

Cabinet approves Terms of Reference of 8th Central Pay Commission

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The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today approved the Terms of Reference of 8th Central Pay Commission.

The 8th Central Pay Commission will be a temporary body. The Commission will comprise of one Chairperson; One Member (Part Time) and one Member-Secretary. It will make its recommendations within 18 months of the date of its constitution. It may consider, if necessary, sending interim reports on any of the matters as and when the recommendations are finalized. While making the recommendations the Commission will keep in view the followings:

- i. The economic conditions in the country and the need for fiscal prudence;
- ii. The need to ensure that adequate resources are available for developmental expenditure and welfare measures;
- iii. The unfunded cost of non-contributory pension schemes;
- iv. The likely impact of the recommendations on the finances of the State Governments which usually adopt the recommendations with some modifications; and
- v. The prevailing emolument structure, benefits and working conditions available to employees of Central Public Sector Undertakings and private sector.

Background:

The Central Pay Commissions are periodically constituted to go into various issues of emoluments structure, retirement benefits and other service conditions of Central Government employees and to make recommendations on the changes required thereon. Usually, the recommendations of the pay commissions are implemented after a gap of every ten years. Going by this trend, the effect of the 8th Central Pay Commission recommendations would normally be expected from 01.01.2026.

The Government had announced formation of the 8th Central Pay Commission in January, 2025 to examine and recommend changes in the Salaries and other benefits of Central Government employees.

MJPS

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