

# 7th CPC Fixation: Bunching and De-Bunching Effect

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**August 07, 2018**

## References: Government of India Orders

- The CCS(RP) Gazette Notification of Ministry of Finance (Department of Expenditure) dated July 25, 2016.
- The CFTI Order, F.No. 15-4/2017-TC, Ministry of Human Resource Development (Department of Higher Education) dated October 27, 2017.
- The Order No. I-12011/17/2016-ISI, Ministry of Statistics and Programme Implementation (Central Statistics Office) dated June 15, 2018.
- The Office Memorandum **No. 1-6/2016-IC**, Department of Expenditure (Implementation Cell) dated September 07, 2016.
- The Office Memorandum **No. 1-6/2016-IC**, Department of Expenditure (Implementation Cell) dated August 03, 2017 (a continuation of the earlier order with more details).

# 7th CPC Pay Matrix

Annexure -I

**15-4/2017-TC**  
**Government of India**  
**Ministry of Human Resource Development**  
**Department of Higher Education**  
**\*\*\***

Pay Matrix Proposed for IITs/IISc/IIM/NITIE/AISER/NIT/IIT – in 4-tier structure* (All figures are in Rupees)								
Cadre Title		Asst. Prof. Grade II		Asst. Prof. Grade I		Associate Prof.		Professor
6 <sup>th</sup> PC Pay Band		PB3 15600-39100				PB4 37400-67000		
Grade Pay – IIT etc.		600*	700*	800*	900**	950*	1000*	1050*
Index of Rationalisation		2.67	2.67	2.67	2.67	2.67	2.72	2.72
Entry Pay IIT etc.		21600	25790	38000	49200	52300	53000	58500
Cell No.	Pay Level	10	11	12	13A1	13A2	14	14A
1		57700	68900	101500	131400	139600	144200	159100
2		59400	71000	104500	135100	143800	148500	163900
3		61200	73100	107600	139400	148100	153000	168800
4		63000	75300	110800	143600	152500	157600	173900
5		64900	77600	114100	147900	157100	162300	179100
6		66800	79900	117500	152300	161800	167200	184500
7		68800	82300	121000	156900	166700	172200	190000
8		70900	84800	124600	161600	171700	177400	195700
9		73000	87300	128300	166400	176900	182700	201600
10		75200	89900	132100	171400	182200	188200	207600
11		77500	92600	136100	176500	187700	193800	213800
12		79800	95400	140200	181800	193300	199600	220200
13		82200	98300	144400	187300	199100	205600	
14		84700	101200	148700	192900	205100	211800	
15		87200	104200	153200	198700	211300		
16		89800	107300	157800	204700			
17		92500	110500	162500				
18		95300	113800	167400				
19		98200	117200					

\*As ISM, Dhanbad has become IIT, not shown separately; \*\* 9000 grade pay also has Asso. Prof (pre 4-tier), not shown separately.

*Am*

# Definitions and Terminologies

- **Pay Level:** This is defined by the **Academic Grade Pay (AGP)** (also corresponds to the categories, such as HAG). For faculty (and equivalent) the relevant levels are **10, 11, 12, 13A1, 13A2, 14, 14A & 15**.

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- **Entry Pay in 6th CPC:** The starting salary of a *new recruit* in a Pay Level. For example, in the level **13A1** the 6th CPC Entry Pay is **49,200**.

# 7th CPC Fitments Formula

## 7th CPC Fitments Formula: First Step

Let  $s$  be the **6th CPC Salary (= Basic + AGP) as of December 31, 2015**. At first, the 7th CPC salary as of January 01, 2016 will be  $P_1(s)$ , which is

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- Government orders states that **“one additional increment shall be given for every two stages bunched ...”**.
- This will be termed as **de-bunching**.



# Bunching and De-Bunching

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See the **first paragraph of September 07, 2016 memo** and **Item 2 (lines 5 - 7 there in) of the August 03, 2017 memo.**

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See the **Item 5 (lines 9 - 10 there in) of the August 03, 2017 memo** and **Item 2 of the September 07, 2016 memo**.

- So the stages can easily be determined by the 6th CPC entry pay and then applying **3%** annual increase resulting to the successive stages.
- How to de-bunch?

# Bunching and De-Bunching

Nicely summarized in the **Item 8 of the August 03, 2017 memo**:

*8. Based on the above, it is clarified that the following shall be kept in view while determining the extent of bunching as also the benefits to be extended on account of bunching at the time of initial fixation of pay in the 7th CPC pay structure:*

- (i) Benefit on account of bunching is to be extended when two or more stages get bunched.*
- (ii) Benefit of one increment is to be extended on account of bunching of every two consecutive stages.*
- (iii) As stipulated in MoF OM dated 07.09.2016, a difference of **3%** to be reckoned for determination of consecutive pay stages, specific to each employee.*
- (iv) All pay stages lower than the Entry pay in the 6th CPC pay structure as indicated in the pay Matrix contained in the 7th CPC Report are not to be taken into account for determining the extent of bunching.*

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65860	169260.2	179100
67840	174348.8	184500
69880	179591.6	190000
71980	184988.6	195700
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65860	169260.2	179100
67840	174348.8	184500
69880	179591.6	190000
71980	184988.6	195700
74140	190539.8	201600
76370	196270.9	207600

**Answer:**

# Example 1

## Question 1:

Suppose one has basic salary as of December 31, 2015 is 59,380 with AGP 10,500, how should it be fixed?

6th CPC Salary	$2.57 \times s$	7th CPC Salary
58500	150345	159100
60260	154868.2	163900
62070	159519.9	168800
63940	164325.8	173900
65860	169260.2	179100
67840	174348.8	184500
69880	179591.6	190000
71980	184988.6	195700
74140	190539.8	201600
76370	196270.9	207600

**Answer:** Finally answer to the Question 1 is 7th CPC Salary as of January 01, 2016 should be **Rs. 1,90,000**.

## Example 2

### Question 2:

Suppose one has basic salary as of December 31, 2015 is 37,400 with AGP 9,000, how should it be fixed?

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**Answer:**



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Suppose one has basic salary as of December 31, 2015 is 37,400 with AGP 9,000, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,000** thus we must look at the **Level 13A1**.

## Example 2

### Question 2:

Suppose one has basic salary as of December 31, 2015 is 37,400 with AGP 9,000, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,000** thus we must look at the **Level 13A1**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 46,400**.

## Example 2

### Question 2:

Suppose one has basic salary as of December 31, 2015 is 37,400 with AGP 9,000, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,000** thus we must look at the **Level 13A1**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 46,400**.
- Here the Index of Rationalization is 2.67.

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Suppose one has basic salary as of December 31, 2015 is 37,400 with AGP 9,000, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,000** thus we must look at the **Level 13A1**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 46,400**.
- Here the Index of Rationalization is 2.67.
- The entry pay at this level in 6th CPC is **Rs. 49,200**.

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### Answer:

- First note that the AGP is **Rs. 9,000** thus we must look at the **Level 13A1**.
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- The entry pay at this level in 6th CPC is **Rs. 49,200**.
- For this example  $6\text{th CPC Salary} = 46,400 < 49,200 = \text{entry pay}$ .

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- The entry pay at this level in 6th CPC is **Rs. 49,200**.
- For this example  $6\text{th CPC Salary} = 46,400 < 49,200 = \text{entry pay}$ .
- Thus no effect of bunching will be given.

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### Question 2:

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### Answer:

- First note that the AGP is **Rs. 9,000** thus we must look at the **Level 13A1**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 46,400**.
- Here the Index of Rationalization is 2.67.
- The entry pay at this level in 6th CPC is **Rs. 49,200**.
- For this example  $6\text{th CPC Salary} = 46,400 < 49,200 = \text{entry pay}$ .
- Thus no effect of bunching will be given.
- Finally answer to the Question 2 is 7th CPC Salary as of January 01, 2016 should be **Rs. 1,31,400**.

## Example 3

### Question 3:

Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?



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**Answer:**

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Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.

## Example 3

### Question 3:

Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 59,360**.

## Example 3

### Question 3:

Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 59,360**.
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## Example 3

### Question 3:

Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 59,360**.
- Here the Index of Rationalization is 2.67.
- The entry pay at this level in 6th CPC is **Rs. 52,300**.

## Example 3

### Question 3:

Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 59,360**.
- Here the Index of Rationalization is 2.67.
- The entry pay at this level in 6th CPC is **Rs. 52,300**.
- Example falls in between rows five and six of the pay matrix.

## Example 3

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Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 59,360**.
- Here the Index of Rationalization is 2.67.
- The entry pay at this level in 6th CPC is **Rs. 52,300**.
- Example falls in between rows five and six of the pay matrix.
- Thus increment from the previous stage is strictly less than 3%, will not give any bunching benefit.

## Example 3

### Question 3:

Suppose one has basic salary as of December 31, 2015 is 49,860 with AGP 9,500, how should it be fixed?

### Answer:

- First note that the AGP is **Rs. 9,500** thus we must look at the **Level 13A2**.
- The 6th CPC salary as of December 31, 2015 is **Rs. 59,360**.
- Here the Index of Rationalization is 2.67.
- The entry pay at this level in 6th CPC is **Rs. 52,300**.
- Example falls in between rows five and six of the pay matrix.
- Thus increment from the previous stage is strictly less than 3%, will not give any bunching benefit.
- So the answer to the Question 3 is 7th CPC Salary as of January 01, 2016 should be **Rs. 1,57,100**.



# An Oracle

# An Oracle

- Inputs:

$s :=$  6th CPC Salary (= Basic + AGP) as of December 31, 2015;

$g :=$  (Academic) Grade Pay.

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- Inputs:  
   $s :=$  6th CPC Salary (= Basic + AGP) as of December 31, 2015;  
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- Determine the 6th CPC entry pay, say  $E$ , from  $g$ .

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   $s :=$  6th CPC Salary (= Basic + AGP) as of December 31, 2015;  
   $g :=$  (Academic) Grade Pay.
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- Evaluate  $P_1(s) = \lceil 2.57 \times s \rceil$ .

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- Evaluate  $P_1(s) = \lceil 2.57 \times s \rceil$ .
- Put  $a := \frac{1}{1.03}$ .

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 $s :=$  6th CPC Salary (= Basic + AGP) as of December 31, 2015;  
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- Put  $a := \frac{1}{1.03}$ .
- If  $a \times s < E$  then put  $P(s) = P_1(s)$  and STOP.

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- If  $a \times s \geq E$  then take  $P(s) = \text{Round}(P(a \times s) \times 1.03, -2)$ .

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- Inputs:  
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- STOP.

7th CPC Fixation with de-bunching effect is

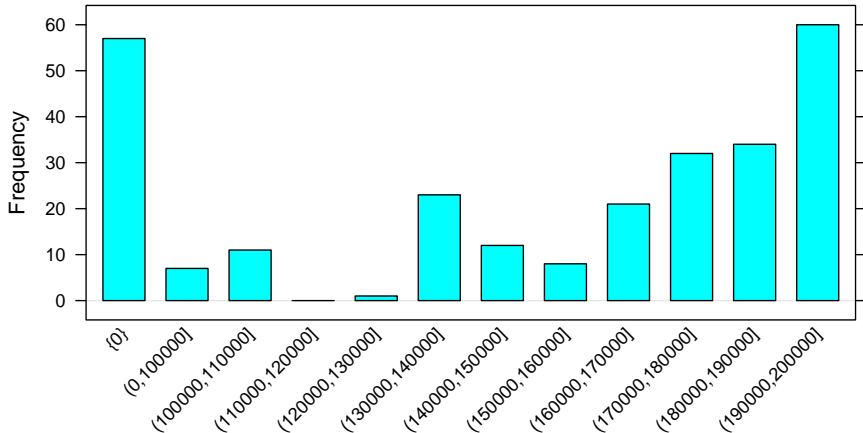
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- STOP.

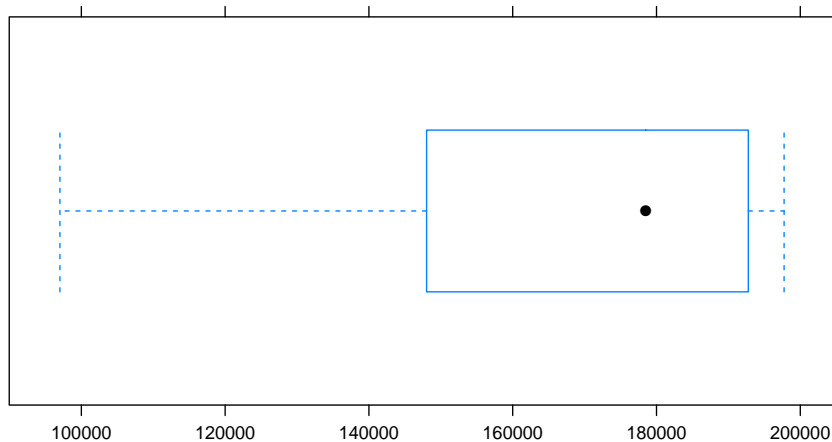
7th CPC Fixation with de-bunching effect is

$$P(s)$$

# Distribution of the Gross Loss if no De-Bunching



# Distribution of the Gross Loss if no De-Bunching



**Thank You**