

Date of effect

Date of Effect- Previous recommendations & demands

6.5.1 Pay scales recommended by the Fifth Central Pay Commission were implemented from 1/1/1996. The Fifth CPC had also recommended that the date of implementation of the recommendations by the Sixth Central Pay Commission should be pre-determined as 1/1/2006. Most of the staff associations and other employees, during the course of written as well as oral submissions before the Commission, had demanded implementation of the revised pay scales from 1/1/2006.

6.5.2 The Commission has devised the revised scheme of pay bands and grade pay on the basis of price index as on 1/1/2006. **Consequently, the revised structure of pay bands and grade pay being recommended in this Report would need to be implemented from 1/1/2006.** The Government will have to pay arrears of salary on account of fixation of pay in the revised pay bands and grade pay retrospectively with effect from 1/1/2006.

6.5.3 Recommendations on pay scales will also affect the pensions because the latter is paid as a percentage of the average salary. This, however, does not hold true in so far as the recommendation regarding payment of full pension on completion of 20 years of qualifying service for Government employees other than the Personnel Below Officer Ranks (PBORs) in Defence Forces is concerned. Consequently, **the recommendation regarding payment of full pension on completion of 20 years of qualifying service will take effect only prospectively for all Government employees other than PBORs in Defence Forces from the date it is accepted by the Government.** PBORs are presently eligible for pension with reference to the maximum of the pay scale from which they retire. As discussed in Chapter 5.1, **for PBORs, the pension on completion of 15 years or more of reckonable service will, from 1/1/2006, be computed at the rate of 50% of the pay last drawn or average emoluments (including grade pay, military service pay and classification pay), whichever is beneficial.** All other recommendations relating to pension will take effect retrospectively from 1.1.2006. Insofar as commutation of pension is concerned, the Commission would like to clarify that **the revised commutation table will only be used for all future**

commutations and will not be applied for the past commutations. In respect of post 31/12/2005 pensioners who have already commuted their pension, the revised commutation table shall be used only to compute the amount of pension that has become additionally commutable on account of retrospective implementation of the revised pay scales, in case such an option is exercised by the retiree. For all future pensioners, the commutation of pension shall be computed and paid as per the revised commutation table.

6.5.4 The Commission is of the view that prospective revision of various allowances is justified as their retrospective revision will give unintended benefits and may also, in some instances, cause loss to the employees as in the case of City Compensatory Allowance. Accordingly, the Commission's recommendations relating to allowances shall take effect prospectively. All recommendations relating to other facilities, benefits and conditions of service shall also take effect prospectively.