

04:05 PM   27 FEB <b>MARKET STATS</b> ▼	SENSEX 28,813 ▼ -80.09	NIFTY 50 8,897 ▼ -42.80	GOLD (MCX) (Rs/10g.) 29,730 ▲ 107.00	USD/INR 66.71 ▲ 0.04	CREATE PORTFOLIO	Download ET MARKETS APP	CHOOSE LANGUAGE ENG
--	---------------------------	----------------------------	---	-------------------------	------------------	-------------------------	------------------------

# Third pay panel for CPSEs suggests min Rs 30,000 for executives

By PTI | Updated: Feb 27, 2017, 11.10 PM IST

[Post a Comment](#)

NEW DELHI: The third pay revision committee for central public sector enterprises has recommended minimum pay of Rs 30,000 per month for executives and a maximum of Rs 3.7 lakh for CMDs.

As per the recommendations, the minimum monthly salary of below Board level executives will increase from Rs 12,600 to Rs 30,000.

However, in case of CMDs, the maximum monthly salary for Schedule A CPSEs will go up from Rs 1.25 lakh to Rs 3.7 lakh.

In case of Schedule B, C and D CPSEs, the maximum monthly salary will be Rs 3.2 lakh, Rs 2.9 lakh and Rs 2.8 lakh, respectively.



*In case of Schedule B, C and D CPSEs, the maximum monthly salary will be Rs 3.2 lakh, Rs 2.9 lakh and Rs 2.8 lakh, respectively.*

The recommendations of the Justice [Satish Chandra](#) committee, which are to come into effect from January 1, 2017, will be placed before the [Union Cabinet](#) for approval.

**Assembly Elections 2017:**  
[Is Modi on a road to nowhere in Uttar Pradesh?](#)

Depending upon profits, the PSUs are categorised into different schedules, with highest being Schedule A. There are currently 64 Schedule A, 68 Schedule B, 45 Schedule C and 4 Schedule D CPSEs in the country.

The committee has recommended that the rate of House Rental Allowance (HRA) will be revised to 27 per cent, 18 per cent and 9 per cent when industrial dearness allowance (IDA) crosses 50 per cent, and further revised to 30 per cent, 20 per cent and 10 per cent when IDA crosses 100 per cent.

The panel recommended no change in the IDA pattern and the 100 per cent DA neutralisation shall continue to be applicable.

Revised IDA from January 1, 2017, shall be linked to All India [Consumer Price Index](#) (AICPI) (2001=100) series with the base of AICPI as on January 1, 2017 as per the quarterly average of AICPI of September, October and November 2016.

The committee has also suggested that the annual increment be retained at 3 per cent of Basic Pay.

It has further recommended that increment on promotion shall continue to be at par with the annual increment rate (3 per cent of Basic Pay).

The panel has recommended no change in the retirement age for [CPSE](#) employees.

Besides, it said that [ESOP](#) being a concept beneficial for both CPSEs and its employees, the [Department of Public Enterprises](#) (DPE) should elaborate the mechanism in consultation with concerned authorities to enable introduction of ESOP in listed CPSEs with empowerment to the Board or Administrative Ministry to approve the same.

It will be in lieu of part of performance related pay.

Profit making CPSEs, which can bear the cost of VRS with their own surplus resources, are allowed to implement VRS policy by allowing compensation/ex-gratia on the revised pay scales proposed to be effective from January 1, 2017.

The committee has also recommended a modified performance related pay but said that the overall profit [distribution](#) should be linked to 5 per cent of the annual profit accruing from core business activity.

Stay on top of business news with [The Economic Times App](#). [Download it Now!](#)