6th Pay Commission: Allowances & Facilities to Central Govt. employees

The Government of India constituted the 6th Pay Commission to suggest pay revisions for its employees. The recommendations of the 6th Pay Commission has been accepted by the Government with minor modifications. Besides recommending new pay scale, this commission has recommended changes in the different allowances admissible to Central Govt. employees and other facilities provided to them for serving the people and country. Below are given the major recommendations of the commission related to allowances, advances, holidays and class entitlements.

- **Dearness Allowance:**
  - the 6th Pay Commission recommended the continued use of AICPI (IW) as index used for calculating DA.
  - based on 2001 series works out to be 115.76. The installment of DA from 1-1-2006 will be paid as per suggestion of 6CPC
  - DA shall be admissible @ 2, 6, 9, 12 & 16% from 1-7-2006, 1-1-2007, 1-7-2007, 1-1-2008 & 1-7-2008, respectively

- **City Compensatory Allowance (CCA):**
  - In Commission's view there was no justification for City Compensatory Allowance and hence recommended it to be abolished.

- **Other Compensatory allowances:**
  - The Commission has suggested changes in the rates of Special Compensatory (Hill Area/Remote Locality), Tribal Area Allowance, Project Allowance and Bad Climate Allowance were revisied as follows:
    - Project Allowance: Rs.1500 p.m. For posts in the grade pay of Rs.5400 and above; Rs.1000 p.m. for posts in the grade pay of less than Rs.5400
    - The Commission recommended automatic revision of rates of all the above allowances by 25% whenever the Dearness Allowance payable on the revised pay bands goes up by 50%.
    - In Commission's opinion, there was no logical ground to continue Special Compensatory Allowance for Gandhinagar and Special Compensatory (Border Area) Allowance and hence recommended to Abolish.
    - However, Special (Duty) Allowance for postings to North East Regions at the existing rates was recommended to all Central Government employees on their posting on transfer to any North East Region.
    - The Special (Duty) Allowance as well as other concessions allowed to the Government employees in North East region were extended to the Government employees posted in Ladakh.
    - Island Special (Duty) allowance: This allowance was also recommended to made available to all Central Government employees on their posting on transfer to any place in these Islands without insisting on an all India transfer liability.
    - Recommendation was made to pay Hard Area Allowance to the employees posted in the Nicobar group of Islands separately along with Island Special (Duty) Allowance and broadened to the Lakshadweep group of islands.

- **Project Allowance**
Bad Climate & Special (Hill Area) Allowance

<table>
<thead>
<tr>
<th>Category</th>
<th>Part A (Rs./PM)</th>
<th>Part B (Rs./PM)</th>
<th>Part C (Rs./PM)</th>
<th>Part D (Rs./PM)</th>
</tr>
</thead>
<tbody>
<tr>
<td>For posts in the grade pay of Rs. 5400 and above</td>
<td>2600</td>
<td>2100</td>
<td>1500</td>
<td>400</td>
</tr>
<tr>
<td>For posts in the grade pay of less than Rs. 5400</td>
<td>2000</td>
<td>1600</td>
<td>1200</td>
<td>320</td>
</tr>
</tbody>
</table>

Traveling Allowance:

Commission did not feel any need to make changes in the travel entitlement for travel outside India.

The Commission recommended to allow travel by any means of public transport for road travel between places connected by rail, with a condition that total fare does not exceed the train fare by the entitled class.

Also, the travel by AC bus for employees having such entitlement by AC II Tier and above in train and by Deluxe/Ordinary bus for those who are entitled to travel by First Class/AC III Tier/AC Chair Car/Sleeper Class in train was recommended.

The Commission took a strong stand against use of mileage points earned by Government employees on tickets purchased for official travel and utilized for their private journeys. These points must be used by the concerned department for other official travel by their respective officers.
Major changes in travel entitlements while on tour and transfer are recommended to be made as follows:

**Travel Entitlement**

<table>
<thead>
<tr>
<th>Pay Range</th>
<th>Travel Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>For posts in the grade pay of Rs. 9000 and above</td>
<td>3 class by air/AC First Class by train</td>
</tr>
<tr>
<td>For posts carrying grade pay from Rs. 6600 to Rs. 8400</td>
<td>Y class by air/AC First Class by train</td>
</tr>
<tr>
<td>For posts carrying grade pay from Rs. 5400 to Rs. 6500</td>
<td>Y class by air/AC II Tier Class by Train</td>
</tr>
<tr>
<td>For posts carrying grade pay from Rs. 4200 to Rs. 4800</td>
<td>AC II Tier Class by Train</td>
</tr>
<tr>
<td>For posts carrying grade pay of less than Rs. 4200</td>
<td>Chair Car by train</td>
</tr>
</tbody>
</table>

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**Daily Allowance**

- The recommended rates of daily allowances are illustrated in above Table.
- The rates of all the components of Daily Allowance shall automatically increase by 25% whenever the Dearness Allowance payable on the revised pay bands goes up by 50%.
- In case of stay or journey on Government ships, boats etc. or journey to remote places on foot/mules etc. for scientific/data collection purposes in organisations like FSI, Survey of India, GSI etc., daily allowance will be paid at rate equivalent to that provided for reimbursement of food bill.
- However, in this case the amount will be sanctioned irrespective of the actual expenditure incurred on this account with the approval of the Head of Department/Controlling Officer.
For journey on foot, an allowance of Rs.5 per kilometer traveled on foot shall be payable additionally. This rate will also be increased by 25% whenever DA payable on revised pay scales goes up by 50%.

LTC & other benefits:
- The most welcome recommendation made by the Sixth Pay Commission was about the travel entitlements under LTC and official tours. Commission eliminated the distinction for entitlement between LTC and TA tours. However, Commission did not find it proper to pay daily allowances for travel on LTC.
- The Commission did not alter the condition requiring travel to be performed in vehicles operated by the Government or any Corporation in the public sector run by the Central or State Government or a local body.
- The most commendable recommendation is the encashment of Earned Leave upto 10 days along with LTC to the extent of total of 60 days, and non-deduction of these Earned Leaves from the maximum amount of Earned Leave (300 days) encashable at the time of retirement.
- The Railways employees be allowed to avail of this encashment at the time of availing of passes for a maximum of 60 days in the entire career subject to the condition that successive encashment cannot be made before a minimum period of two years has elapsed.

Transport Allowance:
- in the revised scheme of pay scales, all the allowances and facilities will be governed by Grade Pay.
- the existing condition which prohibits grant of Transport Allowance to the employees who have been provided with official accommodation within one Kilometer of the office is removed.
- Other conditions regulating the grant of this allowance shall remain unchanged.
- Physically disabled employees shall continue to draw this allowance at double the normal rates.
- This, however, will be further subject to the condition that Transport Allowance in the case of physically disabled employees shall, in no case, be less than Rs.1000 per month plus the applicable rate of dearness allowance.
- Employees in pay band PB-4 who are entitled to the use of official car for travel between residence and office may be given the option to draw transport allowance at a higher rate of Rs.7000 p.m. plus dearness allowance provided they give up the use of official car for travel between residence and office.
- The Commission recommends following rates for Transport Allowance:

<table>
<thead>
<tr>
<th>Employees drawing grade of pay of (Rs.)</th>
<th>Rate of Transport Allowance per month</th>
</tr>
</thead>
<tbody>
<tr>
<td>posts in the apex scale and Cabinet Secy./equivalent</td>
<td>A-1/A Class City (Rs.)</td>
</tr>
<tr>
<td>5400 &amp; above</td>
<td>Rs.3200 + DA thereon</td>
</tr>
<tr>
<td>4200 to 4800</td>
<td>Rs.1600 + DA thereon</td>
</tr>
<tr>
<td>Below 4200</td>
<td>Rs.400 + DA thereon</td>
</tr>
</tbody>
</table>
Campus restriction for grant of TA removed; TA increased for employee at lowest level from Rs 400/- to Rs 600/- in A1 cities and from Rs 300/- to Rs 400/- in other cities; Employee in PB 1 with Rs 7400/- as grade pay will be provided TA @ Rs 1600/Rs800.

- **House Rent Allowance:**
  - the Commission recommended merger of C Class Cities (having population of 50,000 to 5 lakh) with 'Unclassified Towns' (having population of less than 50,000).
  - The existing population criterion for classifying towns and cities for purposes of HRA is being retained but population in the urban agglomeration should be taken into account for classifying a city for purposes of HRA.
  - HRA in A-1 cities be paid at the rate of 30% of the total of revised pay in the running pay band and grade pay thereon.
  - Erstwhile A, B-1 and B-2 categories are being merged.
  - The following rates of House Rent Allowance:

<table>
<thead>
<tr>
<th>Population</th>
<th>Revised Classification of Cities and Towns on Population criteria</th>
<th>Rates of HRA as a percentage of Pay in the pay band + Grade Pay + MSP + NPA*</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 lakhs &amp; above</td>
<td>(Earlier classified as A-1)</td>
<td>20</td>
</tr>
<tr>
<td>50 - 5 lakhs</td>
<td>(Earlier classified as A, B-1 &amp; B-2)</td>
<td>10</td>
</tr>
<tr>
<td>Below 5 lakhs</td>
<td>(Earlier classified as C and Unclassified)</td>
<td>10</td>
</tr>
</tbody>
</table>

- Govt. has released a list of "X" and "Y" category of cities. It is shown below.
- **"X" Cities:** Hyderabad, Delhi, Bengaluru, Greater Mumbai, Chennai, Kolkata
- **"Y" Cities:**
  - Andhra Pradesh: Vijaywada, Warrangal, Visakhapatnam, Guntur
  - Assam: Guhawati
  - Bihar: Patna
  - Chandigarh: Chandigarh
  - Chhattisgarh: Durg-Bhilai Nagar, Raipur,
  - Gujarat: Ahmedabad, Rajkot, Jamnagar, Bhavnagar, Vadodara, Surat
  - Haryana: Faridabad (Only for HRA purpose)
  - J & K: Srinagar & Jammu
  - Jharkhand: Jamshedpur, Dhanbad & Ranchi
  - Karnataka: Belgaum, Hubali-Dharwad, Mangalore, Mysore
  - Kerala: Kozhikode, Kochi, Thiruvananthapuram
  - Madhya Pradesh: Gwalior, Bhopal, Jabalpur, Indore
  - Maharashtra: Amravati, Aurangabad, Nasik, Pune, Nagpur, Bhiwandi, Sholapur, Kolhapur
  - Orissa: Cuttack, Bhubaneswar
  - Punjab: Amritsar, Jalandhar, Ludhiana
  - Pondicherry: Pondicherry
  - Tamil Nadu: Salem, Tiruppur, Coimbatore, Tirucherapalli, Madurai
**Rajasthan:** Bikaner, Jodhpur, Kota Jaipur  
**Uttarakhand:** Dehradun  
**Uttar Pradesh:** Moradabad, Meerut, Aligarh, Agra, Bareilly, Lucknow, Kanpur, Allahabad, Gorakhpur, Kanpur, Ghaziabad (for HRA purpose only)

- **Education Allowance:**
  - Children education allowance will be admissible to school going children only i.e. from class nursery to twelfth.  
  - now onwards, education allowance will not be stopped even if child fails in the examination  
  - both education allowance and hostel subsidy can not be availed concurrently  
  - Reimbursement of education will include expenditure incurred on one set of books and notebooks, one pair of shoes, two sets of uniform, and school fees etc.

- **Holidays:**
  - The Government offices will remain closed only on the 3 National holidays.  
  - No other closed holidays be allowed.  
  - Restricted Holidays available to an employee shall be increased to 8 with the list of Restricted Holidays being suitably enlarged to include all the erstwhile Gazetted Holidays therein.  
  - Every Head of Department (HoD) should be allowed the option of declaring the office closed for a maximum of two Restricted Holidays in a year based on local considerations.  
  - The number of Casual Leave, Half Pay Leave and Earned Leave available to Government employees shall remain unchanged.  
  - The number of casual leave for physically disabled employees will stand increased to 12 days. From 1/9/1981, Teachers, Principals and Head Masters working in schools and from 28/7/1984, Librarians, Laboratory Assistants and Watermen working in schools have not been allowed the facility of half pay leave. This facility needs to be restored for these categories as the present rules place them in difficulties in times of sickness, etc.  
  - These categories should be made eligible for half pay leave on par with other Central Government employees.

- **Deputation (Duty) Allowance:**
  - the rates of Deputation (Duty) Allowance and Central (Deputation on Tenure) Allowance may continue to be paid at the rate of 5%, 10% and 15% of the aggregate of pay in the pay band and grade pay without any pecuniary limit. This will, however, be subject to the limit that the aggregate of pay in the pay band and Deputation (Duty) Allowance/Central (Deputation on Tenure) Allowance does not exceed Rs.39,200 being the minimum pay in the pay band PB-4.

- **Miscellaneous Allowances**
  - The Commission recommended doubling of the extant rates of Cycle Allowance, Washing Allowance, Cash Handling Allowance, Special Allowance, Night Duty Allowance and Split Duty Allowance.
  - The rates of these allowances will be increased by 25% every time the Dearness Allowance payable on revised pay scales goes up by 50%.
  - Machine Allowance withdrawn.

- **Over Time Allowance**
- Abolition of compensation in the form of Over Time Allowance or any other similar allowance to any of the Central Government employees except those belonging to the categories of operational staff and industrial employees governed by statute.

- **Advances**
  - **Interest Free Advances**
    - The Commission recommended that the existing amount of following interest free advances should be doubled:-
      - Festival Advance
      - Advance in the event of natural calamity like flood, drought, cyclone, etc.
      - Advance for training in Hindi through Correspondence Course.
    - The rates of these allowances shall be increased by 25% every time dearness allowance on revised pay bands increases by 50%. All other existing conditions in respect of various interest free advances shall be maintained without any change.

- **Interest Bearing Advances**
  - no interest should be charged on advances for purchase of warm clothing and bicycle. Like in the case of other interest free advances, the existing rates of advances for purchase of warm clothing and bicycle should also be doubled.
  - The Commission was of the view that in order to spread the benefit in a more equitable manner, it was desirable to provide only for the element of interest subsidy and make available various interest bearing advances to Government employees through arrangements with public sector banks.
  - The Government will give an interest subsidy equal to 2 percentage points in rate of interest being charged by the bank to the employee.
  - The interest subsidy for employees with disabilities will be equal to four percentage points in the rate of interest being charged by the bank.
  - Simultaneously, the existing limit of various interest bearing advances should also be doubled for the purpose of getting the subsidy. This limit should automatically be increased by 25% every time the dearness allowance payable on revised pay bands goes up by 50%.
  - The eligibility for taking the advances should also be removed because the repaying capacity would, in any case, be considered by the concerned bank at the time of processing the loan application.

- **Non-Practicing Allowance (NPA)**
  - Accordingly, the Commissions recommends that Doctors should continue to be paid NPA at the existing rate of 25% of the aggregate of the band pay and grade pay subject to the condition that the Basic Pay + NPA does not exceed Rs.85,000.

- **Risk Allowance:**
  - Risk Allowance is withdrawn.
  - Employees be provided with free medical and life insurance of Rs.5 lakhs for employees in PB-1 pay band; Rs.7 lakhs for employees in PB-2 pay band; Rs.10 lakhs for employees in PB-3 pay band/higher pay bands/scales.
  - The amount of the insurance should automatically be increased by 50% every time the DA payable on the revised pay goes up by 50%. The entire expenditure on paying premium for this insurance will be borne by the Government.
  - The amount insured will be paid in case of any serious injury/death sustained in the course of employment and will be over and above the other benefits available to all categories of Government employees.
  - These employees should also be provided with additional health benefits with mandatory health check-ups every quarter and enhanced leave, wherever the same is necessary for proper recuperation.
Uniform related Allowances:

- the Commission recommends the following rates of Uniform Allowance for different categories of such personnel:
  - CPMFs/CPOs/RPF/IPS
    - Initial grant Rs.14000; Renewal grant Rs.3000; payable after every three years
  - Uniform allowance for Coast Guard officers:
    - Initial grant Rs.16000; Renewal grant Rs.5000; payable after every three years.
  - Uniform allowance for the CPs:
    - Initial grant Rs.4000; Renewal grant Rs.2000; payable after every six months.
  - Uniform allowance for the RPF:
    - Initial grant Rs.5000; Renewal grant Rs.2000; payable after every six months.
  - Uniform allowance for the IPS:
    - Initial grant Rs.6000; Renewal grant Rs.2500; payable after every six months.

Uniform allowance for Coast Guard officers:

- Initial grant Rs.16000; Renewal grant Rs.5000; payable after every three years.

Existence rates of Kit Maintenance Allowance be doubled for all categories of employees presently in receipt of this allowance. Uniform Allowance for nurses should also be increased to Rs.500 per month.

The rates of Uniform Allowance and Kit Maintenance Allowance for all the above categories shall be increased by 25% every time the Dearness Allowance on revised pay bands goes up by 50%.

T.A. on Transfer

The Commission recommends that transportation of personal effects by road at the rates prescribed for `other places' should be allowed in respect of places connected by train as well without subjecting it to the extant restriction that these can not exceed 1.25 times of the eligible train fare. The revised entitlements of transport while on transfer shall, therefore, be as follows:

TTA

<table>
<thead>
<tr>
<th>Grade Pay</th>
<th>By Train/Steamer</th>
<th>Rate per Km for transport by road (Rs. Per. Km.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 6500 and above</td>
<td>6000 kgs. by goods</td>
<td>18.00 (Rs.0.3 per kg. per km.)</td>
</tr>
<tr>
<td>Rs. 4200 to Rs. 6500</td>
<td>6000 kgs. by goods</td>
<td>18.00 (Rs.0.3 per kg. per km.)</td>
</tr>
<tr>
<td>Rs. 2800</td>
<td>3000 kgs.</td>
<td>9.00 (Rs.0.31 per kg. per km.)</td>
</tr>
<tr>
<td>Below Rs. 2800</td>
<td>1500 kgs.</td>
<td>4.60 (Rs.0.31 per kg. per km.)</td>
</tr>
</tbody>
</table>