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Integrated Headquarters  
Ministry of Defence (Navy)  
New Delhi - 110001

PX/1000

12 Mar 18

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(for COS)  
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Mumbai 400001

The Commander- in-Chief  
(for COS)  
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The Flag Officer Commanding- in -Chief  
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Kochi 682004

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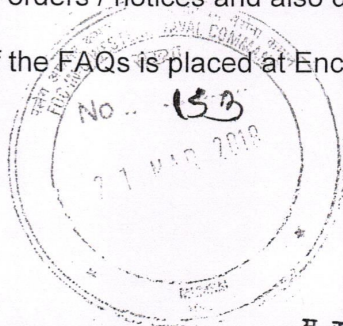
CSO(P&A)

for dissemination

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| स्टाफ प्रमुख सचिवालय<br>COS SECT |
| स्टाफ प्रमुख<br>COS              |
| स्टाफ अफसर<br>SO                 |
| क्रमांक No. 19948                |
| दिनांक Date: 21/03/18            |
| द्वारा कार्रवाई Action by        |

**FORWARDING OF FREQUENTLY ASKED QUESTION (FAQs)  
RELATED TO 7<sup>TH</sup> CPC - FAQs 01/2018**

1. Refer to this Headquarters letter PX/1000 dated 08 Dec 17.
2. This office has been receiving a large number of queries related to 7<sup>th</sup> Central Pay Commission award, approved by the Govt. An update on 7<sup>th</sup> Central Pay Commission award, based on queries received from the environment, has been prepared in the form of Frequently Asked Questions (FAQs 01/2018) for wider publicity within the Navy.
3. It is requested that the FAQs 01/ 2018 be circulated as attachments to Command Daily orders / notices and also disseminated during DOPs.
4. A copy of the FAQs is placed at Enclosure.



(Kishan K Pandey)  
Rear Admiral  
Chairman  
Pay Commission Cell (Navy)

Encl: As above

Internal.      SO / COP      PDPA

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CSO (P&A), SECT.  
क्रमांक No. 1125  
दिनांक date 23 MAR 2018  
द्वारा कार्रवाई Action by CSO

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## FREQUENTLY ASKED QUESTIONS (FAQs) RELATED TO 7<sup>TH</sup> CPC

### FAQs 01/2018

| PAY  |   |
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| Ques | What is the status of recoveries that were affected by Naval Pay Office when the Index of Rationalization (IoR) was changed from 2.57 to 2.67 for the ranks of Cdr and Capt?  |
| Ans  | <p>-The Govt had approved enhancement in IoR for Levels 12A (Cdr) &amp; 13 (Capt) from 2.57 to 2.67. Due to the rounding off the values to the next higher cell of the Pay Matrices (both Civil Pay Matrix &amp; Defence Pay Matrix), recoveries had to be carried out in respect of a few officers (31 percent Cdrs &amp; 15 percent Capts).</p> <p>-The Govt vide Ministry of Finance (Department of Expenditure) order dated 28 Sep 17 has waived off the recoveries effected due to change of IoR from 2.57 to 2.67 in Level 13 in respect of civilian employees.</p> <p>- A case has been taken up with MoD for extension of similar provisions for Level 12A (Cdr) and Level 13 (Capt) in the Defence Pay Matrix (DPM). The Govt decision on the same is awaited.</p> |
| Ques | What is the status of implementation of 'Bunching Clause'?  |
| Ans  | The orders for implementation of 'Bunching Clause' have been received at the Services Headquarters. However, implementation methodology is presently being finalized in consultation with CGDA / PCDA's wherein all affected personnel would need to be identified in accordance with the Govt orders.  |
| Ques | What is the status of Date of Next Increment for Defence personnel?   |
| Ans  | <p>-Orders on 'Date of Next Increment' (DNI) option for civilian employees were issued on 27 Jul 17.</p> <p>-However, implementation orders for the Defence Services personnel are still awaited.</p> <p>-Implementation of DNI option would affect personnel promoted after 01 Jan 2016 and such personnel would be required to again exercise their option for taking their promotion increment on date of promotion or date of next increment, whichever is beneficial.</p>  |
| Ques | What is last date of exercising the option for transition to 7 <sup>th</sup> CPC?   |
| Ans  | <p>-The Govt had approved a period of 180 days for exercising the option for transition to 7<sup>th</sup> CPC from date of issue of Naval Pay Regulations 2017 i.e. wef 03 May 2017.</p> <p>-However, due to delay in issue of orders for Bunching as well as the DNI option for the Defence Services personnel, a case has been initiated with the Govt, to extend the date for exercising the option.</p> <p>-Fresh date would be promulgated as and when received from the Govt.</p>   |
| Ques | What is the status of Govt orders for re-employed officers?   |
| Ans  | -The Govt orders for re-employed officers have been issued on 09 Jan  |



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|                   | <p>18 and forwarded to Naval Pay Office for implementation.</p> <p>-The pay fixation of re-employed officers is being carried out in Jan/Feb 18.</p> <p>-All re-employed officers, who retired prior to 01 Jan 16 and were subsequently re-employed, are required to exercise the option to elect the revised pay structure within 180 days from the date of issue of Govt orders, i.e. 180 days wef 09 Jan 18.</p> <p>-047 IG dated 05 Feb 18, has been issued in this regard.</p>  |
| <b>ALLOWANCES</b> |  |
| Ques              | What is the status of implementation of 'House Rent Allowance' in 7 <sup>th</sup> CPC?   |
| Ans               | <p>-The Govt orders for implementation of HRA have been issued. However, the orders do not stipulate the specific provisions for the JCOs/OR, recommended by the 7<sup>th</sup> CPC. The requisite clarifications have been sought from the Govt.</p> <p>-Revised rates of HRA are being partially implemented in Mar 18. However, as per the structure recommended by the 7<sup>th</sup> CPC for HRA for JCOs/OR and approved by the Govt, the revised rates would be implemented on receipt of clarifications from the Govt.</p>   |
| Ques              | What is the status of Dress Allowance?   |
| Ans               | <p>-The Govt orders on Dress Allowance have been issued on 16 Nov 17. The existing orders on uniform related allowances viz. Uniform Allowance, Initial Equipment Allowance, Kit Maintenance Allowance and Washing Allowance have been subsumed in a single allowance called 'Dress Allowance' @ Rs 20,000 pa for officers and Rs 10,000 pa for sailors.</p> <p>-It has been stated in the Govt order that this allowance covers only the Basic Uniform of an employee. However, the definition of Basic Uniform for sailors has not been specified in the Govt order. Clarifications in this regard have been sought from the Govt.</p> <p>-Pending receipt of clarifications from the Govt, it has been decided to:-</p> <ul style="list-style-type: none"> <li>• Implement revised rates of Dress Allowance for officers in Feb 18.</li> <li>• It has also been decided to continue issue of uniforms in kind to sailors till receipt of clarifications from the Govt.</li> </ul> |
| Ques              | What is the status of Training Allowance?  |
| Ans               | <p>-The Defence Services were required to categorize Training Establishments into two categories viz. @ 24 percent and 12 percent of pay, for the purpose of Training Allowance.</p> <p>-The categorization of Training Establishments into two categories for Training Allowance has been carried out at Service Headquarters.</p>  |



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|                | -Training Allowance would be implemented post issuance of requisite Govt orders.  |
| Ques           | What is the status of implementation of Higher Qualification Incentive (HQI)?   |
| Ans            | -The Govt has approved grant of HQI to all personnel of the Defence Services. During the 7 <sup>th</sup> CPC, HQI would be admissible to both officers and sailors, as per the courses, which need to be categorized into five categories and then approved by the Govt.            |
|                | -In accordance with MoD letter dated 05 Jan 18, a Committee has been constituted, which has categorized courses for admissibility of HQI for both officers and sailors.   |
|                | -The categorization of courses for the purpose of HQI, as recommended by the Committee, has been forwarded to MoD for issuance of requisite Govt orders.  |
| Ques           | What is the update on Technical Allowance Tier II?  |
| Ans            | - List of courses eligible for Technical Allowance Tier-II needs to be reviewed by a Committee before 31 Mar 18.  |
|                | - In accordance with MoD letter dated 05 Jan 18, a Committee has been constituted, comprising members from the three Services, IDSA and USI.  |
|                | - Tech Allowance Tier-II would continue beyond 31 Mar 18, only after the review of courses for admissibility of Tech Pay Tier II, recommended by the Committee, is approved by the Govt.  |
| Ques           | What is the Status of other allowances recommended to be abolished by the 7 <sup>th</sup> CPC?  |
| Ans            | -Necessary directives for cessation of Family Planning Allowance and re-imbursement of electricity charges wef 01 Jul 17, have been issued.   |
|                | -Personnel claiming re-imbursement of electricity charges are advised to forward their claims to Naval Pay Office till 30 Jun 17 only, as the same has been abolished wef 01 Jul 17.  |
| Ques           | What is the status of Ration Money Allowance (RMA)?   |
| Ans            | -Although the Govt order on extension of Ration Money Allowance through Direct Benefit Transfer (DBT) in lieu of Ration in Kind, to officers posted in peace areas, has been issued on 31 Jul 17, however daily rates of RMA have not been specified in this order.                 |
|                | -At the same time, the Defence Services are pursuing restoration of Entitled Rations to officers in peace areas, as one of the core concerns with the Govt. It has been recommended that option to draw ration in kind or Cash in Lieu of Ration (CLR) should continue as hitherto. |
| <b>PENSION</b> |   |
| Ques           | What is the status of Pension related orders?   |



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| Ans  | <p>-The Govt has approved two methods for fixation of pension of pre 01 Jan 2016 retirees.</p> <p>-The first method based on '<b>Pension as on 31 Dec 2015 X 2.57</b>' has already been implemented in Dec 2016.</p> <p>-The methodology for fixation of pension based on the alternate method, wherein, '<b>the last drawn pay of each individual would be transited through successive Pay Commissions with the actual improvement factor of each Pay Commission, till the 7<sup>th</sup> CPC and fixation of each individual as per the appropriate cell of the Defence Pay Matrix</b>' is also being implemented by the PCDA(Pensions).</p> <p>-The individual would be automatically extended the beneficial of the two options by the PCDA.</p> <p>-The Govt orders for post 01 Jan 2016 retirees have also been issued and have been forwarded to the concerned implementation agencies.</p> <p>-The Govt has also approved reversion of Disability Pension to percentage of pay, as against the slab based system recommended by the 7<sup>th</sup> CPC.</p> |
| Ques | Why is the Military Service Pay not being counted towards Leave Encashment on retirement from Service?   |
| Ans  | The Navy Pay Regulations 2017 have stipulated that ' <i>MSP would be counted towards DA and Pension only</i> ', thereby restricting the applicability of MSP for calculation of a few retirement benefits including Leave Encashment. A case has been taken up with the MoD for suitable amendment to the applicability of MSP so that same could be used for calculation of Leave Encashment.   |
| Ques | What is the status of Govt orders for pre-2016 retirees?   |
| Ans  | <p>-The pension orders for Pre 2016 retirees were issued on 29 Oct 16. Based on the same Circular no. 570 dated 31 Oct 16 was issued by the PCDA (Pensions) wherein the pension drawn as on 31 Dec 15 was multiplied by a factor of 2.57 for all past pensioners was implemented.</p> <p>-The orders for the alternate formula (notional fixation of pay) have been issued by the MoD on 05 Sep 17 and were promulgated vide PCDA (Pension) Circular no. 585. The existing pension (based on multiplication factor of 2.57) or the revised pension (based on notional fixation of pay), whichever is higher, would be granted to these pensioners.</p> <p>-The PCDA would issue corrigendum PPOs in respect of all pre-2016 retirees based on pension fixation methodology of <b>Multiplication Factor of 2.57</b> or <b>Notional Fixation</b>, whichever is beneficial to the pensioner.</p>  |
| Ques | What is the status of Govt orders for post-2016 retirees?  |



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| Ans                                       | <p>-The orders for grant of pension and pensionary benefits have been issued for all Post 01 Jan 2016 retirees have been issued on 04 Sep 17. The ceiling of gratuity, minimum pension etc. have been revised under the said orders.</p> <p>-All personnel who had retired in the interim period have been extended the option to commute the pension based on their revised basic pension. Issue of revised PPOs of post 2016 retirees has commenced.</p>  |
| <b><u>ONE RANK ONE PENSION (OROP)</u></b> |   |
| Ques                                      | What is the status of OROP?   |
| Ans                                       | <p>-MoD / DESW had constituted a One Man Judicial Committee (OMJC) to examine anomalies arising out of implementation orders of OROP scheme. The OMJC visited 19 stations across the country and held interaction with the veterans, pensioners and their respective associations.</p> <p>-The Service Headquarters also presented the issues / concerns on OROP scheme to the Judicial Committee.</p> <p>-The OMJC submitted its report to the MoD on 28 Oct 16. However, Govt orders are awaited.</p> |
| Ques                                      | Would OROP be applicable to pre-mature retirees?  |
| Ans                                       | As per the current orders on the subject, OROP would not be applicable to personnel seeking pre-mature retirement.  |
| Ques                                      | When would be the next revision of OROP and what would be the methodology for working out pension under OROP?   |
| Ans.                                      | The next revision of OROP would take place wef 01 Jul 19. The OROP tables in 2019 would be based on average of pension drawn by pensioners in each rank for each length of service in the year 2018.  |