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Post-upto

No.2-16/2017-PAP  
Government of India  
Ministry of Communications  
Department of Posts  
[Establishment Division / PAP Section]

Dak Bhawan, Sansad Marg  
New Delhi – 110 001

Dated: 22.08.2017

To

All Chief Post Masters General,  
All General Managers (Postal Accounts & Finance),  
All Directors of Accounts (Postal),  
The Director, Rafi Ahmed Kidwai National Postal Academy, Ghaziabad, U.P.  
All Directors of PTCs

Sub. : Recommendations of the 7<sup>th</sup> Central Pay Commission (CPC) – bunching of stages in the revised pay structure under Central Civil Services (Revised Pay) Rules, 2016.

I am directed to forward herewith a copy of Ministry of Finance, Department of Expenditure Office Memorandum No.1-6/2016-IC dated 03.08.2017 on the subject cited above and as downloaded from the official website of Ministry of Finance, Department of Expenditure, for kind information and further necessary action at your end.

2. Office Memorandums may be circulated to all sub-ordinate offices concerned, with direction to dispose all case on the subject.

Encl.: As above.

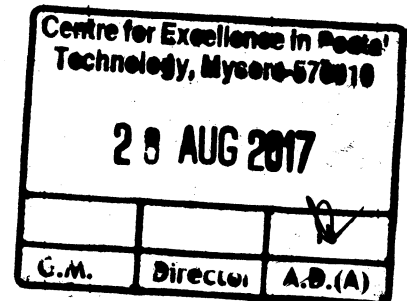
  
[K.V. VIJAYAKUMAR]  
Asstt. Director General [ESTT.]

Copy for kind information to :

1. Sr. PPS to Secretary (Posts) / PPS to DG (Posts).
2. All member of Postal Services Board,
3. JS & FA (Posts)
4. DDG (PAF) / SEcy (PSB) / GM(F) BDD / CGM (PLI)
5. All other DDsG in Postal Directorate
6. Guard File
7. Spare Copy
8. Departmental Website through : CEPT Mysore

9.10. c&A/ P.A. Wing.

  
(Nagesh Nath Jha)  
Asstt. Accounts Officer (PAP)



सं. / No.1-6/2016-IC  
भारतसरकार/ Government of India  
वित्तमंत्रालय /Ministry of Finance  
व्ययविभाग /Department of Expenditure  
(कार्यान्वयनसेल, 7<sup>th</sup>के. वे.आ/ Implementation Cell, 7<sup>th</sup> CPC)

North Block, New Delhi,  
3<sup>rd</sup> August, 2017

**OFFICE MEMORANDUM**

**Subject: Recommendations of the 7<sup>th</sup> Central Pay Commission (CPC) – bunching of stages in the revised pay structure under Central Civil Services (Revised Pay) Rules, 2016.**

With reference to the subject mentioned above and in continuation of this Department's OM of even number dated 07.09.2016 and 13.06.2017, detailed instructions are hereby being issued on the application of the benefit on account of bunching of stages while fixing the pay in the revised pay structure as a response to a large number of references received from Ministries/Departments.

2. The provisions giving effect to the recommendations of the 7<sup>th</sup> CPC on extending the benefit on account of bunching were notified vide DoE O.M. dated 07.09.2016. Benefits on account of bunching have been extended during the initial fixation of pay in the revised pay structure while implementing the recommendations of earlier CPCs also. Bunching occurs in the fixation of pay when the pay at two or more consecutive stages in a Pay Scale/ Grade Pay in the pre revised scale get fixed at the same stage in the corresponding Pay Scale/ Level in the revised pay structure.
3. The modalities of determining the extent of bunching and the nature of benefits to be extended on account thereof, based on the recommendations of the CPCs, have differed across different Pay Commission periods. While the 5<sup>th</sup> CPC recommended that benefits be extended when more than four stages get bunched, the 6<sup>th</sup> CPC recommended that benefits be extended when two or more stages get bunched. The fitment tables drawn by the 6<sup>th</sup> CPC and notified by the Government subsequently provided for the benefit of bunching only when more than two stages were bunched. As regards the benefits to be extended on account of bunching, the 5<sup>th</sup> CPC recommended benefit of one increment for every four consecutive stages bunched, the 6<sup>th</sup> CPC recommended benefit of one increment for every two consecutive pay stages bunched. For HAG scales, however, benefit of one increment was given at each of the pay stages in the 6<sup>th</sup> CPC pay structure.
4. In terms of the DoE O.M. dated 07.09.2016 based on the 7<sup>th</sup> CPC recommendations, bunching occurs when two or more stages get bunched and benefit of one increment is to be given for every two stages bunched. These provisions are to be applied while revising the pay from the 6<sup>th</sup> CPC regime to the 7<sup>th</sup> CPC regime. In the 6<sup>th</sup> CPC pay structure, about 35 pay scales existing in the 5<sup>th</sup> CPC pay structure were

replaced by a system of running pay bands recommended by the 6<sup>th</sup> CPC. The 6<sup>th</sup> CPC pay structure consisted of 19 grades spread across four distinct pay bands and 4 distinct scales including two fixed scales. The 6<sup>th</sup> pay structure being replaced by the 7<sup>th</sup> CPC recommended Pay Matrix, thus, consists of 4 Pay Bands with 15 levels of Grade Pay, along with 4 standalone scales, viz., HAG scale, HAG+ scale, Apex scale (fixed) and the scale of Cabinet Secretary (fixed).

5. While in the 5<sup>th</sup> CPC structure, the stages in every pay scale were well defined, the stages were not well defined in the 6<sup>th</sup> CPC structure. The pay was to be fixed in the running Pay Band by rounding off to the next higher multiple of 10. Every multiple of 10 was a pay stage in the 6<sup>th</sup> CPC regime. However, all consecutive 10 rupee stages for any Grade Pay cannot be taken as consecutive stages for the purpose of bunching in reference to the 7<sup>th</sup> CPC recommendations as is also clear from the illustration contained in para 5.1.37 of the 7<sup>th</sup> CPC Report. Based on the illustration contained in para 5.1.37 of the 7<sup>th</sup> CPC Report, Department of Expenditure's O.M. dated 07.09.2016 provided that a difference of at least 3%, the rate of annual increment, in the 6<sup>th</sup> CPC pay structure was essential for counting of two stages. The 6<sup>th</sup> CPC had replaced the system of equidistant pay stages in a pay scale based on equal annual increments in the 5<sup>th</sup> CPC regime by a system of annual increment of 3% on the sum of pay in the running pay band and the Grade Pay which was to be added to the running pay as increment. Therefore, the pay stages in any given Grade Pay were specific to an employee and depended upon the initial fixation of pay in that Grade Pay. As a result, the amount of increment earned in the same Grade Pay would differ in the same Pay Scale/ Grade Pay not only between different employees but also across years for the same employee. To illustrate, an employee whose pay was fixed at Rs 46,100 in GP of 8700 in PB-4 would have the first annual increment of Rs 1390 which would be added to his running pay in the Pay Band, another employee whose pay initially was fixed at Rs 46,400 in the same Grade Pay would have the first annual increment of Rs 1400. In such a scenario where the pay stages are specific to the employee, it is not possible to arrive at universal pay stages for the purpose of determining the extent of bunching. Therefore, for the purpose of determining the extent of bunching in a system of running pay bands, the consecutive pay stages that need to be considered are the pay stages which are specific to the employee.

6. In the 5<sup>th</sup> CPC structure, the maximum and the minimum of every pay scale were well defined. In the 6<sup>th</sup> CPC structure, Entry Pay was separately notified for most Grade Pay levels to govern the entry pay of direct recruits in that level. The pay of those moving from a lower grade to a higher one on promotion was regulated in terms of provisions contained in Rule 13 of CCS (RP) Rules, 2008. As such, the Entry Pay notified for a given Pay Scale/ Grade Pay is the effective minimum of that Grade Pay for direct recruits. For an employee getting promoted, the sum of the minimum of the relevant Pay Band and the Grade Pay is the effective minimum pay. The 7<sup>th</sup> CPC, in its Report, has commented that this led to many situations where direct recruits drew higher pay as compared to personnel who reached that stage through promotion. Demands were received by the 7<sup>th</sup> CPC from many staff associations and employees for removal of this disparity which the 7<sup>th</sup> CPC refers to as differential entry pay.

7. In the revised dispensation for pay fixation in the New Pay Structure as recommended by the 7<sup>th</sup> CPC, direct recruits shall start at the minimum pay corresponding to the level to which recruitment is made, which will be the first cell of