotions are delayed well beyond the prescribed residency period due to non-availability of vacancies.
- Promotions frequently involve transfers, resulting in reduced allowances and additional financial burden.
- The financial gain on promotion is often neutralised, failing to reflect higher responsibility and accountability.

5.2.3 FNPO Proposal for the 8th CPC

FNPO respectfully recommends that:

1. **Fixation of pay on promotion shall involve a minimum benefit of two increments in the feeder cadre**, followed by placement in the promotional level.
2. **In no case shall the pay fixed on promotion be lesser than or equal to the employee's existing pay**; it must result in a **clear and distinct monetary increase**.
3. Promotion must be treated as a **meaningful financial and career advancement**, adequately compensating increased duties, responsibility, and hardship.
4. **A minimum of five regular promotions** should be ensured during the entire service career.

5.3 Modified Assured Career Progression (MACP)

5.3.1 Nature and Objective

The MACP Scheme is intended solely as a **stagnation-relief measure** for employees who do not receive timely promotions. It is not a substitute for promotion and must not be equated with it for fixation or eligibility purposes.

5.3.2 Experience under the 7th CPC

The 7th CPC retained MACP at 10, 20, and 30 years and equated MACP with promotion for fixation of pay. It also enhanced the benchmark from 'Good' to 'Very Good', thereby excluding a large number of employees who otherwise rendered satisfactory service.

5.3.3 FNPO Proposal for the 8th CPC

FNPO strongly recommends that:

1. **MACP shall be benchmark-free**, with satisfactory service being the sole eligibility criterion.
2. **MACP shall be granted at 6, 12, 18, 24, and 30 years of regular service.**
3. **While fixing pay under MACP, the revised pay shall in no case be lesser than or equal to the existing pay**, and must ensure a **real and tangible financial upgradation**.
4. Departmental examinations, mandatory training, or other qualifying conditions shall **not** be linked to MACP.

5.4 Rationale

- Employees should not suffer financial stagnation even after promotion or MACP.
- Pay fixation resulting in equal or negligible increase defeats the very purpose of career progression schemes.
- A guaranteed financial rise is essential to maintain morale, efficiency, and fairness in public service.

5.5 Conclusion

FNPO submits that fixation of pay on promotion and MACP must invariably result in a **distinct and visible financial improvement**. Any mechanism that results in pay remaining the same or nearly the same undermines the objectives of career progression and stagnation relief. The above proposals are therefore earnestly commended to the 8th Central Pay Commission Draft Committee for favourable consideration.

CHAPTER – VI

DATE OF EFFECT OF THE RECOMMENDATION OF THE PAY COMMISSION

6.1 Historical Background:

Prior to the Fifth Central Pay Commission (5th CPC), no specified time limit existed for revising the pay structure in Government service. On average, revisions occurred once in 10–12 years. Recognising the necessity of regular updates, the 5th CPC recommended decennial wage revisions.

6.2 Economic Changes Post-1991

In 1991, India adopted IMF-prescribed economic policies to accelerate growth. The ensuing neo-liberal economic regime brought rapid transformations in social values, standards of living, and work ethos. Profit maximisation became the guiding principle for private enterprises, compelling public sector undertakings (PSUs) to streamline operations, reduce costs, casualise the workforce, outsource, and restructure recruitment and other functions. These developments highlighted the urgent need to reappraise wage determination principles and service conditions in the public sector.

6.3 Technological and Skill-Based Disparities

New enterprises employing advanced technologies offered substantially higher remuneration to a limited skilled workforce, creating distortions in wage structures across society. This underscored the need for fair and balanced pay revision for government employees.

6.4 Inflationary Pressures and Erosion of Real Wages

Severe inflation, particularly in essential commodities, adversely affected fixed-wage earners and middle-class employees. The Third and Fourth CPCs observed that prolonged grievance and deterioration among staff could have long-term consequences on governance and administrative efficiency. Periodic revision of pay scales helps avoid conflict with employers, instils hope among employees, and allows grievances to be addressed systematically.

6.5 Private Sector Wage Practices

In the organised private sector, wages are determined through bilateral agreements, generally not exceeding three years. Such periodic reviews benefit both workers and employers by keeping wage structures relevant and fair.

6.6 Public Sector Wage Practices

Unlike private enterprises, public sector managements lack complete autonomy in setting wages. Agencies like the Bureau of Public Enterprises monitor policies to prevent wide disparities. Despite directives, PSUs have often been compelled to implement five-year wage revisions in response to employee demands.

6.7 Past Experience with DA and CPI

- January 2002: CPI increase crossed 50% over 306.33 (12-monthly average) — six years after 5th CPC recommendations.
- January 2011: CPI increase crossed 50% over 115.76 (12-monthly average) — five years after 6th CPC recommendations.

The real erosion of wages exceeded 50%, reaching approximately 174% as on 1.1.2011 when retail prices of essential commodities are considered. The 5th CPC had recommended merging Dearness Allowance (DA) with pay to provide immediate relief from wage erosion. Delay in implementing this recommendation necessitated collective action to avoid industrial unrest.

6.8 Recommendations for the 8th CPC

In view of past experience and the need for timely wage revision, the following recommendations are submitted:

1. **Merger of DA with Pay:** Treat DA as pay for all purposes as and when DA entitlement reaches 50%.
2. **Timely Constitution of Pay Commission:** Ensure the next Pay Commission is set up well before five years have elapsed since implementation of the previous recommendations.
3. **Effective Date of Implementation:** Implement the 8th CPC recommendations with effect from **1.1.2026**, noting that the effective tenure of the 7th CPC recommendations expires on 31.12.2025.

6.9 Conclusion

Timely and adequate wage revision is essential not only for fairness to employees but also for maintaining the efficiency, morale, and competence of the public service. A structured and predictable mechanism ensures stability, reduces industrial unrest, and strengthens governance.

CHAPTER – VII

SPECIAL PAY

The concept of Special Pay, as defined under Fundamental Rule 9(25), was originally evolved as an administrative mechanism to arrest the proliferation of pay scales while providing equitable compensation to employees entrusted with duties of an arduous nature or involving sustained additional responsibilities. The system enabled the Government to recognise functional variations in work intensity and responsibility without disturbing the overall pay structure or creating multiple pay scales for similar cadres. Historically, Special Pay served as a flexible and effective instrument to address administrative exigencies where differentiation in duties existed within the same cadre.

Elsewhere in this memorandum, the Federation of National Postal Organisations (FNPO) has emphasised the necessity of de-layering and rationalisation of the pay structure, leading to a reduction in the number of pay levels. While such rationalisation is desirable and necessary in the interest of administrative efficiency, it may give rise to functional and operational difficulties in certain departments where the nature of duties, responsibilities, and work conditions vary significantly. In such situations, the grant of Special Pay would facilitate a smooth transition by compensating employees performing higher or more onerous duties without necessitating additional pay levels. Once duty lists are redefined and organisational structures stabilised, the requirement for Special Pay would naturally diminish, thereby ensuring that its application remains limited, justified, and transparent.

The recommendation of the Fourth Central Pay Commission to replace Special Pay with Special Allowance has, in practice, resulted in unintended disadvantages to employees. Unlike Special Pay, Special Allowance does not form part of pay for the purpose of Dearness Allowance, House Rent Allowance, pensionary benefits, and other related allowances. Consequently, employees discharging arduous or additional responsibilities on a sustained basis are deprived of long-term financial benefits that would otherwise accrue if such compensation were treated as pay. The substitution of Special Pay with Special Allowance has therefore diluted the recognition of higher responsibility and has adversely affected employees, particularly at the time of retirement.

In view of the above, FNPO, in alignment with the principles consistently advocated by the National Joint Council of Action (NJC), respectfully submits that the system of Special Pay as envisaged under FR 9(25) should be restored in its original form. Special Pay should be treated as pay for all purposes and utilised as a functional and need-based instrument to address variations in duties and responsibilities, particularly in the context of pay structure rationalisation and cadre restructuring. The restoration of Special Pay would not only ensure fair compensation for employees entrusted with arduous or additional duties but would also serve as an effective administrative tool to prevent further proliferation of pay levels.

FNPO therefore urges the 8th Central Pay Commission Draft Committee to give favourable consideration to the restoration of Special Pay in the interest of equity, efficiency, and sound personnel administration, while ensuring that its application remains selective, justified, and aligned with functional requirements.

CHAPTER – VIII

COMMON CATEGORIES OF STAFF AND COMMON CADRES

With specific reference to the Department of Posts, the Federation of National Postal Organisations (FNPO) submits that issues relating to common categories of staff often cut across departmental boundaries and require a uniform, well-reasoned, and equitable approach. While FNPO places before the 8th Central Pay Commission Draft Committee its department-specific submissions wherever necessary, it respectfully submits that, in respect of common categories of staff functioning in other departments of the Government of India, the Federation shall extend its full concurrence to the recommendations and proposals formulated by the Draft Committee or advanced by the recognised Associations and Federations representing such categories. This concurrence is subject to the condition that such recommendations are based on objective assessment of duties, responsibilities, qualifications, and functional requirements, and that they promote parity, uniformity, and fairness across departments.

FNPO further submits that any recommendation relating to common categories should aim at eliminating long-standing inter-departmental disparities, removing anomalies arising out of historical variations in pay scales, and ensuring that employees performing similar or identical duties are placed at comparable pay levels irrespective of the department in which they are employed. The Federation firmly believes that adoption of uniform pay structures for common categories would not only uphold the constitutional principle of equal pay for equal work but would also enhance administrative efficiency, morale, and industrial harmony within the Central Government workforce.

Accordingly, FNPO accept the 8th Central Pay Commission Draft Committee for recommendations relating to common categories of staff in other departments, provided they are equitable, rational, and consistent with established principles of wage determination, and urges that this approach be adopted as a guiding framework to address long-standing disparities and ensure fairness and uniformity in public service remuneration.

CHAPTER – IX

CLASSIFICATION OF POSTS

The classification of Central Government posts into distinct groups has been a consistent feature of successive Pay Commission recommendations. While all Pay Commissions, except the Second Central Pay Commission, endorsed the continuation of the four-group system with a view to rationalising pay structures and maintaining organisational hierarchy, the Second CPC considered such grouping largely unnecessary and potentially detrimental to employee morale. The Fourth CPC also recommended discontinuation of the four-group classification, observing that even countries with large and complex civil services function effectively without such rigid categorisation.

Over the decades, the nature of Government service has undergone significant transformation, progressively moving away from the colonial administrative framework. The Third CPC justified the grouping of posts on the premise of equivalence in work content; however, in practice, revisions of pay scales often took place without commensurate changes in duties or responsibilities. This resulted in anomalous movements between groups, distorted promotional hierarchies, and inequitable career progression.

Despite these observations, the Department of Personnel has largely adhered to a conservative approach rooted in colonial-era service rules. This has continued notwithstanding the enabling provisions of Article 309 of the Constitution, which empower Parliament to regulate recruitment and conditions of service. Consequently, the four-group classification persists in an artificial form, with limited functional relevance in the present administrative context. In contrast, many Public Sector Undertakings have simplified post classification into broad functional categories such as “Executive,” “Non-Executive,” and “Non-Executive Assistant” (covering MTS-related cadres), which more accurately reflect operational realities.

FNPO submits that the Eighth Central Pay Commission should rationalise the classification of posts based on functional responsibilities and actual duties performed, rather than on historically evolved, pay-based groupings. Posts that were designated as “Gazetted” during the 1960s may appropriately be classified as *Executive*, while the remaining cadres may be categorised as *Non-Executive* and *Non-Executive Assistant*. Such a functional classification would better reflect contemporary administrative responsibilities, simplify service administration, ensure uniformity across departments, and facilitate equitable career progression.

FNPO therefore urges the Draft Committee of the Eighth Central Pay Commission to adopt this functional approach and move away from the outdated four-group system. Harmonising post classification across Ministries, Departments, and Public Sector Undertakings would significantly reduce anomalies and ensure that classifications are aligned with modern administrative requirements, levels of responsibility, and authority. The Draft Committee may consider the above submissions and formulate an appropriate policy on the classification of posts in the larger interest of administrative efficiency and fairness to Central Government employees.

CHAPTER – X

GRAMIN DAK SEVAKS (GDS)

FNPO draws the kind and considered attention of the Draft Committee of the 8th Central Pay Commission to the significant observations made by the Fourth Central Pay Commission in Part I, Volume I of its Report (Page 4) with regard to Extra Departmental Labour, now known as Gramin Dak Sevaks (GDS).

The Fourth CPC, while examining the status of Extra Departmental employees, made specific reference to the authoritative judgment of the Hon'ble Supreme Court in *Gokulananda Das vs. Union of India* (1957 1 SCR 679). The Court categorically held that an Extra Departmental employee is **not a casual worker**, but **holds a post under the administrative control of the State**. It was further clarified that although such posts may not form part of the conventional civil service cadre, they nonetheless constitute posts under the authority of the State.

In this context, the Fourth CPC observed that employees occupying such posts could not be excluded from the scope of consideration merely on the ground that their service conditions were distinct in nature. While recognising the uniqueness of their engagement, the Commission clearly acknowledged that categories such as GDS perform essential and continuous public functions and, therefore, merit due consideration within the framework of Pay Commission deliberations.

FNPO submits that Gramin Dak Sevaks constitute the backbone of the rural postal network and perform vital services indispensable to the functioning of the Department of Posts. Over the decades, their role has expanded substantially to include the delivery of financial, banking, insurance and various governmental services at the grassroots level. Despite this critical expansion of duties and responsibilities, their remuneration and allowances have historically been addressed through separate committees rather than through the Central Pay Commissions.

Experience has demonstrated that this approach has resulted in serious inequities. Recommendations of such separate committees have largely been confined to revisions of basic remuneration (TRCA), while denying GDS employees most allowances and social security benefits that are uniformly available to regular Central Government employees. This segmented and differential treatment has led to long-standing dissatisfaction, disparities, and a sense of exclusion among GDS cadres.

FNPO further submits that even the limited recommendations made by various committees headed by retired postal officers have not been implemented in full measure. For instance, the R. R. Savoor Committee recommended that GDS should not be engaged in metropolitan cities; however, this recommendation remains unimplemented even to date. Similarly, the R. S. Nataraja Murthy Committee recommended minor but important changes in the Rules for Service Associations (RSA), including recognition of a second union with a 10% membership threshold, which was not accepted. Further, several recommendations of the Kamlesh Chandra Committee were either diluted or not accepted by the Department. These examples are only illustrative in nature.

In several cases, implementation of recommendations was partial, inordinately delayed, or achieved only after prolonged industrial action. Without narrating the specific circumstances

surrounding each instance, FNPO places on record that this pattern of selective acceptance and partial implementation has severely undermined the confidence of GDS employees in the existing committee-based mechanism.

In this background, FNPO strongly submits that **only a comprehensive examination of GDS service conditions, pay and allowances within the purview of the 8th Central Pay Commission can ensure fairness, uniformity and justice**. Inclusion of GDS within the CPC framework would also carry greater institutional authority, thereby reducing the scope for selective rejection or dilution of recommendations applicable exclusively to this category.

In view of the foregoing, FNPO earnestly appeals to the Draft Committee of the 8th Central Pay Commission to **explicitly include Gramin Dak Sevaks within the Commission's terms of reference for the examination of their pay and allowances**. Such inclusion would be fully consistent with constitutional principles, judicial pronouncements, and the observations of earlier Pay Commissions, and would go a long way in addressing the long-pending inequities faced by GDS employees.

FNPO trusts that the Draft Committee will give due weight to these submissions and recommend an inclusive, equitable and just approach towards Gramin Dak Sevaks in the recommendations of the 8th Central Pay Commission.

CHAPTER XI

ALLOWANCES AND ADVANCES

It is observed that a large number of allowances and advances are sanctioned to Central Government employees in the form of fixed lump-sum amounts. While these allowances and advances were periodically revised up to earlier Pay Commissions, the **7th Central Pay Commission**, in its endeavour to rationalise the allowance structure, largely continued many of them at existing levels or with only marginal enhancement.

ALLOWANCES:

Prior to the Seventh Central Pay Commission, a total of **196 allowances** were in existence across various Ministries and Departments. The Seventh Central Pay Commission recommended the **abolition of 52 allowances altogether**. In addition, **36 allowances were abolished as separate entities** and subsumed into existing allowances or newly introduced allowances. Further, allowances relating to **risk and hardship** were brought under a newly introduced **Risk and Hardship Matrix**.

After the implementation of the Seventh Central Pay Commission, many of the retained allowances continue to be paid as **fixed lump-sum amounts**. During this period, there has been a substantial increase in transportation costs, childcare and healthcare expenses, and other service-related expenditures. At the same time, employees are required to discharge higher responsibilities

due to increased work intensity, technological changes, manpower rationalisation, and expanded functional roles. However, the monetary value of most allowances has not been revised in proportion to these changes, resulting in erosion of their real value and effectiveness.

FNPO submits that allowances vary significantly from department to department, depending upon the nature of duties, functional requirements, geographical conditions, and risk exposure. A uniform policy of abolition or static continuation of allowances may therefore lead to functional difficulties and operational inefficiencies in certain departments.

ADVANCES:

With regard to advances, prior to the Seventh Central Pay Commission, both **interest-free and interest-bearing advances** were available to employees. The Seventh Central Pay Commission recommended the **abolition of all 12 existing interest-free advances**. Out of **four interest-bearing advances**, **two were abolished and two were retained**.

FNPO submits that, while rationalisation of advances was undertaken, the **advances that continue to exist suffer from inadequate monetary ceilings**, which are no longer commensurate with prevailing market costs. Advances such as **Natural Calamity Advance, Vehicle Advance (Scooter and Car), Personal Computer Advance, Uniform and Stitching Charges, and House Building Advance** continue to be functionally relevant, but their existing ceilings do not adequately meet present-day requirements.

In view of the above, FNPO conveys that the **8th Central Pay Commission Draft Committee** may discuss in depth **retaining existing allowances and advances wherever they are functionally justified, and revising their monetary values appropriately**.

CHAPTER XII

TRANSPORT ALLOWANCE

Transport Allowance is a compensatory allowance intended to partially neutralise the expenditure incurred by employees on daily commuting between their place of residence and place of duty. Over the years, its significance has increased substantially due to the continuous expansion of urban limits, increased commuting distances, persistent traffic congestion, and sustained escalation in fuel prices and public transport fares.

These developments have had a disproportionate impact on employees in the lower Pay Levels, who, owing to economic constraints, are compelled to reside at locations far removed from their places of work. Consequently, the relative commuting burden borne by such employees is significantly higher when compared to employees in higher Pay Levels.

The 7th Central Pay Commission prescribed Transport Allowance at differential rates based on Pay Levels and place of posting. While the intent behind such differentiation was recognised, experience during the 7th CPC period indicates that the prevailing rates are no longer commensurate with actual commuting costs. The cumulative effect of inflation and repeated increases in transport fares has resulted in a substantial erosion of the compensatory value of the allowance.

For ease of reference, the rates of Transport Allowance prescribed under the 7th CPC are indicated below:

| Pay Level | 7 CPC Higher TPTA Cities (per month) | 7 CPC Other Places (per month) |
|-------------------|--------------------------------------|--------------------------------|
| Level 9 and above | 7,200 + DA | 3,600 + DA |
| Level 3 to 8 | 3,600 + DA | 1,800 + DA |
| Level 1 and 2 | 1,350 + DA | 900 + DA |

It is observed that the above structure has resulted in inverted equity, wherein employees in the lower Pay Levels, despite incurring higher relative commuting expenditure, are granted the lowest quantum of Transport Allowance.

In order to restore the compensatory character of Transport Allowance(s) and to ensure both horizontal and vertical equity within the pay structure, FNPO respectfully suggest that the allowance may be revised for consideration by the 8th CPC Draft Committee as under:

| Pay Level | 8 CPC Higher TPTA Cities (per month) | 8 CPC Other Places (per month) |
|-------------------|--------------------------------------|---------------------------------|
| Level 9 and above | 14,400 + DA | 7,200 + DA |
| Level 3 to 8 | 7,200 + DA | 3,600 + DA |
| Level 1 and 2 | 3,600 + DA | 1,800 + DA |

The above proposal represents a rational enhancement, taking into account cumulative inflation, escalation in commuting costs, and the need to mitigate the disproportionate burden borne by employees in the lower Pay Levels.

FNPO further submits that when an official is promoted or transferred, in administrative or public interest, from a posting in a Higher TPTA / classified city to a lower-category city or other place, the immediate reduction of Transport Allowance(s) results in avoidable financial hardship. Such hardship is particularly acute during the transition period following promotion or transfer, when the official is required to make arrangements relating to residence, commuting, and other essential obligations.

It is therefore respectfully recommended that, in such cases, the Transport Allowance(s) admissible at the higher rate may continue to be drawn for a minimum period of six months from the date of promotion or transfer. Upon expiry of the said period, the allowance may be regulated in accordance with the rates applicable to the new place of posting.

The above measure would ensure fairness, mitigate transitional hardship, and preserve the compensatory intent of Transport Allowance(s), without imposing any long-term recurring financial liability.

In view of the foregoing, FNPO suggest the 8th CPC Draft Committee to consider revision of Transport Allowance(s) at the rates proposed above, along with provision for six months' protection of higher-rate Transport Allowance(s) in cases of promotion or transfer from higher-category cities to lower-category cities.

CHAPTER XIII

DEPUTATION DUTY ALLOWANCE

The **7th Central Pay Commission**, while examining Deputation (Duty) Allowance, retained the existing rates of **5 per cent of basic pay for deputation within the same station and 10 per cent for deputation involving change of station**, but recommended enhancement of the **monetary ceilings** to ₹4,500 and ₹9,000 per month respectively, with further DA-linked escalation.

FNPO respectfully submits that, notwithstanding the revision of ceilings, the **basic rates of Deputation (Duty) Allowance have remained unchanged**, and experience during the 7th CPC period indicates that the existing structure is inadequate to attract willing and experienced personnel for deputation assignments involving specialised skills, higher responsibility, and additional work pressures.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to give favourable consideration to the **appropriate enhancement of Deputation (Duty) Allowance**, keeping in view current functional requirements, administrative efficiency, and the need for effective deployment of skilled manpower, while ensuring that its application remains selective, justified, and aligned with organisational objectives.

CHAPTER XIV

TRAVELLING ALLOWANCE AND TA ON TRANSFER

A. Travelling Allowance

The Federation of National Postal Organisations (FNPO) most respectfully submits the following observations and recommendations for the consideration of the **8th Central Pay Commission Draft Committee** with regard to **Travelling Allowance (TA)**.

Travelling Allowance is intended to facilitate official travel by reimbursing expenditure incurred in the discharge of official duties. Since the implementation of the **7th Central Pay Commission**, there has been a substantial increase in air fares, rail tariffs, incidental travel expenses, and opportunity cost of time. At the same time, work profiles at all levels have undergone significant transformation, with increased responsibilities, time-bound tasks, inspections, audits, training, and field duties even at the entry and lower Pay Levels.

FNPO submits that the existing class of travel entitlements, particularly for lower Pay Levels, no longer reflect contemporary administrative and functional requirements. In order to improve efficiency, reduce travel fatigue, and optimise utilisation of man-hours, an upward rationalisation of travel entitlements is warranted.

Travelling Allowance – Class of Travel (Within the Country)

| Pay Level | 7th CPC Entitlement | FNPO Proposal – 8th CPC Draft Committee |
|---------------------|---|--|
| Level 14 and above | Business / Club Class by Air OR AC-I by Train | No change |
| Level 12 & 13 | Economy Class by Air OR AC-I by Train | Business / Club Class by Air OR AC-I by Train |
| Level 9 to 11 | Economy Class by Air OR AC-II by Train | Economy Class by Air OR AC-I by Train |
| Level 6 to 8 | AC-II by Train | Economy Class by Air OR AC-II by Train |
| Level 1 to 5 | First Class / AC-III / AC Chair Car | Economy Class by Air OR AC-III by Train |

FNPO submits that **AC-III should be treated as the minimum acceptable standard for rail travel from entry level**, and that limited Economy Class air travel for lower levels would yield savings in man-hours and improve administrative efficiency without disproportionate financial impact.

B. Transport allowance on Transfer

Transport Allowance presently consists of the following components:

- Travel entitlement,
- Composite Transfer and Packing Grant (CTG),
- Reimbursement of charges for transportation of personal effects, and
- Reimbursement of charges for transportation of conveyance.

While the 7th CPC rationalised these components, FNPO submits that **base monetary limits and weight ceilings have become inadequate** in the present cost environment due to steep escalation in packing, handling, container charges, road transport, and insurance costs.

It is proposed that the existing slab-wise entitlement for reimbursement of charges on transportation of personal effects may be **revised and rationalised**, keeping in view present

household requirements and prevailing transportation costs. Accordingly, the following revised provisions are recommended:

| Level | Entitlement by Train / Steamer | Rate for Transportation by Road |
|---------------------------|--|---------------------------------|
| Level 12 and above | 10,000 kg by goods train / 4-wheeler wagon / 1 double container | ₹50 per km |
| Level 6 to 11 | 10,000 kg by goods train / 4-wheeler wagon / 1 container | ₹50 per km |
| Level 1 to 5 | 8,000 kg by goods train / container | ₹50 per km |

This revision is proposed in view of the substantial increase in household goods, packing and handling charges, container costs, and road transportation rates. The revised uniform rate of ₹50 per kilometre is considered reasonable and reflective of current market conditions, while the enhanced weight ceilings would ensure adequacy and equity across pay levels.

Composite Transfer and Packing Grant (CTG)

The cost of relocation has increased uniformly across locations and categories of employees. Accordingly, it is recommended that **CTG may be paid at 100 per cent of last month's Basic Pay for all transfers**, with continued exclusion of add-ons such as NPA/MSP, and with special provisions for island territories retained.

Transportation of Conveyance

The existing entitlement of transportation of one conveyance as per category may continue. However, **monetary ceilings may be enhanced and indexed to Dearness Allowance**, so as to preserve real value over the Pay Commission period.

C. Transport allowance for Retiring Employees

The provisions applicable to Transport Allowance on transfer during service may continue to apply to retiring employees, with **enhanced CTG and personal effects transportation limits** as proposed above, to ensure adequacy and dignity at the time of retirement.

In view of the foregoing, FNPO most respectfully urges the **8th Central Pay Commission Draft Committee** to:

- Revise **Travelling Allowance class entitlements** upward, beginning from the entry level;
- Enhance **Composite Transfer and Packing Grant** to 100 per cent of last drawn Basic Pay;
- Rationalise and enhance **transportation of personal effects**.
- Enhance ceilings for **transportation of conveyance** with DA indexation; and
- Apply enhanced provisions uniformly to **serving and retiring employees**.

These recommendations are submitted in the interest of **equity, administrative efficiency, functional effectiveness, and sound personnel administration**, while retaining appropriate checks and controls.

CHAPTER XV

CHILDREN EDUCATION ALLOWANCE

Children Education Allowance was introduced with effect from 01.09.2008 based on the recommendations of the Sixth Central Pay Commission, with the objective of partially offsetting the cost of education of children of Central Government employees. Over the years, the allowance has provided meaningful financial support in meeting school-related educational expenses.

The **7th Central Pay Commission**, while revising the rates of Children Education Allowance and Hostel Subsidy, linked further enhancement to Dearness Allowance. However, the scope of the allowance was restricted to studies up to **Class XII**, and no provision was made to support higher education.

FNPO submits that since the implementation of the 7th CPC, there has been a **sharp and sustained increase in school fees, hostel charges, coaching expenses, cost of books, digital learning requirements, and other education-related expenditures**. Further, the financial burden has increased exponentially at the level of higher education due to the gradual withdrawal of Government support and the predominance of private institutions charging exorbitant fees.

Revision of Children Education Allowance and Hostel Subsidy

At present, Children Education Allowance is admissible for **two children** studying in recognised institutions up to **Class XII**, subject to prescribed monetary ceilings. FNPO submits that the existing rates, though revised under the 7th CPC by applying a **multiplication factor of 1.5**, have become inadequate in the present cost environment.

Accordingly, FNPO recommends that for the **8th CPC period**, the rates of Children Education Allowance and Hostel Subsidy may be revised by adopting a **multiplication factor of 2** over the prevailing 7th CPC rates, while continuing the existing Dearness Allowance linkage.

| Component | 7th CPC Recommended Rate | FNPO Proposal for 8th CPC Draft Committee | Remarks |
|----------------------------|--------------------------|---|--|
| CEA – per month | 2,250 (pm) | $2,250 \times 2 = 4,500 \text{ (pm)}$ | Increase by 25% whenever DA rises by 50% |
| Hostel Subsidy – per month | 6,750 (pm) | $6,750 \times 2 = 13,500 \text{ (pm)}$ | Increase by 25% whenever DA rises by 50% |

The allowance shall continue to be admissible for **two children**, and the existing provision of **double the rate for differently-abled children** may also continue.

Extension of Scope of CEA

FNPO respectfully submits that the restriction of Children Education Allowance to studies up to **Class XII** no longer reflects present-day educational realities. Expenditure on **Graduate, Post-Graduate, and Professional courses** has increased manifold, particularly due to the predominance of private educational institutions.

In view of the above, FNPO recommends that the **scope of Children Education Allowance and Hostel Subsidy may be extended to cover any two children pursuing Graduate, Post-Graduate, and Professional courses**, subject to recognition norms and prescribed safeguards.

Education Advance

FNPO submits that employees are presently compelled to depend almost entirely on **bank loans** to meet the cost of higher education of their children. Such loans carry high rates of interest, and in cases where employment is not secured immediately after completion of studies, repayment becomes a prolonged and excessive financial burden on the employee.

FNPO therefore recommends that the **Education Advance scheme may be introduced or strengthened** with the following provisions:

- Education Advance for higher studies of children may be sanctioned at an **interest rate not exceeding 5 per cent per annum**; and
- The advance may be made available for **Graduate, Post-Graduate, and Professional courses**, subject to prescribed limits and appropriate safeguards.

In view of the foregoing, FNPO suggest the **8th Central Pay Commission Draft Committee** to consider:

- Revision of Children Education Allowance and Hostel Subsidy by adopting a **multiplication factor of 2** for the 8th CPC period, with continued DA linkage;
- Extension of the scope of the scheme to **Graduate, Post-Graduate, and Professional courses**;
- Simplification of procedural requirements for claiming the allowance; and
- Introduction or strengthening of a **concessional Education Advance** for higher education.

These measures are essential to ensure equitable and meaningful support to Central Government employees in meeting the rapidly rising cost of education of their children.

CHAPTER XVI

DAILY ALLOWANCE

Daily Allowance is intended to meet the living expenses of employees when they are required to travel outside their headquarters in the discharge of official duties. These expenses broadly include accommodation, local conveyance, and food.

The **7th Central Pay Commission** examined the existing structure of Daily Allowance and recommended a hybrid system combining reimbursement of accommodation and local travel with a lump-sum component in lieu of food bills, along with partial self-certification to simplify procedures.

FNPO submits that since the implementation of the 7th CPC, there has been a **steep escalation in hotel tariffs, local transport fares, and food costs**, particularly in urban and semi-urban areas. At the same time, officials across all levels are increasingly required to undertake short-duration, time-bound tours. The existing Daily Allowance rates and time-based admissibility percentages have therefore lost adequacy and relevance.

16.1. Revision of Timing Norms

FNPO submits that the existing time slabs for admissibility of Daily Allowance require revision in line with current working patterns and travel realities. It is therefore recommended that, for the 8th CPC period, the admissibility of Daily Allowance may be regulated as under:

| Length of Absence from Headquarters | Daily Allowance Payable |
|--------------------------------------|---|
| Up to 6 hours | 50% of admissible Daily Allowance |
| More than 6 hours and up to 12 hours | 80% of admissible Daily Allowance |
| More than 12 hours | 100% of admissible Daily Allowance |

16.2. Lump-Sum Daily Allowance (in lieu of food bills)

FNPO recommends that the lump-sum Daily Allowance payable in lieu of food expenses may be revised for the 8th CPC as follows:

| Level | Lump-Sum Amount Payable (per day) |
|--------------------|------------------------------------|
| Level 14 and above | ₹1,700 |
| Level 12 and 13 | ₹1,500 |
| Level 9 to 11 | ₹1,400 |
| Level 6 to 8 | ₹1,300 |
| Level 5 and below | ₹1,000 |

The above lump-sum amounts may **increase by 25 per cent whenever Dearness Allowance increases by 50 per cent**, in line with existing DA-indexation principles.

16.3. Reimbursement of Staying Accommodation Charges

FNPO submits that the present ceilings for reimbursement of accommodation charges are inadequate to secure even basic accommodation in many locations. It is therefore recommended that the ceilings for reimbursement of staying accommodation may be revised as under:

| Level | Ceiling for Reimbursement (₹ per day) |
|--------------------|---------------------------------------|
| Level 14 and above | ₹10,000 |
| Level 12 and 13 | ₹7,500 |
| Level 9 to 11 | ₹4,500 |
| Level 6 to 8 | ₹2,000 |
| Level 5 and below | ₹1,000 |

The ceiling for reimbursement of staying accommodation shall **increase by 25 per cent whenever Dearness Allowance increases by 50 per cent**.

16.4. Reimbursement of Local Travelling Charges

FNPO further recommends that the ceilings for reimbursement of local travelling charges during tour may be revised as under:

| Level | Ceiling for Reimbursement (₹ per day) |
|--------------------|---------------------------------------|
| Level 14 and above | AC Taxi charges up to 75 km |
| Level 12 and 13 | Non-AC Taxi charges up to 75 km |
| Level 9 to 11 | ₹500 per day |
| Level 6 to 8 | ₹400 per day |
| Level 5 and below | ₹300 per day |

The reimbursement limits for travelling charges shall also **increase by 25 per cent whenever Dearness Allowance increases by 50 per cent.**

In view of the foregoing FNPO suggest the **8th Central Pay Commission Draft Committee** to consider a comprehensive revision of Daily Allowance by:

- Enhancing lump-sum Daily Allowance rates to reflect current food costs;
- Revising accommodation and local travel reimbursement ceilings in line with prevailing market rates;
- Updating admissibility percentages based on duration of absence from headquarters; and
- Continuing Dearness Allowance-linked indexation to protect real value over time.

These measures are essential to ensure adequacy, simplicity, and fairness in the administration of Daily Allowance, while enabling employees to perform official duties efficiently without financial hardship.

CHAPTER XVII

OVERTIME ALLOWANCE

Overtime Allowance (OTA) is rarely granted to Government employees and is admissible only in cases of emergency or in contingencies where official work cannot be postponed beyond normal working hours. Despite this restricted applicability, overtime work is routinely extracted in several operational and service-oriented organisations due to manpower shortages, workload pressures, and public service requirements.

The Third, Fourth, Fifth, and Sixth Central Pay Commissions had recommended discontinuance of Overtime Allowance, except in the case of industrial employees, staff car drivers, and operational staff. However, the Government continued to pay Overtime Allowance, calculated on the basis of **notional pay linked to the pre-revised basic pay of the Fourth Central Pay Commission**, resulting in extremely low and unrealistic rates.

The issue relating to the method of calculation of Overtime Allowance was referred to the **Board of Arbitration in C.A. Reference No. 2 of 2004** on 06.09.2005. The Board of Arbitration gave an award in favour of the employees, holding that **Overtime Allowance shall be calculated on the basis of actual pay as revised under the Fifth Central Pay Commission.**

This award has **not been implemented to date**. As a result, a meagre amount of approximately **₹15.85 per hour** continues to be paid as Overtime Allowance in the Postal Department and certain other Departments. This rate is **nearly ten times lower** than the Overtime Allowance rates paid in organisations such as Railways and Defence, leading to severe disparity and injustice.

7th Central Pay Commission Recommendation

The **7th Central Pay Commission** reiterated the view of earlier Pay Commissions that Government offices need to improve productivity and efficiency and recommended that **Overtime Allowance should be abolished**, except for operational staff and industrial employees governed by statutory provisions.

At the same time, the 7th CPC also recommended that **if the Government decides to continue Overtime Allowance for categories of staff for whom it is not a statutory requirement, the rates of Overtime Allowance should be increased by 50 per cent from the existing levels.**

FNPO submits that mere enhancement of an already negligible rate does not address the core issue of inequitable and outdated calculation methodology.

Issues in the Existing System

Overtime Allowance is often denied to personnel on the ground that their pay exceeds the prescribed eligibility level. However, such personnel continue to be **directed to work beyond stipulated working hours**, particularly in operational organisations. If Overtime Allowance is denied on the basis of pay level, employees should not be required to work beyond normal hours. FNPO submits that such a restriction is impractical in operational and service-delivery organisations.

The present system, therefore, results in extraction of overtime work **without fair compensation**, which is neither equitable nor administratively sound.

FNPO Submission for the 8th CPC draft committee:

FNPO submits that Overtime Allowance should **continue to be paid** wherever employees are required to work beyond prescribed working hours and should be **calculated on a realistic and uniform basis**, duly linked to pay and Dearness Allowance.

Accordingly, FNPO recommends that for the **8th Central Pay Commission period**, Overtime Allowance may be regulated as under:

- **Overtime Allowance per hour = (Basic Pay + Dearness Allowance) ÷ 200**
(where 200 represents the standard monthly working hours)
- The rate of Overtime Allowance shall **automatically revise with every increase in Dearness Allowance**.
- **No ceiling** may be imposed on the amount of Overtime Allowance payable where overtime work is officially ordered and certified.
- Overtime Allowance shall be **admissible to all personnel**, irrespective of pay level, if he or she is required to work beyond normal working hours, particularly in operational and service-oriented organisations.

FNPO submits that continuation of Overtime Allowance at outdated and unrealistic rates amounts to denial of fair compensation for extra hours of work. Adoption of a transparent, pay-linked formula as proposed above would ensure **equity, uniformity, and administrative fairness**, while discouraging unnecessary overtime through proper managerial controls.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to recommend **calculation of Overtime Allowance on the basis of actual pay and Dearness Allowance**, without arbitrary eligibility restrictions, wherever overtime work is required in public interest.

CHAPTER XVIII

RISK ALLOWANCE / RISK AND HARDSHIP MATRIX

The 8th Central Pay Commission Draft Committee may consider recognising the duties of Road Transport Network (RTN) personnel, including **RTN Drivers and Mail Peons**, as **high-risk assignments**. Employees engaged in RTN operations are required to undertake long-distance, night-time, and continuous driving under strict delivery timelines, often on accident-prone routes.

These duties expose staff to a significantly higher degree of occupational risk, including the potential for serious injury or loss of life, compared to standard postal operations.

In line with established principles of compensating hazardous duties, it is recommended that a **dedicated Risk/Occupational Hazard Allowance** be introduced for RTN personnel. This allowance would acknowledge and mitigate the inherent dangers associated with their work and serve as a recognition of their crucial contribution to postal and logistics services.

It is therefore suggested that the 8th CPC Draft Committee **include RTN Drivers and Mail Peons under the category of high-risk duties** and consider provision of an appropriate Risk/Occupational Hazard Allowance to ensure their safety, welfare, and equitable compensation.



CHAPTER XIX

NIGHT DUTY ALLOWANCE

Night Duty Allowance (NDA) is granted to specified categories of employees for performance of duty during night hours, presently defined as duty performed between **22:00 hours and 06:00 hours**. The allowance is intended to compensate employees for the physical, social, and health-related hardships associated with night work.

It has been consistently represented that the existing rates of Night Duty Allowance are inadequate and do not reflect the cumulative impact of inflation, changes in Dearness Allowance, and the adverse health effects of prolonged night duty. In this context, it is pertinent to note that certain organisations, such as the Ministry of Railways, have revised NDA rates over time to partially offset these factors.

Position Prior to the Seventh Central Pay Commission

Successive Pay Commissions had recommended restrictions on Night Duty Allowance, including ceilings linked to pay. However, the **Board of Arbitration** categorically held that such ceilings should be lifted and that Night Duty Allowance should be calculated on the basis of **current rates of pay**, including Dearness Allowance and other admissible components.

Despite these awards, Night Duty Allowance continued to be calculated on outdated formulations, resulting in significant erosion of its compensatory value.

Seventh Central Pay Commission Recommendations

The **7th Central Pay Commission** examined the issue of Night Duty Allowance in detail, taking into account international conventions, medical studies on the adverse effects of night work, and practical difficulties faced by employees.

The 7th CPC acknowledged that the need for compensating night work is well recognised and recommended continuation of Night Duty Allowance. The Commission further observed that with the computerisation of pay rolls, there is no justification for adopting broad-banded or averaged rates of NDA.

Accordingly, the 7th CPC recommended that:

- The existing formulation of **weightage of 10 minutes for every hour of duty performed between 22:00 and 06:00 hours** may be continued;
- The **hourly rate of NDA equal to (Basic Pay + Dearness Allowance) ÷ 200** may be continued;
- Night Duty Allowance should be **calculated individually for each employee**, rather than adopting uniform rates for a pay level;
- The allowance should extend to all employees who were already in receipt of NDA; and
- A certificate should be issued by the competent supervisor certifying that **night duty was essential**.

Issues in the Existing System

FNPO submits that while the formulation recommended by the 7th CPC is rational, its **implementation has remained inconsistent**, and the compensatory value of NDA has continued to erode due to rising costs of living and health-related consequences of sustained night work.

Further, ceilings and eligibility restrictions, though not supported by arbitration awards or Pay Commission logic, continue to be applied in practice in certain cases, leading to denial or dilution of legitimate entitlement.

FNPO Submission for the Eighth CPC

FNPO respectfully submits that Night Duty Allowance should continue to be treated as a **compensatory allowance** recognising the special hardship of night work and should be **calculated transparently on the basis of actual pay**.

Accordingly, FNPO recommends that for the **8th Central Pay Commission period**, the following provisions may be adopted:

- Night Duty Allowance shall be payable for duty performed between **22:00 hours and 06:00 hours**;
- The existing **weightage of 10 minutes for every hour of night duty** may be continued;
- The **hourly rate of NDA shall be calculated as (Basic Pay + Dearness Allowance) ÷ 200**, and shall automatically revise with every increase in Dearness Allowance;
- Night Duty Allowance shall be **worked out individually for each employee**, without broad-banding or averaging;
- **No ceiling linked to pay or emoluments** shall be imposed on Night Duty Allowance;
- The allowance shall be admissible to **all employees required to perform night duty**, irrespective of pay level, provided such duty is officially ordered; and
- A certificate from the controlling supervisor certifying that **night duty was essential** shall continue to be the only procedural requirement.

FNPO submits that Night Duty Allowance is not a concession but a necessary compensation for duties performed under conditions that adversely affect health, family life, and social well-being. Continuation of outdated ceilings or restrictive practices undermines the very rationale of the allowance.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to reaffirm and strengthen the principle that **Night Duty Allowance must be calculated on the basis of actual pay and Dearness Allowance**, without arbitrary ceilings, and applied uniformly across all eligible categories where night duty is essential.

CHAPTER XXIII

HOUSING FACILITIES AND HOUSE BUILDING ADVANCE

Housing Facilities

The Federation of National Postal Organisations (FNPO) respectfully submits that the **non-availability of affordable residential accommodation** in towns and cities across India has

reached an acute level. Even modest housing units now command rents far beyond the financial capacity of a large section of Central Government employees, particularly those in the lower and middle pay levels.

While FNPO has submitted separate proposals for enhancement of **House Rent Allowance (HRA)**, it is submitted that **revision of HRA alone cannot adequately resolve the housing crisis** faced by Government employees. Structural and institutional measures aimed at increasing the availability of Government-supported housing are urgently required.

FNPO submits that several constructive recommendations made by earlier Pay Commissions on housing facilities were not acted upon. Had even a part of those recommendations been implemented, they would have significantly alleviated the hardships faced by Government employees, especially low-paid staff.

Accordingly, FNPO recommends that the **8th Central Pay Commission Draft Committee** may examine and reiterate the following measures, suitably updated to present conditions:

- A planned approach may be adopted to achieve a **housing satisfaction level of at least 70 per cent in metropolitan cities and major urban centres, and not less than 40 per cent in other towns and cities.**
- Government may **take residential accommodation on lease from private owners** and allot the same to employees, particularly in cities where construction of new Government housing is not immediately feasible.
- **Land and buildings acquired by Government Departments**, including properties acquired through statutory proceedings by departments such as Income Tax and others, may be utilised for construction of residential accommodation for Government employees.
- In cases where employees are posted to **remote, border, or inhospitable areas for operational or administrative reasons**, and where private accommodation is unavailable or unaffordable, **rent-free residential accommodation** may be provided as a matter of policy.

FNPO submits that these measures would significantly reduce financial stress, improve morale, and enhance administrative efficiency.

House Building Advance (HBA)

House Building Advance plays a crucial role in enabling Government employees to acquire residential property at an early stage of service, thereby reducing long-term dependence on rented accommodation and easing pressure on Government housing stock.

FNPO submits that despite its importance, employees continue to face **procedural constraints and financial inadequacy** in availing House Building Advance under the existing rules. In view

of the revised pay structure and sharply increased cost of land, construction, and housing finance, a comprehensive revision of HBA provisions is necessary.

FNPO therefore recommends that, for the **8th Central Pay Commission period**, the following reforms may be considered:

- The **procedure for sanction and disbursement of House Building Advance** may be simplified to ensure transparency, ease of compliance, and timely availability of funds.
- **Stamp duty and registration charges** incurred for mortgaging and de-mortgaging property in connection with HBA may be **exempted or reimbursed**, as these are procedural requirements imposed on employees.
- The maximum amount of House Building Advance may be **enhanced to 60 times of the monthly salary**, subject to an **overall monetary ceiling of ₹75 lakh**.
- The **eligibility period for availing HBA** may be reduced to **two years of regular service**, instead of the existing requirement of five years.
- In cases where the remaining service period is insufficient to permit full recovery within the normal repayment schedule, the **entire gratuity due and payable** to the employee may be taken into account while assessing eligibility and repayment capacity.
- The **maximum ceiling of House Building Advance** may be reviewed periodically in line with revised pay scales and prevailing housing costs.
- The **rate of interest on HBA** may be reduced and capped at **not more than 5 per cent per annum**, so as to make the advance affordable.
- Employees may be permitted to avail House Building Advance for **purchase of second-hand or already constructed houses**, subject to prescribed safeguards.
- House Building Advance may also be sanctioned for **extension, improvement, or renovation of existing residential accommodation**.

FNPO submits that access to affordable housing is fundamental to employee welfare, social stability, and administrative efficiency. Strengthening housing facilities and substantially revising House Building Advance provisions would significantly reduce financial stress on Government employees and contribute to long-term workforce stability.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to recommend the above measures relating to **housing facilities and House Building Advance** for acceptance and implementation by the Government.

CHAPTER XXIV

HOUSE RENT ALLOWANCE

The Federation of National Postal Organisations (FNPO) submits that **House Rent Allowance (HRA)** continues to be a critical component of compensation for Central Government employees in view of the persistent and acute shortage of Government-owned residential accommodation across the country.

The present structure of HRA is largely derived from population-based city classification, a method that has remained in force for several decades with only marginal adjustments. While the rates have undergone periodic revision, the **underlying methodology has failed to keep pace with ground realities**, particularly the sharp escalation in real estate prices and rental values in both metropolitan and non-metropolitan areas.

Earlier Pay Commission Perspective

FNPO draws attention to the far-sighted recommendations of the **Third Central Pay Commission**, which had clearly recognised that the problem of housing faced by Government employees could not be addressed merely by linking HRA to population criteria. The Third CPC had recommended that:

- Government should take residential accommodation on long-term lease and allot the same to employees at nominal rent; and
- HRA rates should be based on **actual prevailing rental values** in cities and towns, or on **notional rents determined after a realistic assessment of local housing conditions**, rather than population size alone.

It was further recommended that the difference between actual rent and a reasonable percentage of pay should be reimbursed, subject to prescribed ceilings. FNPO submits that these progressive recommendations were **never implemented**, and the continued reliance on population-based classification has adversely affected the real wages of Government employees.

Position under the Seventh Central Pay Commission

The **7th Central Pay Commission**, while acknowledging the inadequacy of static HRA rates over a long pay cycle, retained the population-based classification and recommended HRA at **24%, 16% and 8% of Basic Pay** for X, Y and Z class cities respectively. The Commission also provided for **automatic upward revision** of HRA rates when Dearness Allowance crossed specified thresholds.

While these revisions offered partial relief, FNPO submits that even the enhanced rates have **not bridged the gap between HRA and actual rental expenditure**, particularly in the present housing market where rents have increased disproportionately across all categories of cities and towns. Further, the classification into three slabs has resulted in **anomalies between similarly placed cities**, with rental values bearing little correlation to population size.

Need for Structural Simplification

FNPO submits that the **real estate boom has become universal**, affecting not only metropolitan cities but also Tier-II, Tier-III towns, and even semi-urban areas. There is scarcely any location today where rental housing is available at rates compatible with the existing HRA structure.

In this context, FNPO submits that continuation of multiple population-based slabs has outlived its relevance and has introduced unnecessary complexity and inequity. A **simplified and rational structure** aligned with present realities is therefore warranted.

FNPO Proposal for the Eighth Central Pay Commission

In view of the foregoing, FNPO submits that for the **8th Central Pay Commission period**, the House Rent Allowance structure may be **simplified and rationalised** as under:

- **Metro Cities:** HRA at **30 per cent of Basic Pay**
- **Non-Metro Cities / Towns:** HRA at **20 per cent of Basic Pay**

FNPO submits that adoption of a **two-slab structure** would:

- Reflect the broad convergence of rental values across city categories;
- Eliminate anomalies arising from rigid population-based classification;
- Simplify administration and improve transparency; and
- Provide more realistic compensation for rental expenditure actually incurred by employees.

FNPO submits that House Rent Allowance, in its present form, has failed to serve its intended compensatory purpose. A simplified, realistic, and equitable structure is essential to protect employees from erosion of real wages due to escalating housing costs.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to recommend a **two-slab HRA structure of 30 per cent for Metro cities and 20 per cent for Non-Metro cities**, along with long-term policy measures to expand availability of Government-supported housing.

CHAPTER XXVI

CENTRAL GOVERNMENT EMPLOYEES GROUP INSURANCE SCHEME (CGEGIS)

The Central Government Employees Group Insurance Scheme (CGEGIS) was introduced in 1982 as a **self-financing social security scheme**, intended to provide insurance protection and savings benefits to Central Government employees. Since its introduction, the scheme has continued to operate **without any revision in the rate of subscription or the amount of insurance cover**, despite multiple revisions in pay structure, inflationary trends, and substantial changes in socio-economic conditions.

Over the years, several Pay Commissions have examined the scheme and acknowledged the need for revision of both contribution and insurance cover. However, notwithstanding these observations, the scheme has remained largely unchanged, resulting in a **significant erosion in the real value of insurance protection** available to employees and their families.

The present level of insurance cover under CGEGIS is **grossly inadequate** and does not provide meaningful financial security to the family of an employee in the unfortunate event of death during service. Considering the substantial increase in salaries, cost of living, and financial responsibilities of employees, the original objectives of the scheme are no longer being effectively met.

It is pertinent to note that CGEGIS is a **self-financing scheme**, and no actuarial evidence has been placed on record to indicate that revision of contribution and insurance cover would adversely affect its viability. On the contrary, improvements in **mortality rates, life expectancy, and healthcare delivery systems** provide a sound basis for strengthening the scheme through appropriate restructuring.

Position under the Seventh Central Pay Commission

The **7th Central Pay Commission** undertook a detailed review of CGEGIS and recommended **substantial enhancement of monthly subscription as well as insurance cover**, together with rationalisation of the apportionment between the Savings Fund and the Insurance Fund.

The Commission recommended the following structure:

| Level of Employee | Monthly Deduction (₹) | Insurance Cover (₹) |
|--------------------|-----------------------|---------------------|
| Level 10 and above | 5,000 | 50,00,000 |
| Level 6 to 9 | 2,500 | 25,00,000 |
| Level 1 to 5 | 1,500 | 15,00,000 |

**This 7th CPC recommendation remains unimplemented and should be implemented in the coming days. The draft may formulate the policy accordingly on the subject.*

The Commission also observed that mortality rates and life expectancy have improved considerably since the introduction of the scheme and recommended that the **apportionment between Savings Fund and Insurance Fund be revised from 70:30 to 75:25**, pending a detailed actuarial review. Periodic reassessment of mortality data and corresponding modification of benefit tables were also advised.

FNPO submits that the recommendations made by the Seventh Central Pay Commission provide a **balanced, actuarially prudent, and socially relevant framework** for strengthening CGEGIS. However, it is essential that the scheme is **implemented effectively and reviewed periodically** to maintain its relevance and adequacy over time.

Accordingly, FNPO recommends that for the **8th Central Pay Commission period**, the following measures may be considered:

- The **enhanced subscription and insurance cover structure** recommended by the 7th CPC may be **continued**, with provision for further revision in line with future pay revisions.
- The **Savings Fund to Insurance Fund ratio of 75:25** may be retained, subject to regular actuarial evaluation based on updated mortality and longevity data.
- A **mandatory, institutionalised actuarial review mechanism** may be introduced to periodically reassess contribution rates, insurance cover, and benefit structures.
- The **Tables of Benefits** may be updated at regular intervals to reflect revised pay levels, contribution rates, and actuarial assumptions.
- The **self-financing character** of CGEGIS may be preserved while ensuring adequate and meaningful social security coverage for employees.

CGEGIS constitutes a critical component of the social security framework for Central Government employees. Failure to revise the scheme in line with contemporary economic and demographic realities has significantly weakened its protective value.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to recommend **strengthening, periodic revision, and actuarially guided management of the Central Government Employees Group Insurance Scheme**, so as to ensure fairness, adequacy, and long-term sustainability.

CHAPTER XXVII

ALL LEAVE RELATED ISSUES

1. Holidays

The present provision of **three locally decided Gazetted holidays** may be **enhanced to five** in order to better accommodate the **regional, cultural, and social diversity** prevailing across the country. Further, **Dr. B. R. Ambedkar's Birthday, observed on 14th April**, in recognition of his seminal contribution as the chief architect of the Constitution and a foremost advocate of social justice, may be **uniformly declared and observed as a Gazetted holiday** for all Central Government employees. In addition, **May Day (1st May)**, which symbolises the invaluable contribution of workers to national development, may be declared a **compulsory national holiday**. Other existing provisions relating to **National Holidays, Gazetted Holidays, and Restricted Holidays** may continue unchanged.

2. Casual Leave

Considering increased social responsibilities and unforeseen exigencies, it is proposed that **Casual Leave (CL)** be enhanced to **12 days per year for civilian employees** and **15 days for industrial workers**, particularly those serving in open-line and operational establishments. The existing purpose of CL for urgent personal needs may continue, and **encashment of CL should not be permitted**.

3. Earned Leave

The current ceiling of **300 days** on accumulation of **Earned Leave (EL)** may be raised to **450 days**, keeping in view the extended length of service up to 60 years of age. Employees who have completed **20 years of service** may be permitted to **encash up to 50 percent of their accumulated EL** to meet financial exigencies. For vacational staff such as teachers and principals, **10 days of Earned Leave** may be restored in place of the existing provision of Half Pay Leave. A humanitarian provision may also be introduced to allow employees to **gift leave** to spouses or colleagues in exceptional circumstances such as prolonged illness.

4. Half Pay Leave

Half Pay Leave (HPL) may be permitted to be **encashed at the time of retirement or superannuation**. Existing provisions relating to conversion of HPL into EL for vacational staff may continue.

5. Special Disability Leave

The existing ceiling of **24 months** on Special Disability Leave may be removed. The duration of such leave should be determined solely on the basis of **medical advice**, ensuring adequate rehabilitation and recovery for employees who suffer injury or disability in the course of duty.

6. Maternity and Paternity Leave

It is recommended that **Maternity Leave** be enhanced to **240 days with full pay**. **Paternity Leave** for male employees may be extended to **30 days**, applicable to those with fewer than two surviving children, and may also be extended in cases of valid adoption.

7. Child Care / Family Care Leave

It is proposed that Child Care Leave (CCL) may be restructured as 'Family Care Leave (FCL)', making it applicable not only for childcare but also for the care of immediate family members who require support due to illness, disability, or old age. The present restrictions on the number of spells in a year and the age limit of the child may be removed, especially in cases involving disability or prolonged medical treatment. Eligibility for this leave may also be extended to single male parents, thereby promoting equitable sharing of caregiving responsibilities.

The existing entitlement of 730 days (two years) may be retained with full pay for the entire period, by modifying the present provision of 80 percent pay during the second year to 100 percent pay.

8. Commuted Leave

The existing requirement of **medical certification** for availing Commuted Leave may continue without change.

9. Special Casual Leave

Given the extensive and varied use of Special Casual Leave (SCL), it is suggested that the Government undertake a review to **rationalize purposes**, prescribe an **annual ceiling**, and limit eligible occasions, while retaining scope for **case-specific approvals** where justified.

10. Sick Leave

Existing provisions relating to Sick Leave for civilian employees may continue. Parity in Special Disability Leave for uniformed forces may be examined where the nature of occupational hazards is comparable.

11. Miscarriage Leave

As per the 8th CPC suggestion, it is proposed that **miscarriage leave for women government employees** be **enhanced from 45 days to 60 days**, while all other provisions, including pay, eligibility, and combination with other admissible leave, **remain unchanged**. This

enhancement would provide additional recovery time for women employees while maintaining the existing framework of maternity-related leave benefits.

12. Menstrual Leave for Women

Casual leave (CL) for women during menstruation is not universally mandated or recognized in most countries, but there are some places where organizations or governments have introduced policies related to menstrual leave or specific casual leave provisions for women during their menstruation.

Menstrual Leave Policies Around the World:

1. India:

While there is no nationwide policy granting special leave for menstruation, some private companies and a few state governments have started recognizing menstrual leave:

- **State Governments:** For example, Kerala, Karnataka have introduced a policy for state government employees offering **one day of menstrual leave** each month.
- **Private Companies:** Some progressive private companies have implemented menstrual leave policies voluntarily, offering women employees the option to take leave on the first day of their period if they experience significant discomfort. The leave can be categorized under casual or sick leave.

2. Japan:

Japan was one of the first countries to introduce **menstrual leave** (referred to as "seirikyuuka") under the **Equal Employment Opportunity Law**. Women are entitled to take leave during their menstruation if they experience significant discomfort. However, the implementation and usage of this leave have been reported as low, possibly due to cultural stigma.

3. SouthKorea:

South Korea also has a **menstrual leave** policy where women are entitled to take one day off per month for menstrual discomfort. This is typically paid leave.

4. China:

In some regions of China, women are allowed to take **one day of menstrual leave** per month, and it is paid.

5. Indonesia:

Indonesia introduced a **menstrual leave** policy in 1948, which allows women to take two days off during their periods. It is paid, but not always applied consistently.

6. Taiwan:

Taiwan also provides **menstrual leave** for women, and the leave is considered paid. However, like in other countries, it depends on the employer's policy.

7. OtherCountries:

In countries like the UK, the US, and most European nations, there is generally no legal entitlement to menstrual leave. In these places, women may use casual leave, sick leave, or personal days to take time off for menstrual-related discomfort, but these are not usually specifically recognized as "menstrual leave."

Casual Leave for Women:

In many workplaces, casual leave is available to all employees, including women, for short-term personal reasons. It may be used for a variety of reasons, including medical conditions like menstruation. Since menstrual discomfort (like cramps or fatigue) can sometimes require time off, employees may choose to use casual leave for this purpose, although it isn't officially recognized as menstrual leave in many organizations.

Hence, FNPO recommends granting 12 days of Casual Leave (Menstrual Leave) per year to women employees by framing a uniform policy applicable to all organizations, in line with the responsibility of the Government as a Model Employer (DoPT), to safeguard women's welfare.

The above recommendations are guided by the principles of equity, humanitarian concern, gender sensitivity, and administrative practicality. They aim to modernize and rationalize leave and holiday provisions while ensuring that welfare-oriented measures do not compromise organizational efficiency. Adoption of these measures by the 8th Central Pay Commission would significantly enhance employee morale, productivity, and social security in Central Government service.

CHAPTER XXVII

LEAVE TRAVEL CONCESSION

Leave Travel Concession (LTC) is a long-standing welfare measure intended to enable Central Government employees to visit their hometowns and to travel to different parts of the country, thereby promoting family bonding, social integration, and exposure to the diverse geography of India.

Under the existing framework, LTC is admissible in blocks of four years, permitting two hometown visits, with the option to substitute one hometown visit with an "All India" visit. Certain relaxations and special provisions have been introduced over time for specific categories of employees, including those posted in remote, border, and island areas.

The **7th Central Pay Commission** examined various demands relating to LTC and recommended limited modifications, including splitting of hometown LTC for employees posted in the North Eastern Region, Ladakh, and island territories, as well as parity-related measures for certain uniformed services.

FNPO submits that changing service conditions, increased mobility requirements, rising travel costs, and the evolving expectations of employees necessitate a **comprehensive review of the LTC framework**. The present periodicity and mode restrictions limit the practical utility of LTC, particularly for employees posted far from their native places or in geographically isolated regions.

Further, differential treatment across cadres and services has resulted in **complexity and perceived inequity**, undermining the uniform welfare character of the scheme.

Periodicity of LTC

FNPO submits that the existing four-year LTC block does not adequately meet the social and family needs of employees, especially those posted away from their home states for extended periods.

It is therefore recommended that the **periodicity of LTC may be revised to once in two years**, applicable uniformly to all Central Government employees. This would provide more frequent opportunities for family reunification and improve work-life balance without materially increasing administrative burden.

Mode of Travel

In the present system, the admissibility of air travel under LTC is restricted to specific categories and routes. FNPO submits that such restrictions are no longer aligned with contemporary travel realities, particularly in view of improved air connectivity, time constraints, and safety considerations.

Accordingly, it is recommended that **permission for air travel under LTC may be extended to all categories of Central Government employees**, subject to prescribed safeguards and entitlement norms. This would ensure parity, reduce travel hardship, and enhance effective utilisation of LTC.

Uniform LTC Entitlement

FNPO submits that multiple slabs and service-specific conditions governing LTC have resulted in procedural complexity and unequal treatment. To ensure transparency and equity, it is recommended that a **uniform LTC entitlement structure may be prescribed for all employees**, irrespective of cadre or department, subject to clearly defined eligibility conditions.

Overseas Travel Option

FNPO further submits that, in keeping with evolving global exposure and changing aspirations, the Commission may **explore the feasibility of permitting one overseas during the entire service career**, in lieu of an admissible LTC. Such a provision, if carefully regulated, would be a progressive welfare measure without recurring financial implications.

FNPO respectfully submits that Leave Travel Concession should be viewed not merely as a travel reimbursement scheme, but as a **social welfare and human resource measure** that contributes to employee morale, mental well-being, and administrative efficiency.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to consider:

- Revising the **periodicity of LTC to once in two years**;
- Permitting **air travel for all categories of employees** under LTC;
- Introducing a **uniform LTC entitlement structure** across services; and
- Exploring the feasibility of **one-time overseas travel** during the service career in lieu of LTC.

These measures would modernise the LTC framework and align it with present-day service conditions and employee expectations.

CHAPTER XXIX

MEDICAL FACILITIES (CS (MA) RULES AND CENTRAL GOVERNMENT HEALTH SCHEME)

The Central Government provides medical facilities to its serving and retired employees through multiple arrangements. Employees of certain organisations such as Railways and Defence are covered under captive medical facilities administered by their respective ministries. Other organisations have limited in-house medical arrangements, primarily restricted to outpatient care.

The general medical coverage for Central Government employees is provided under the **Central Government Health Scheme (CGHS)** and the **Central Services (Medical Attendance) Rules, 1944 [CS (MA) Rules]**. CGHS operates under the administrative control of the Ministry of Health and Family Welfare and provides outpatient and inpatient care to serving employees and pensioners within its notified areas. Serving employees posted outside CGHS-covered cities are governed by CS (MA) Rules.

Pensioners are not covered under CS (MA) Rules. Pensioners residing outside CGHS areas are presently entitled to a **Fixed Medical Allowance (FMA)** for meeting their medical needs and may opt for CGHS facilities subject to specified conditions.

Position under the Seventh Central Pay Commission

The **7th Central Pay Commission** undertook a detailed examination of medical facilities available to Central Government employees and pensioners. The Commission recognised that CGHS has benefited a large number of beneficiaries but also noted increasing pressure on the system due to expanding coverage, manpower shortages, and administrative constraints.

The 7th CPC identified three broad issues requiring attention:

- (i) expansion of CGHS to additional areas,
- (ii) strengthening of existing CGHS facilities, and
- (iii) provision of equitable medical facilities to pensioners residing outside CGHS areas.

The Commission strongly recommended introduction of a **Pan-India Health Insurance Scheme** for Central Government employees and pensioners. In the interim, it recommended measures such

as empanelment of CS (MA)/ECHS hospitals under CGHS for cashless treatment of pensioners, merger of remaining postal dispensaries with CGHS, and extension of CGHS coverage to all postal pensioners irrespective of their participation while in service.

Continuing Gaps and Challenges

FNPO submits that despite the detailed analysis and recommendations of the 7th CPC, **substantial disparities persist** in access to medical facilities, particularly for employees and pensioners residing outside CGHS-covered cities.

The existing reimbursement-based system places a significant financial burden on employees and pensioners, who are often required to make **upfront payments for hospitalisation and emergency treatment** and seek reimbursement later, subject to CGHS rates. This system is particularly onerous for pensioners, senior citizens, and low-paid employees, many of whom may not have the financial capacity to bear large medical expenses in advance.

Further, the Fixed Medical Allowance provided to pensioners outside CGHS areas has not kept pace with rising medical costs and does not adequately address inpatient or specialised treatment requirements.

Need for Cashless Medical Treatment

FNPO submits that **cashless medical treatment should be recognised as a core requirement of any modern public health framework for Government employees and pensioners. In the absence of universal CGHS coverage, reliance on reimbursement mechanisms leads to inequity, delays, and financial hardship.**

The experience of other Government health schemes demonstrates that cashless treatment through empanelled hospitals significantly improves access, reduces distress, and enhances administrative efficiency.

FNPO Proposal for the Eighth Central Pay Commission

In view of the above, FNPO respectfully submits the following recommendations for consideration of the **8th Central Pay Commission Draft Committee**:

- **A nationwide cashless medical treatment framework** may be established for all Central Government employees and pensioners, irrespective of place of posting or residence.
- CGHS may empanel, on priority basis, **all hospitals already empanelled under CS (MA), ECHS, and other Government health schemes**, so as to provide cashless inpatient and emergency treatment across the country.
- Pensioners residing outside CGHS areas may be **extended cashless treatment facilities** through nearest empanelled hospitals, without the requirement of upfront payment.
- Administrative and IT infrastructure of CGHS may be strengthened to enable **real-time authorisation, monitoring, and settlement of cashless medical claims.**

- The remaining departmental dispensaries, including postal dispensaries, may be **fully integrated with CGHS**, with optimal utilisation of existing medical manpower.
- In the medium to long term, the Government may move towards a **unified health coverage model or insurance-based system**, integrating CGHS, ECHS, RELHS, and similar schemes, so as to create a robust, pan-India medical network.

FNPO submits that access to timely and cashless medical treatment is not merely a welfare measure but a fundamental component of service security and post-retirement dignity. The continuation of reimbursement-based systems, particularly for pensioners outside CGHS areas, perpetuates inequality and financial vulnerability.

FNPO therefore urges the **8th Central Pay Commission Draft Committee** to recommend a **comprehensive cashless medical treatment framework**, building upon and strengthening CGHS and CS (MA) provisions, so as to ensure **equitable, accessible, and humane medical care** for all Central Government employees and pensioners.

CHAPTER XXX

WOMEN EMPLOYEES

Women employees face several challenges in balancing professional responsibilities with personal and health-related needs. It is recommended that the 8th CPC consider measures to create a supportive work environment, including the introduction of flexi-time, experimental flexi-place work schedules, and provision for part-time work for a limited period in a career to accommodate personal responsibilities. Wherever feasible, opportunities for working from home should also be provided to further enhance flexibility. Additional single women's hostels and adherence to posting guidelines for married couples should be ensured to address safety, convenience, and family considerations. Special health needs, such as recovery from medical procedures like hysterectomy, warrant the grant of one month special leave without affecting regular leave entitlements. Furthermore, implementing 30 percent sub-reservation for women employees will promote equitable representation and enhance career opportunities. These measures aim to mitigate day-to-day challenges faced by women employees and support their effective participation in government service.

CHAPTER XXXI

COMPASSIONATE GROUND APPOINTMENT

Compassionate appointment is a welfare-oriented scheme intended to provide immediate relief to the family of a Government employee who dies in harness or is prematurely retired on medical

grounds, leaving the family in financial distress. The Supreme Court has repeatedly upheld its necessity, emphasizing that it is a humanitarian measure rather than a vested right.

It is noted that none of the Supreme Court judgments, including *Umesh Kumar Nagpal vs. State of Haryana*, prescribed any numerical ceiling. The subsequent imposition of a 5 percent ceiling on vacancies in the direct recruitment quota by DoPT (OM dated 29.06.1995) has diluted the scheme's purpose, denying appointments to numerous deserving applicants, especially in the context of reduced direct recruitment vacancies due to bans and non-filling of posts.

It is, therefore, recommended that the 5 percent ceiling be removed, as it is arbitrary and inconsistent with the welfare objective of the scheme. Once a competent committee determines a case to be deserving, denial of appointment on the ground of quota exhaustion defeats the spirit of compassion and converts a humanitarian measure into a vacancy-driven administrative exercise.

To ensure timely relief, compassionate appointments should be made within three months from the date of death of the employee. In cases of unavoidable administrative delay, interim financial support in the form of the minimum pay of the post under consideration should be provided until formal appointment is issued.

These measures will restore the scheme to its original humanitarian intent, ensure need-based implementation, and reaffirm the Government's commitment to the social security of its employees.

CHAPTER XXXV

TRANSFER POLICY

It is suggested that the existing restriction, which limits transfers on request to a maximum of three occasions during an employee's entire service, be reviewed and suitably relaxed, particularly in cases where the transfer is sought on spouse grounds. In many cadres and services, one spouse may be subject to frequent or compulsory transfers due to the nature of duties, cadre structure, or organizational requirements. Consequently, the other spouse is compelled to apply repeatedly for transfers merely to maintain family unity.

Strict enforcement of a cap on request transfers without recognizing recurring spouse-related needs undermines the objective of the Government's spouse-posting policy and leads to prolonged family separation, psychological stress, and social hardship. It is therefore recommended that transfers requested on spouse grounds either be exempted from the overall ceiling or that the ceiling be substantially relaxed in such cases, subject to administrative feasibility.

Such a provision would reflect a humane, family-friendly, and gender-sensitive approach, aligning with the Government's commitment to work-life balance and ensuring that transfer policies meet administrative requirements without causing avoidable hardship. The 8th Central Pay Commission

draft committee may consider incorporating this relaxation as a general principle in transfer guidelines applicable across all Central Government departments.

While transfers remain an essential administrative tool, they must be exercised within a humane, transparent, and rule-bound framework. The 8th Central Pay draft committee may recommend a structured and participative transfer policy that balances administrative requirements with legitimate personal and family concerns of Government employees, thereby reducing grievances, enhancing morale, and promoting a more stable and efficient public service.

CHAPTER XXXVII

RESTORATION OF OLD PENSION SCHEME

The Old Pension Scheme (OPS), also referred to as the Guaranteed Pension Scheme (GPS), has been the cornerstone of post-retirement financial security for Central Government employees for decades. It ensured a predictable, defined, and risk-free pension based on the last pay drawn, offering peace of mind to employees and their families.

Despite the introduction of the National Pension System (NPS) as a replacement, a significant number of employees continue to express a strong preference for restoration of OPS/GPS. This is primarily due to inherent risks and uncertainties associated with NPS, which include:

1. **Market-Linked Risk:** Under NPS, retirement benefits are linked to market performance of the invested funds. Fluctuations in financial markets, especially during economic downturns, can significantly affect the pension corpus and lead to unpredictable post-retirement income.
2. **No Guaranteed Pension:** Unlike OPS, NPS does not provide a guaranteed monthly pension. Employees are dependent on the accumulation and annuity purchase at retirement, which may not ensure adequate or stable income throughout life.
3. **Inflation Protection Concerns:** OPS ensures that pension is based on last pay drawn, with provisions for periodic fitment/revision. In contrast, NPS returns may not adequately safeguard against inflation, potentially eroding the real value of retirement income.
4. **Complexity and Administrative Dependence:** NPS involves multiple steps including account management, investment choices, and annuity purchase, creating complexity for employees, particularly senior citizens. OPS provides simplicity, predictability, and administrative ease.

Given these concerns, it is strongly recommended that the **8th Central Pay Commission Draft Committee** consider:

- Restoration of the Old Pension Scheme (OPS) / Guaranteed Pension Scheme (GPS) for all Central Government employees, ensuring defined, predictable, and risk-free post-retirement income.
- Recognition of the limitations and uncertainties of NPS, with a view to provide employees an option to choose OPS/GPS in place of NPS for assured retirement security.

- Implementation of a framework that allows employees to plan retirement with certainty, restoring confidence in the social security system of the Government.

Restoring OPS/GPS would not only ensure financial stability for employees and their families but also reaffirm the Government's commitment to social security, equity, and employee welfare.

CHAPTER XXXVIII

REVISION OF PENSION FOR ALL PRE 01/01/2026 PENSIONERS AND RELATED MATTERS INCLUDING DEATH CUM PETIREMENT GRATUITY, COMMUTATION OF PENSION , ENCHANCEMENT OF PENSION/ FAMILY PENSION

The matter of revision of pension for all Central Government employees who retired prior to 01.01.2026, along with related benefits such as death-cum-retirement gratuity, commutation of pension, and enhancement of pension/family pension, is of paramount importance to ensure social security, financial stability, and dignity of the retired workforce. These issues impact a vast number of pensioners who have devoted their careers to public service and now depend on the Government for their post-retirement sustenance.

The 8th Central Pay Commission Draft Committee may consider formulating a clear, transparent, and equitable policy on pension revision that addresses the following key aspects:

1. **Revision of Pension:** A uniform and comprehensive revision of pension for all pre-01/01/2026 retirees should be undertaken to align their retirement benefits with current economic realities, including inflationary trends, cost of living, and changes in pay scales of serving employees. This revision should aim to restore fairness and ensure that pensioners receive a dignified post-retirement life.
2. **Death-Cum-Retirement Gratuity (DCRG):** The DCRG should be revised proportionately in line with pension revision to provide immediate and adequate financial support to the bereaved family of a deceased employee.
3. **Commutation of Pension:** It is recommended that the existing provisions for commutation of pension be simplified, transparent, and aligned with enhanced pension levels, ensuring that employees can make informed choices regarding lump-sum benefits without financial disadvantage.
4. **Enhancement of Pension/Family Pension:** Family pension, as a critical social security measure, should be revised on equitable lines, particularly benefiting spouses and dependent children of deceased pensioners. Provisions for minimum family pension should be ensured and enhanced to provide financial stability.
5. **Uniform Policy Framework:** The policy should be standardized across all categories of Central Government employees to avoid discrepancies and ensure parity among different cadres and services. The framework should be clear, easily implementable, and supported by administrative guidelines to avoid delays or confusion.
6. **Positive Impact and Social Justice:** An equitable revision of pension and related benefits will strengthen the confidence of pensioners in the Government, promote social justice, and reflect the appreciation of the nation for their long and dedicated service. It will also

reinforce the morale of serving employees, who view pension security as a vital component of career planning.

The 8th CPC Draft Committee is urged to adopt a policy on pension revision that is fair, comprehensive, and positively responsive to the legitimate expectations of pre-01/01/2026 pensioners. Such a policy will not only provide immediate relief but also secure long-term financial dignity and social security for retirees and their families, thereby upholding the values of justice, equity, and welfare in the public service.

The Draft Committee of the 8th Central Pay Commission may consider deliberating upon and endorsing the following broad principles in a thorough, comprehensive, and systematic manner:

- XXX – Patient Care Allowance / Nursing Allowance
- XXI – Special Allowances for the North-Eastern Region and High Altitude Allowances
- XXII – All types of Advances, including the introduction of any additional or supplementary advances
- XXXII – Regularization of Contractual, Casual, and Fixed-Term Employees
- XXXIII – Bonus and Performance-Linked Incentives
- XXXIV – Ensuring Parity between Central Secretariat and Field Offices
- XXXVI – Resolution of Litigation Arising from Service Matters
- XXXIX – Effective Functioning of the JCM Scheme at All Levels, Including Strengthening the Grievance Redressal Mechanism
- XLI – Miscellaneous Items Pertinent to Employee Welfare and Administrative Efficiency

It is observed that the nature of duties, responsibilities, and working conditions is substantially similar across various departments. Accordingly, the Draft Committee may consider adopting a uniform, consistent, and well-standardized approach while formulating policies, allowances, and principles, thereby promoting equity, efficiency, and transparency in the administration of all service-related matters.

Submitting on behalf of FNPO

**Sivaji Vasireddy
Member NC-JCM(staff Side) &
Secretary General FNPO**

**New Delhi
31.12.2025**