STUDY NOTES · BASIC CONCEPT

What are Central government employee unions and teacher bodies demand for 8th Pay commission?

Polity & Governance

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Central government employee unions and teacher bodies have put forward several significant demands for the 8th Pay Commission, which was constituted on November 3, 2025, and is expected to submit its report by mid-2027. The implementation of its recommendations is anticipated from January 1, 2026. Key demands include:

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Minimum Basic Pay:

The Bharatiya Pratiraksha Mazdoor Sangh (BPMS) has aggressively demanded a minimum basic pay of ₹72,000, which would be a four-fold increase from the current ₹18,000 under the 7th Pay Commission. Other proposals from the Pragatisheel Shikshak Nyaya Manch (PSNM) suggest a minimum basic pay of ₹50,000–₹60,000 for Level 1 employees. The National Council – Joint Consultative Machinery (NC-JCM) initially demanded a minimum basic pay of ₹69,000.

Fitment Factor:

BPMS has sought a fitment factor of 4.0. The NC-JCM has demanded a fitment factor of 3.833.

Leave Encashment:

There is a demand to increase earned leave encashment at retirement to 400 days, up from the existing cap of 300 days.

Old Pension Scheme (OPS):

The restoration of the Old Pension Scheme (OPS) is a key demand from various employee bodies, including PSNM and defense and postal employee organizations.

Annual Increment:

Unions are pushing for an increase in the annual increment rate from the current 3% to 6% or even 7%.

Allowances:

Demands include raising House Rent Allowance (HRA) to 12%, 24%, and 36% (from current 10%, 20%, and 30%), enhancing transport allowance, and a digital support allowance of ₹2,000 per month. There are also calls for increasing Children Education Allowance to ₹7,000 per month per child and raising the fixed medical allowance in non-CGHS areas from ₹1,000 to ₹20,000 per month.

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Family Unit for Salary Calculation:

BPMS has proposed expanding the "family unit" used for salary calculations from three to five members.

Gratuity Limits:

Higher gratuity limits up to ₹50 lakh have been proposed.

Career Progression:

Demands include faster career progression through more frequent promotions and assured career growth. These proposals aim to significantly overhaul salaries, allowances, and service conditions for central government employees and teachers, citing the need to align pay with rising living costs and economic growth.