



## 8th Pay Commission

**Source: BS**

The Union government has approved the formation of the **8<sup>th</sup> Pay Commission**, a move that will benefit **4.5 million central government employees and 6.8 million pensioners**, including defence personnel.

- **Pay Commission (PC):** It assesses the **pay scales, allowances, and benefits** for central government employees, taking into account **inflation** and its impact on **remuneration and the cost of living**.
  - A new PC is **established every 10 years** under the **Department of Expenditure (Ministry of Finance)** to revise salaries and pensions, ensuring fair compensation for government employees. Usually, a retired **Supreme Court judge** heads the PC.
  - Its recommendations are often adopted by state-owned organizations as well.
- **Historical Context of Implications of PC:** Since 1947, the Indian government has established 7 Pay Commissions, with the **7<sup>th</sup> Pay Commission (2016-2026)** under the chairmanship of **Justice Ashok Kumar Mathur**.
  - The 7<sup>th</sup> Pay Commission led to an increase of **Rs 1 lakh crore in government expenditure in fiscal year 2016-17**.
- **8<sup>th</sup> Pay Commission:** It will likely propose formulas for revising the **Dearness Allowance (DA)** and **Dearness Relief (DR)** for employees and pensioners to counter inflation.
  - The DA adjustment is based on the **Consumer Price Index for Industrial Workers(CPI-IW)**, released monthly by the **Labour Bureau**, to track cost-of-living changes.
  - The 8th Pay Commission aims to align government salaries with the rising cost of living, supporting **employee welfare and economic growth**.

**Read more: [Pay Commission](#)**

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