

Office Memorandum

Subject: Modification of Level-12A and 13 of Defence Pay Matrix – Issues regarding.

The undersigned is directed to invite attention to the Pay Matrix contained in Part A of the Schedule of the Army Officers Pay Rules, 2017; Air Force Officers Pay Rules, 2017 and Navy Officers Pay Regulations, 2017 as promulgated vide SRO Nos. 12(E), 13(E) and 14(E) respectively dated 03rd May, 2017, where the Level-12A starts at Rs. 1,16,700 at Cell one and ends at Rs. 2,10,700 at Cell twenty one and Level-13 of the Pay Matrix starts at Rs. 1,25,700 at Cell one and ends at Rs. 2,14,000 at Cell nineteen and to state that in terms of Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017 promulgated vide SRO Nos. 17(E), 18(E) and 19(E) respectively dated 06th July, 2017, the said Levels 12A and 13 of the Pay Matrix have been modified. The modified Level 12A starts at Rs. 1,21,200 at Cell one and ends at Rs. 2,12,400 at Cell twenty. The modified Level 13 starts at Rs.1,30,600 at Cell one and ends at Rs. 2,15,900 at Cell eighteen.

2. The modified Levels 12A and 13 in terms of the Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017 take effect from 1st January, 2016. Accordingly, the earlier Levels 12A and 13 of the Pay Matrix as contained in Army Officers Pay Rules, 2017; Air Force Officers Pay Rules, 2017 and Navy Officers Pay Regulations, 2017 notified on 03.05.2017 and effective from 1st January, 2016 have become non-existent ab-initio with the promulgation of the Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017. The modified Levels 12A and 13 are an improvement on the earlier Levels 12A and 13 in as much as the earlier Levels 12 and 13 are based on the 'Index of Rationalisation' (IOR) of 2.57, whereas the modified Levels 12A and 13 are based on the IOR of 2.67. It is for this reason of improvement that the modified Level 12A begins at Rs. 1,21,200 and Level 13 begins at Rs. 1,30,600, as against the earlier Levels 12A and 13 which began at Rs 1,16,700 and Rs. 1,25,700 respectively.

3. Consequent upon the aforesaid modification of Level-12A and Level 13 in terms of the Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017 effective from 01.01.2016, pay in respect of those who are entitled to Level-12A or Level-13 either from 01.01.2016 or from any date later than 01.01.2016, shall be re-fixed by the fitment factor of 2.57 as contained in Rule 7(1)(i) of Army Officers Pay Rules, 2017 and Air Force Officers Pay Rules, 2017 and Regulation 7(1)(i) of Navy Officers Pay Regulations, 2017 in the aforesaid respective modified Levels 12-A or 13 in



supersession of the earlier pay fixation. The formula for fixation of pay based on the fitment factor of 2.57, as contained in the ibid Pay Rules/Pay Regulations, 2017 has not been modified by the aforesaid Pay (Amendment) Rules. The fitment factor of 2.57 is uniformly applicable for all employees for the purpose of fixation of pay in all the Levels of Pay Matrix. Some issues regarding re-fixation of pay and the decisions thereon are brought in the succeeding paragraphs for compliance.

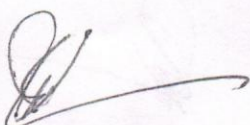
Issue No. 1 – Whether pay in the Level-12A and 13 is to be fixed by multiplying by a factor of 2.57 or 2.67

4. Pay in the Levels-12A and 13 of the Pay Matrix, as provided for in the Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017, shall continue to be fixed based on the fitment factor of 2.57 as already provided for in Rule 7(1) (i) of Army Officers Pay Rules, 2017 and Air Force Officers Pay Rules, 2017 and Regulation 7(1) (i) of Navy Officers Pay Regulations, 2017. **In case pay has been fixed in the modified Levels-12A and 13 by way of fitment factor of 2.67, the same is contrary to the Rules and is liable to be rectified and excess amount recovered forthwith.** For more clarification, Issue no. 1 mentioned in Ministry of Finance OM No. 4-6/2017-IC/E-III(A) dated 28.09.2017 may be referred to.

Issue No. 2 Pay re-fixed in the modified Level-12A and 13 working out lower than the pay fixed in the earlier Level-12A and 13

5. Pay in respect of those, who are entitled to Levels 12A or 13 either from 1.1.2016 or from any date later than 1.1.2016, has to be re-fixed in the modified Level 12A or 13 and the pay as earlier fixed in the earlier Level 12A or 13 gets automatically rescinded. **Therefore, pay, as fixed in the modified Level 12A or 13 in terms of Rule 7 of Army Officers Pay Rules, 2017 and Air Force Officers Pay Rules, 2017 and Regulation 7 of Navy Officers Pay Regulations, 2017 in case of those who were drawing pay in the pre-revised pay structure in PB-4 plus Grade Pay of Rs.8000 or Rs. 8700 as the case may be, as on 31.12.2015 or in terms of Rule/Regulation 12 thereof in case of those promoted to Levels 12A and 13 on or after 1.1.2016, shall now be the pay for all purposes.**

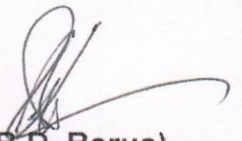
6. It has been decided that if the pay re-fixed strictly as per Rule/Regulation 7 or Rule/Regulation 12, as the case may be, of the Army Officers Pay Rules, 2017; Air Force Officers Pay Rules, 2017 and Navy Officers Pay Regulations, 2017 in the Levels-12A and 13 based on the Pay Matrix contained in the Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017 (as per the fitment factor of 2.57) happens to be lower than the pay as earlier fixed as per the said Rules (fitment factor of 2.57) in the earlier Levels-12A and 13, then while the pay as re-fixed shall be the pay as applicable to the concerned employee for all purposes, **any recovery of over payment on account of such re-fixation during the period up to 31.7.2017, the month in which the Army Pay Officers (Amendment) Rules, 2017; Air Force Officers Pay (Amendment)**



Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017 have been issued, shall be waived. For more clarification, Issue no. 2 mentioned in Ministry of Finance OM No. 4-6/2017-IC/E-III(A) dated 28.09.2017 may be referred to.

Issue No. 3 – Re-exercise of option for coming over to the Revised Pay structure in case of Level 12A and 13

7. It has been decided that since the modification of the Levels 12A and 13 as per Army Officers Pay (Amendment) Rules, 2017; Air Force Officers Pay (Amendment) Rules, 2017 and Navy Officers Pay (Amendment) Regulations, 2017 is a material change, the employees, who were entitled to Level 12A or 13 as on 1.1.2016 and who had already opted for the earlier Level 12A or 13 as per Rules 5 and 6 of the Army Officers Pay Rules, 2017; Air Force Officers Pay Rules, 2017 and Navy Officers Pay Regulations, 2017, **shall be given an opportunity for re-exercise of their option there under. Such an option may be exercised within three months from the date of issue of these orders.**



(B.D. Barua)

Deputy Secretary to the Government of India

To

The Chief of Army Staff

The Chief of Air Staff

The Chief of Naval Staff

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