

8th CPC important points for Pensioners:

- The important points prepared for the 8th CPC Memorandum presented by :
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1.Social Responsibility of the Government:

- **The profit or loss of the Central Government departments should not be taken into consideration as it is the social responsibility of the union government to provide essential services like defence, posts, roads, railways , water, food , health , etc .**
- **The employees & pensioners have sacrificed their life for the development of the nation , as such they should get a decent wage, pension and benefits to lead a decent life in the society.**
- **The pensioners expect fair treatment from the government. The State should play the role of a model employer. In this connection, it will be useful to quote the observations in the case of Bhupendra Nath Hazarika and another vs. State of Assam and others (reported in 2013(2)Sec 516)**

2.Role of Employees & Pensioners

- Central Government employees play a crucial role in implementing policies and programmes of the Government of India. They ensure that the benefits of governance reach citizens across the country, particularly at the grassroots level. They are instrumental in revenue collection and in maintaining the administrative machinery of the nation. Efficient governance and strong public administration depend largely on their competence, integrity, and dedication.
- The Central Government employees and pensioners should have a decent standard of living for which a decent living wage / pension should be provided.

India's Economic Strength and Capacity

- India is currently ranked **4th in global GDP (2025)**, with an economy valued at approximately **\$4.3 trillion** and growing at around **6.5%**.
- According to IMF projections:
- India is expected to become the **3rd largest economy by 2027**
- GDP likely to cross **\$5 trillion**
- Growth projected at **6.2% (2025)** and **6.3% (2026)**
- Comparatively: China: ~4.0% , USA: ~1.8%, Global average: ~2.8%
- This demonstrates that India's economic position is **strong and expanding**, providing adequate fiscal space to ensure fair compensation for government employees & pensioners.

Expenses Details in the Union Budget 2025–26,

Category	Allocation (₹ lakh crore)	Share of Total Expenditure
Total Expenditure	50.65	100%
Interest Payments	~12.7	~25%
Salaries (Pay & Allowances)	~2.85	~5.6%
Pensions (Civil + Defence)	~2.65	~5.2%
Capital Expenditure (Capex)	11.21	~22%
Other Revenue Expenditure	Balance	~42%

Central Government Salaries and Pension expenses:

- In the Union Budget 2025–26, the Central Government has allocated about ₹2.85 lakh crore for salaries and ₹2.65 lakh crore for pensions, together making up nearly ₹5.5 lakh crore of expenditure.
- This indicates that:
- Employee-related expenditure forms a manageable share of total spending.
- There is adequate fiscal space to revise pay and allowances.
- Given the strong growth in revenue and GDP, enhancing employee compensation should be seen as:
- A tool for boosting demand.
- A contributor to economic growth.
- An investment in administrative efficiency.

Minimum wage & Pension

- The need based minimum wage concept formulated by Dr. Aykroyd and approved by 15th ILC was considered the most important principle in computing salary of Government employment, it was adopted by the 15th Indian Labour Conference (ILC) in 1957 for fixing minimum wages.
- We submit that since then many changes have occurred in our lifestyle and the expenditure pattern has also undergone changes in the last 65 years after its adoption. Many additional expenses have become quite essential today due to the digital world especially in the last decade .

Factors for Minimum wage & Pension

- The food requirement was to be 2,700 calories, 65 grams of protein and around 45-60 grams of fat as recommended by Dr Wallace Aykroyd for an average Indian adult of moderate activity , now the ICMR has recommended 3400 calories for heavy duty work .
- Many more items of food including spices and non food items to be added in Dr Aykroyd formula , which are essential for daily life.
- More weightage for fuel , recreation , housing etc .
- Stitching charges to be included.
- Technology advancement should be considered .
- Proper retail prices should be adopted by the pay commission considering the local market prices including that of the state Government run co-operative societies.
- The concept of living wages should be adopted.

Article 43 of the Constitution of India speaks about securing to workers a “living wage” and conditions ensuring a decent standard of life.

• Grocery expenses -	• Rs 28,000/-
• House rent- 2 BHK	• Rs 25,000/-
• Children’s education- 2 children	• Rs 22,000
• Other essential expenditures including technology	• Rs 4000/-
• Entertainment	• Rs 5000/
• Transportation	• Rs 8000/-
• Medical needs & parental care	• Rs 12,000/-
• Clothing	• Rs 5000/
• Fuel , electricity , water	• Rs 6,000/

Minimum wage

- The fixation of minimum pay must not be restricted to subsistence levels or fiscal constraints alone. It must reflect:
- The dignity of labour.
- The role of employees in nation-building
- The economic strength of the country.
- A scientifically determined and socially just minimum wage of at least **₹69,000**, is both **justified and necessary**.
- Such a framework will:
 - Improve efficiency ,Enhance morale ,Attract talent ,Strengthen governance

Minimum Wage as on Jan 2026 for average of 2025 prices

Sno	Item	Per month	Rate	Amount
		5 units	Average	
1	Rice/Wheat Super fine	71.25	60.00	4275.000
2	Dal (Toor/Urid/Moong)	12.00	139	1668.000
3	Raw Vegetables	15.00	62	930.000
4	Green Vegetables	18.75	37	693.750
5	Other Vegetables	11.25	60	675.000
6	Fruits	18.00	120	2160.000
7	Milk	30.00	63.00	1890.000
8	Sugar/Jaggery	8.40	55.00	462.000
9	Edible Oil	6.00	180.00	1080.000
10	Fish	4.16	688	2862.080
11	Meat	8.33	804	6697.320
12	Egg	150.00	7.0	1050.000
13	Total food			24443.150
14	Other food items including beverages ,dry fruits, proteins , spices etc 10% of food charges			2444.315
15	Detergents	Lumpsum	655	655.000
16	Clothes	9.2	222	2035.000
17	Stitching charges for cloths & other clothing	Lumpsum		3000.000
18	Total (13 to 17)			32577.465

¹⁹	Housing @ 7.5% of 18			2443.310
²⁰	Fuel, Electricity , Water charges at 20% of (18+19)			7004.155
²¹	Provide for skill by adding 25% (18 to 20)			10506.232
²²	Provide additional expenses towards Marriage, recreation, festivals etc @ 25% (18 to 21)			13132.791
²³	Technology charges @ 5% (18 to 22)	0		3283.198
²⁴	Grand total	0		68947.151
²⁵	Minimum pay for Group C Rounded off			69000.000
²⁶	Fitment formula:			3.833

Dearness Allowance needs updating:

- The DA should be calculated and paid every three months instead of six months.
- The average of 12 months should be replaced by three months average that means variable DA should be given so that the employees get compensated by actual price rise every three months, as in the case of Public sector employees and Banks employees.
- DA/DR should be granted on a **point-to-point basis**, as is the practice in the banking sector. That means if it is DA eligible is 55.95% they should get 55.95% DA or DR .

Merger of Dearness Relief :

- The para number 138.17 of 5th CPC report “ In view of the correlation established between Dearness Allowance (DA) and Dearness Relief (DR). Dearness Relief on the pension should be merged with the pension simultaneously whenever D.A. is merged with pay for computation of retirement benefits for serving employees and a further DR allowed on the consolidated pension”.
- We suggest to the commission to examine that once the Dearness Relief crosses 25% it should be merged into the basic pension as in the case of serving employees who get additional allowances once the Dearness Allowance crosses 25%.

Health care:

- The right to health for a worker is an integral facet of a meaningful right to life to have not only a meaningful existence but also robust health and vigour. Therefore, the right to health, and medical aid to protect the health and vigour of a worker while in service or post-retirement is a Fundamental right to make the life of a worker meaningful and purposeful with the dignity of the person.
- Fixed Medical Allowance: - Given the high inflation of health care, we demand that long pending demand of the pensioners / family pensioners to enhance the FMA to ₹.5,000/- pm , earlier the parliamentary committee recommendations in the year 2022 was ₹ 3000/-
- We demand provision of suitable health care facilities like CGS or CS(MA) Rules to the pensioners/family pensioners of Autonomous/Statutory Bodies of Central Government. Even Railway leaders are demanding CGHS.

CGHS

- In respect of pensioners the most important aspect is the health aspect for leading a peaceful life after retirement. About 49 lakh beneficiaries avail this facility across the country, if this scheme is extended to other cities then about 80 lakhs beneficiaries will avail it.
- There are five major issues of the CGHS.
- Shortage of Doctors, Specialists and Para-Medical Staff.
- Opening of new CGHS Wellness Centres.
- Periodical Revision of CGHS rates.
- Specialist treatment at CGHS.
- Autonomous bodies should be brought under CGHS .

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Commutation of Pension for Central Government pensioners

- The said rules were framed in the year 1986, which is 38 years old. In comparison to the parameters prevailing earlier in the year 1986, the current parameters have undergone a drastic change especially, the interest rate, life expectancy, mortality rate, death rate, actual values and risk factor which is at just 2% .
- Recovery of principal & interest is taking place in 10.8 years.
- The Institute of Actuaries of India with the approval of IRDA has been reconstructing the mortality tables every eight years ie. 2004, 2013 & 2021 and hence a new commutation table number 3 is overdue as 18 years period has lapsed.

Restoration of Commutation of pension :

Item	Year 1986	Year 2008	Year 2023
Commutation factor	10.46 (Retirement age 58 years)	8.194 (Retirement age 60 years)	8.194 (Retirement age 60 years)
Interest rate IRDA	12%	8%	7.1%
Life expectancy	57.7 years	66.1 years	70.42 %
Death rate	11.3 %	7.3%	7.3%
Mortality rate at age 61 years	0.2014 (1973)	0.01439	0.00695
Risk factor		0.046%	0.014
Principal recovery	10.46 years	8.194 years	8.194 years
Interest Recovery	3.75 years	2.66 years	2.66 years
Risk Factor	0.8 years	0.6 years	0.4 years
Total recovery	15 years	11.454 years	11.254 years

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Recovery of Commutation-Prayer

- **Review of Rule 10A of CCS (Commutation of Pension) Rules, 1981 (as amended in 1986)**
- **Restoration of commuted pension after 11 years or at the age of 71 years, whichever is earlier.**
- **Revision of commutation tables based on updated actuarial, demographic, and financial parameters.**
- **The continuation of a 15-year restoration period, despite substantial changes in economic and actuarial conditions, results in excess recovery and financial disadvantage to pensioners. This undermines the principles of fairness and social security that underpin pension policy.**
- **A revision of the restoration period to 11 years would align the system with current realities, ensure actuarial balance, and uphold the Government's commitment as a Model Employer.**
- **It is therefore earnestly requested that the 8th Central Pay Commission may examine this issue in depth and recommend appropriate reforms in the interest of justice, equity, and welfare of pensioners.**

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Pension Principles

- Pension is not merely a financial benefit but a constitutional entitlement and a measure of social justice. It reflects the State's obligation to ensure that employees who have devoted their lives to public service are able to live with dignity and security in their post-retirement years.
- Over time, the real value of pension has eroded significantly due to inflation, rising healthcare costs, and changing socio-economic conditions. The existing framework, last revised in 2016, no longer adequately addresses the needs of pensioners.
- The proposals outlined above aim to:
 - Ensure dignity and financial security for pensioners and their families
 - Align pension policies with constitutional principles and judicial pronouncements
 - Provide realistic and timely support in old age
 - Strengthen the social welfare framework of the State
- Given the relatively modest share of pension expenditure in the overall budget, these reforms are both financially feasible and socially justified.

Pension:

- Pension is a deferred portion of compensation earned by an employee through long years of dedicated public service. It is not a charity or ex-gratia payment, but a statutory, enforceable, and constitutionally protected right.
- Article 21 of the Constitution guarantees the right to life with dignity, which includes the right to livelihood and economic security in old age. Pension, being deferred wages, is an integral component of this right. Any denial, inadequacy, or arbitrary restriction in pension violates the spirit of Article 21.
- Further, pension has been recognized as a property right under Article 300-A, ensuring that it cannot be taken away except by authority of law. Article 366(17) of the Constitution defines pension to include gratuity, retired pay, and provident fund payments, thereby reinforcing its legal and financial significance.

Civil Service Pension

- The Supreme court has said that “Pension is not a bounty to be paid at the employer's whims; employer cannot wriggle out of responsibility by pleading paucity of funds”
- **Nakara Judgment:**
- The Supreme Court stated that pension is a social welfare measure rendering socio- economic justice to those who in the heyday of their life ceaselessly toiled for the employer on an assurance that in their old age they would not be left in the lurch.

Rate of Pension:

- Taking into account that on superannuation an employee is left in a lurch with low income and therefore if he is to be enabled to *maintain a standard equivalent to the pre-retirement level*, the rate of pension should be **67% of the last pay drawn. The Minimum Pension shall Be ₹45000/-**
- It is pertinent to point out that several countries in the world pay a higher rate of pension to their civilian pensioners. France is paying 75% of last six months average emoluments as pension; Belgium is paying 75% of last five years average as pension; Cyprus is paying 67% of final salary as pension; Malta is paying 80% of average of best 15 years wages as pension. .

Additional Pension after 65 years:

- Pensioner has to wait for a period of twenty years on his retirement to get an increase in his pension after attaining the age of 80 years in spite of his financial needs for maintaining his health.
- This age-group of 65 plus years, therefore, also needs some relief by way of additional pension.
- Hence we request the commission to consider the following:
 - (i) Pension @ 67% of Last Pay Drawn (LPD) instead of 50% presently.
 - (ii) Increase additional pension age- related as under:
 - 65 years – 70% of LPD , 70 years – 75% of LPD, 75 years – 80% of LPD
 - 80 years – 85% of LPD , 85 years – 90% of LPD, 90 years – 100% of LPD
- Provides phased and realistic enhancement in pension.
- Aligns with medical and social realities of ageing.

Parity in Pension

- **The principle of pension parity requires that individuals holding the same post and having similar length of service should receive comparable pension, irrespective of their date of retirement.**
- **Extend the OROP principle to Central Civil Pensioners.**
- **Base pension on the post held rather than pay scale.**
- **Eliminate disparities arising from date of retirement.**
- **Such a reform will restore fairness, uniformity, and confidence among civil pensioners and uphold the Government's role as a model employer committed to equity and justice.**

Family Pension:

- At present the family pension is given at the rate of 30% of Pay last drawn. The family pension may be increased to 50% of the last pay drawn.
- Enhanced family pension should be the same as in the case of death in harness and death after retirement.
- There is disparity in payment of enhanced family pension between the employees who die while in service and pensioner.

Family Pension:

- The enhanced FP is payable for 10 years, if employee dies while in service where as in the case of retired government servant enhanced FP is payable for 7 years after his death or till the date on which pensioner would have attained the age of 67 years whichever is earlier.
- As the distress, financial crunch and sentimental depression are more or less the same , we feel strongly that there is no need to differentiate between the two 'distress situations'. This disparity needs to be removed by grant of enhanced family pension uniformly in both the cases for 10 years keeping in view the principle of social justice , equity and fair play.

Allowance to Pensioners:

- **HRA to Pensioners:**
- At present the House Rent Allowance is only paid to the serving employees at different rates , the pensioners are deprived of the HRA benefits. Due to higher inflations it has become difficult for the pensioners to lead a decent life after the retirement, they should be given the HRA as admissible to the serving employees.
- **Caretaker allowance:**
- The medical needs after old age requires attention. Many bed ridden patients require a care taker , which costs ₹ 20000/- per head per month. This caretaker allowance shall be provided to the needy pensioners.

Enhancement of benefit of Central Government Employees Group Insurance Scheme

- Now the minimum salary of Government employees is ₹ 18,000/- as implemented as per the 7th CPC. Further, the 7th CPC has recommended that monthly subscription should be ₹. 1500/- and the amount of insurance will be ₹ 15,00,000/-. Central Government should have accepted & adopted these recommendations in favour of employees.
- Therefore, the present amount for various categories should be enhanced to ₹ 15 lakh as minimum payment to the lowest cadre, to restore the actual value of insurance cover provided under the scheme.

Retirement Gratuity

- **The existing ceiling of 16.5 times the emoluments should be removed. The current rule effectively reduces gratuity for employees who have served beyond 33 years.**
- **These revised gratuity benefits should also be extended to employees covered under NPS and UPS schemes, ensuring equitable retirement benefits across all categories of Central Government employees.**
- **As gratuity is paid for the service there is no need for any maximum limit. the full amount of entitled gratuity may be paid without any maximum limit.**

Extension of LTC to Pensioners

- At present, pensioners are excluded from LTC benefits.
- It is proposed that:
- **LTC be extended to pensioners**, enabling them to travel with their families
- **Include DA and accommodation in LTC**
- Permit **one-time international LTC to SAARC countries**
- This will:
- Improve the **quality of life and social well-being of pensioners**
- Provide them an opportunity for **post-retirement recreation and mobility**
- Contribute to the **tourism industry**, especially in domestic sectors

Pension Conclusion :

- **It is therefore earnestly requested that the 8th Central Pay Commission may kindly:**
- **Recommend enhancement of basic pension to 67% of LPD**
- **Revise family pension to at least 50% of LPD**
- **Introduce additional pension from age 65 onwards**
- **Provide for Caretaker Allowance and welfare measures**
- **Establish a Family Security Fund**
- **Strengthen institutional mechanisms like SCOVA**
- **Expand the definition of family to include vulnerable dependents**

Date of effect of Pay Commission:

- **Date of effect of Pay Commission:** It is requested that the recommendations of this Commission should be implemented w.e.f. 01.01.2026. The argument is that there has been substantial erosion in the value of wages owing to non-merger of DA, which has crossed the 50 percent mark in January 2024 and higher inflation rates especially after covid situation.
- The pay structure could be revised periodically, at more regular intervals. That is the reason, for demanding wage revision once in five years, instead of the present decennial exercise, as suggested by 7th Central Pay Commission.
- The Revision of Pay structure shall also be recommended with effect from 1/1/2026 in respect of wages , allowances , pension etc.

Restoration of OPS:

- NPS & UPS Resulted in Negation of Nakara Judgment.
- One of the important aspect of Supreme Court judgment in DS Nakra case is Pensioners' form a class by themselves and this class is not divisible for purposes of entitlements and payment of pension to those who retire 'before' and those who retire after a certain date arbitrarily fixed for the purpose. By introducing NPS & UPS three classes of pensioners have been created by the Government as pensioners who had joined service prior to 1-1-2004 and those who joined service after 1-1-2004.
- Hence OPS should be restored.

Conclusion and Demand of OPS

- **The transition from OPS to NPS and UPS has effectively shifted financial risk from the Government to employees, undermining the concept of guaranteed social security.**
- **Employees deserve:**
- **Certainty, not speculation**
- **Security, not market dependence**
- **Dignity, not financial anxiety**
- **In view of the above, it is strongly urged that the 8th Central Pay Commission may recommend the following:**
- **Key Demands**
- **Restoration of the Old Pension Scheme (OPS) for all Central Government employees.**
- **Provide for full return of employee contribution to legal heirs.**

Extension of 8th CPC to Autonomous Bodies & BSNL Pensioners:

- **Key Demand**
- **THIS AS EXTENSION OF 8TH CPC TO AUTONOMOUS/STATUTORY BODIES OF CENTRAL GOVERNMENT.**
 - Autonomous Bodies
 - Statutory Bodies
 - Central Government Agencies
- Ensure **simultaneous implementation** with Central Government employees & pensioners
- **Why It Is Necessary**
- Bodies function under **Government of India control**
- Employees perform **similar public duties**
- Avoid **disparity and discrimination**
- Uphold **equity and fairness in public service**

EXTENSION OF 8TH CPC TO AUTONOMOUS BODIES

- THEY ARE ALSO COVERED BY CCS (PENSION) RULES, 1972 AS AMENDED FROM TIME TO TIME.
- RECOMMENDATIONS OF THE EARLIER PAY COMMISSIONS, AS APPROVED BY THE GOVERNMENT, HAVE BEEN EXTENDED TO THE EMPLOYEES AND PENSIONERS / FAMILY PENSIONERS OF AUTONOMOUS / STATUTORY BODIES OF CENTRAL GOVERNMENT.

BSNL Pensioners – Critical Issue

- Governed by **CCS (Pension) Rules, 2021**
- Pension paid from **Consolidated Fund of India**
- Last revision: **01.01.2007**
- **No revision for 17 years**
- DOT pensioners revised from **01.01.2016**
- BSNL pensioners left behind → clear disparity

HOPE

- The Finance Ministry would allocate additional funds in the next budget cycle for implementation of the 8th CPC.
- Every 1% increase in wages would cost the Central Government approximately Rs. 3,000 crores.
- Employees are hopeful of receiving around a 40% wage hike, similar to the 6th CPC.

Government being a model employer should provide a decent wage for its employees.

