

**GOVERNMENT OF INDIA
MINISTRY OF DEFENCE**

New Delhi, the 5th September, 2016

RESOLUTION

No. 01 (E)

No. 1(6)/2016/D (Pay/Services)

1. The Seventh Central Pay Commission (CPC) was set up by the Government of India vide Ministry of Finance (Department of Expenditure) Resolution No. 1/1/2013-E.III(A) dated 28th February, 2014. The Commission submitted its report on 19th November, 2015. The report covered among other things, matters relating to structure of emoluments, allowances and conditions of service of Armed Forces personnel. Government has given careful consideration to the recommendations of the Commission relating to these matters in respect of Officers of the Armed Forces and have decided that the recommendations of the Commission on the aforementioned matters in respect of these categories of Defence personnel shall be accepted as follows. Some of the major points in respect of Defence Personnel (Officers) are as mentioned below:-

- (i) Implementation of the revised pay structure will be w.e.f 01.01.2016;
- (ii) Pay related Matter;
 - a) The existing system of Pay Band and Grade Pay has been replaced with separate Pay Matrices for both Defence and Military Nursing Services personnel.
 - b) Fixation of pay of each employee in the new Pay Matrix as on 01.01.2016 would be done by multiplying his/her basic pay by a factor of 2.57.

Note-1 With regard to fixation of pay in the new Pay Matrix as on 01.01.2016, the existing pay (Pay in Pay Band plus Grade Pay) in the pre-revised structure as on 31.12.2015 shall be multiplied by a factor of 2.57. The figure so arrived at is to be located in the Level Corresponding to employee's Grade Pay in the new Pay Matrix. If a Cell identical with the figure so arrived

at is available in the appropriate Level, that Cell shall be the revised pay; otherwise the next higher cell in that Level shall be the revised pay of the employee.

Note-2 After fixation of pay in the appropriate Level as specified in Note-1 above, the subsequent increments shall be at the immediate next Cell in that Level.

- c) General recommendations on pay recommended by the Commission have been accepted with the following exceptions in Defence Pay Matrix, namely:
- i. The index of Rationalisation of Level 13A (Brigadier) in Defence Pay Matrix may be revised upward from 2.57 to 2.67.
 - ii. Additional 3 stages in Levels 12A (Lt. Col), 3 stages in Level 13 (Colonel) and 2 stages in Level 13A (Brigadier) may be added appropriately in the Defence Pay Matrix.

(iii) Increase in Military Service Pay (MSP) of Officers Rank from Rs. 6000/- to Rs. 15500/- p.m. and for Military Nursing Service (MNS) Officers from Rs 4200/- to Rs 10800/- p.m. MSP would be counted only for Dearness Allowance (DA) and Pension purposes;

(iv) There will be two dates for grant of increment viz. 1st January and 1st July of every year, instead of existing date of 1st July. However, an employee will be able to avail annual increment only on one of these two dates depending on the date of appointment, promotion or grant of financial upgradation;

(v) Recommendations on Allowances (except Dearness Allowance) would be referred to a Committee comprising Finance Secretary & Secretary (Expenditure) as Chairman and Secretaries of Home Affairs, Defence, Health & Family Welfare, Personnel and Training, Posts and Chairman, Railway Board as Members. The Committee would submit its report within a period of 4 months. Till a final decision on Allowances is taken based on the recommendations of this Committee, all Allowances would continue to be paid at existing rates in existing pay structure, as if the pay had not been revised w.e.f. 1.1.2016 i.e. , status quo would be maintained;

(vi) Arrears of Pay would be paid during the current financial year;

(vii) Recommendations not relating to pay and allowances and other administrative issues specific to department/ cadres/ posts would be examined separately as per the Transaction of Business Rules/ Allocation of Business Rules.

2. Other instructions on Pay Fixation and increment not specifically covered in these instructions will be as in the Government of India, Ministry of Finance (Department of Expenditure) Resolution No. 1-2/2016-IC dated 25th July, 2016.

3. The decisions taken by the Government accordingly on various recommendations of the Commission in respect of Officers of Armed Forces are indicated in the statement at Annexure-I to this Resolution. New Pay Matrix for Defence Service Officers is at Annexure-II and for MNS Officers is at Annexure-III.



(V. Anandarajan)

Joint Secretary to the Government of India

ANNEXURE-I

STATEMENT SHOWING THE RECOMMENDATIONS OF THE VII CENTRAL PAY COMMISSION RELATED TO OFFICERS OF THE ARMED FORCES AND GOVERNMENT DECISION THEREON (FIGURES REFERRED IN PARENTHESIS PERTAINS TO CHAPTER AND PARAGRAPH OF THE PAY COMMISSION REPORT)

Sl. No.	Recommendations of the VII CPC	Decision of the Government
1.	<p>Fitment Factor: The Seventh CPC has recommended fitment in the pay band in the following manner:-</p> <p>“The fitment in the new matrix is essentially a multiple factor of 2.57. This multiple is the ratio of the new minimum pay arrived at by the Commission and the existing minimum pay. The fitment factor is being applied uniformly to all employees. It includes a factor of 2.25 to account for DA neutralisation, assuming that the rate of Dearness Allowance would be 125 percent at the time of implementation of the new pay as on 01.01.2016. The actual raise/fitment being recommended by the Commission is 14.29 percent. An identical fitment of 2.57 has also been applied to the existing rates of Military Service Pay (MSP), applicable to Defence forces personnel only.’ (Para 5-2-7)</p>	<p>Minimum Pay, Fitment Factor, Index of Rationalisation, Pay Matrices and general recommendations on pay recommended by the Commission have been accepted without any material alteration with the following exceptions in Defence Pay Matrix, namely:-</p> <p>a) The Index of Rationalisation of Level 13A (Brigadier) in Defence Pay Matrix would be revised upward from 2.57 to 2.67.</p> <p>b) Additional 3 stages in Levels 12A (Lt. Col), 3 stages in Level 13 (Colonel) and 2 stages in Level 13A (Brigadier) would be added appropriately in the Defence Pay Matrix.</p>

<p>2. Rate of increment: The rate of annual increment is being retained at 3 percent. (Para 5.1.38)</p>	<p>There would be two dates for grant of increment viz. 1st January and 1st July of every year, instead of existing date of 1st July. However, an employee will be able to avail annual increment only on one of these two dates depending on the date of appointment, promotion or grant of financial upgradation.</p>
<p>3. <u>Military Service Pay for Officers:</u> The Defence forces personnel, in addition to their pay as per the Matrices above, will be entitled to payment of Military Service Pay for all ranks up to and inclusive of Brigadiers and their equivalents. The Commission recommends an MSP for Defence forces personnel at Rs 15,500 for the Service Officers and Rs 10,800 for Nursing Officers. MSP will continue to be reckoned as Basic Pay for purposes of Dearness Allowance, as also in the computation of pension. Military Service Pay will however not be counted for purposes of House Rent Allowance, Composite Transfer Grant and Annual Increment.(Para No. 5.2.22)</p>	<p>Rate of Military Service Pay (MSP) is accepted. However, MSP will be counted only for Dearness Allowance (DA) and Pension.</p>

Pay Matrix (Military Nursing Service)

Pay Band	15600-39100				37400-67000		
Grade Pay	5400	5700	6100	6600	7600	8400	9000
Level	10	10A	10B	11	12	12B	13B
1	56100	59000	64100	96300	109800	119700	129800
2	57800	60800	69900	99200	112900	123300	133700
3	59500	62600	72000	102200	116300	127000	137700
4	61300	64500	74200	105300	119800	130800	141800
5	63100	66400	76400	108500	123400	134700	146100
6	65000	68400	78700	111800	127100	138700	150500
7	67000	70500	81100	115200	130900	142900	155000
8	69000	72600	83500	118700	134800	147200	159700
9	71100	74800	86000	122300	138800	151600	164500
10	73200	77000	88600	126000	143000	156100	169400
11	75400	79300	91300	129800	147300	160800	174500
12	77700	81700	94000	133700	151700	165600	179700
13	80000	84200	96800	137700	156300	170600	185100
14	82400	86700	99700	141800	161000	175700	190700
15	84900	89300	102700	146100	165800	181000	196400
16	87400	92000	105800	150500	170800		
17	90000	94800	109000	155000	175900		
18	92700	97600	112300	159700			
19	95500	100500	115700	164500			
20	98400	103500	119200	169400			
21	101400	106600	122800	174500			
22	104400	109800	126500				
23	107500	113100	130300				
24	110700	116500	134200				