

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2136
ANSWERED ON:05.12.2014
FINANCIAL IMPLICATIONS OF SIXTH PAY COMMISSION
Shetti Shri Raju alias Devappa Anna

Will the Minister of FINANCE be pleased to state:

- (a) Whether Finance conditions are feasible in the country for implementation of Seventh Pay Commission to Government employees;
- (b) whether implementation of Sixth Pay Commission had exhausted the Government;
- (c) if so, the details thereof and reaction of the Government thereon; and
- (d) the details of arrangements made or proposed to be made to increase the wages of workers in the unorganized sector?

Answer

MINISTER OF FINANCE (SHRI ARUN JAITLEY)

- (a) An appropriate view on the financial implications of the 7th Central Pay Commission would arise only after the Report thereof is submitted, which is yet to be submitted.
- (b) & (c): While implementing the recommendations of the 6th Central Pay Commission, the Government had kept in view the financial implications thereof.
- (d): The Minimum Wages Act was enacted in the year 1948 primarily to safeguard the interests of the workers engaged in unorganised sector. Under the provisions of the Minimum Wages Act, 1948, both Central and State Governments are appropriate Governments for fixation/revision of minimum rates of wages for the scheduled employments under their respective jurisdictions. Minimum Wages Act, 1948 prescribes review of basic rate of minimum wages at intervals not exceeding 5 years. The Central Government revises the minimum rates of wages, for the jurisdiction under the Central Government, on the basis of the increase in the Variable Dearness Allowance (VDA) which is linked to Consumer Price Index Number. The VDA is revised twice a year effective from April and October.