

6th Pay Commission Punjab Government Employees

In Massive Bonanza for Govt Employees, Punjab Cabinet Accepts 6th Pay Commission Recommendations W.E.F January 1, 2016

From July 1, Employees To Get Minimum Pay Hike From Rs. 6950 To Rs. 18000 Per Month

Arrears To Be Paid In 2 Equal Instalments, In October 2021 & January 2022

Chandigarh, June 18:

In a move that will benefit the over 5.4 lakh serving and retired state government employees in the state, the Punjab Government, led by Chief Minister Captain Amarinder Singh, has decided to accept majority of the recommendations of the 6th Pay Commission, and decided to implement them from July 1, 2021, with retrospective effect from January 1, 2016.

With this decision, taken today at the state cabinet meeting, the Captain Amarinder government has fulfilled another major promise to the people, despite the precarious financial health of the state.

As a result of the decision, the minimum pay for a government employee would increase from Rs.6,950 per month to Rs.18,000 per month. The implementation will entail 2.59 times increase in salaries and pensions over the previous pay commission recommendations, with an annual increment rate of 3%, resulting in pay scales of all existing employees continuing to be higher than in neighboring Haryana.

With the implementation of the 6th Pay Commission, minimum pension will go up from Rs.3,500 to Rs.9,000 per month, and the minimum Family Pension would increase to Rs. 9,000 per month under the revised structure, an official spokesperson said after a Cabinet meeting that gave the approval for implementation of the 6th Punjab Pay Commission (PPC) recommendations. Under the new structure, divorce/widowed daughter shall be eligible for family pension, and the eligibility criteria of income for family pension has been enhanced from Rs. 3,500+DA to Rs. 9000+DA per month.

The expected amount of Net Arrears from January 1, 2016 to June 30, 2021 is Rs.13,800 crore (approx). Notably, the Punjab government employees have already been getting 5% interim enhancement since 2017. The Net Arrear Amount of employees and pensioners for the year 2016, estimated at Rs. 2,572 crore, shall be paid in two equal installments in October 2021 and January 2022.

The Government has also accepted restoration of Commutation of Pension to 40% w.e.f. July 1, 2021. Death-cum-Retirement Gratuity (DCRG) has been enhanced from Rs.10 lakh to Rs.20 lakh and the existing rates of Ex-Gratia Grant have been doubled. Both the DCRG and Ex Gratia have been extended to employees covered under New Pension Scheme.

An official spokesperson said after the cabinet meeting that the implementation of the Pay Commission's major recommendations will lead to an annual additional burden of Rs. 8,637 crore to

the state exchequer, with prospective additional net annual burden expected per annum to be Rs. 4,700 crore (approx.).

It may be recalled that the 6th PPC report had submitted the first part of its report to the Punjab government on April 30, 2021, broadly comprising the recommendations on revision of pay scales, allowances and pension & retirement benefits.

It has been decided that the date of implementation of the new allowances/revised allowances would be from 01.07.2021. Percentage based allowances, like House Rent Allowance, NPA etc. have been rationalised under the new structure, while Design Allowance, Special Allowance to Chowkidars and Special Allowance to Drivers, has been doubled.

A new allowance – Higher Education Allowance, in the form of a lump sum incentive to all employees who attain higher educational qualification during the course of employment and in the field directly relevant to an employee's job, is being introduced by the Government.

New employees will, however, be paid as per the central government pay scales, which now apply to all new recruits.