8th Pay Commission, Salary Hike, Calculator, Fitment Factor

August 1, 2026 • vajiramandravi.com

The Union Cabinet, chaired by Prime Minister Narendra Modi, has approved the Terms of Reference for the 8th Central Pay Commission. The commission, comprising a Chairperson, one part-time member, and a Member-Secretary, will submit its report within 18 months. It will review pay, pension, and service conditions of Central Government employees, keeping fiscal prudence and economic conditions in view. The recommendations are expected to take effect from **1st January 2026**.

The 7th Pay Commission was implemented in 2016 and will conclude on December 31, 2025. The other previous pay commissions including 4th, 5th and 6th Pay Commissions had 10-year terms. Usually the recommendation of salary hike is expected by 14% of the government officials.

8th Pay Commission

The Union Cabinet has approved the formation of the 8th Pay Commission on January 16, 2025. The 8th Central Pay Commission ensures the implementation from January 1, 2026. The commission's mandate includes addressing compensation, pensions, and welfare measures, aiming to align with current economic situations and improve the quality of life for the government employees and retirees.

A key highlight of the 8th Pay Commission is the proposed Fitment Factor of 2.28, increasing the minimum wage by 34.1%. The Dearness Allowance (DA), projected to reach 70% by January 2026, will be merged into the base salary for revised calculations.

8th Pay Commission Overview

The 8th Pay Commission could potentially benefit around 48.62 lakh employees and 67.85 lakh pensioners. Expected salary revisions are estimated to range between ₹20,000 and ₹25,000. To check out other important details checkout the table below which includes the 8th Pay Commission Overview:

8th Pay Commission Overview	
Implementation Authority	Department of Personnel and Training
Expected Fitment Factor	2.28
Expected Dearness Allowance	Expected to reach 70% by 2026
Implementation Date	January 1, 2026
Minimum Wage Increase	From ₹18,000 to ₹41,000
Pension Minimum	Higher pension amounts, timely disbursement
Beneficiaries	Central government employees and retirees
Official Website	https://dopt.gov.in/

8th Pay Commission Salary Structure

The 8th Pay Commission Salary Structure will include the following components:

1. **Basic Pay:** The basic salary, determined by applying the fitment factor to the current basic pay.
2. **Allowances:** Key components like Dearness Allowance (DA), House Rent Allowance (HRA), and Travel Allowance (TA) will be recalculated according to the updated basic pay.
3. **Gross Salary:** The total earnings, calculated as the sum of the basic pay and allowances, reflecting the overall remuneration.

8th Pay Commission Pension Revisions

According to the 8th Pay Commission will also extend benefits to pensioners. The minimum pension, set at ₹9,000 under the 7th Pay Commission, is expected to increase significantly. Applying the proposed fitment factor of 2.28, the minimum pension could rise to approximately ₹20,500. This significant increase aims to provide improved financial security to retired government employees.

8th Central Pay Commission Composition

The 8th Central Pay Commission will be a temporary body formed to review and recommend revisions in the pay structure, pensions, and service conditions of Central Government employees. It will consider financial prudence, economic balance, and the impact on both Central and State finances before submitting its report. The Commission may also issue interim reports if required.

- **Chairperson:** Heads the commission and oversees all activities.
- **Member (Part-Time):** Provides expert insights and support in decision-making.
- **Member-Secretary:** Coordinates administration, research, and documentation.
- **Tenure:** To submit recommendations within 18 months of formation.
- **Scope:** Covers pay structure, allowances, pensions, and related service conditions.

8th Pay Commission Salary Calculator

To estimate the revised salary using the 8th Pay Commission Salary Calculator is a useful tool for calculation. Below is a simplified calculation guide using the expected fitment factor of 3.0:

Steps to Calculate Gross Salary

Step 1: Check your basic pay under the 7th Pay Commission's pay scale.

Step 2: Calculate Revised Basic Pay by using the formula:

Revised Basic Pay = Current Basic Pay × Fitment Factor (3.0)

Step 3: Calculate Dearness Allowance (DA), DA is a percentage of the revised basic pay. Assuming DA is 50%, calculate as:

DA = Revised Basic Pay × 0.50

Step 4: Include House Rent Allowance (HRA), which is a percentage of the revised basic pay, varying by city category:

- Metro cities: 27%
- Tier-2 cities: 20%
- Tier-3 cities: 10%

Step 5: Use the applicable percentage, Add Travel Allowance (TA) which depends on the employee's level and city classification.

HRA = Revised Basic Pay × City Percentage

Step 6: Calculate your gross salary by adding all components:

Gross Salary = Revised Basic Pay + DA + HRA + TA - Standard Deduction

8th Pay Commission Fitment Factor

A multiplier used to revise the pay scales of government employees with each Pay Commission is called the Fitment Factor. It plays an important role in determining the new basic pay by converting the pre-revised basic pay to its revised equivalent. The table below includes Fitment Factor and other relevant details from the 4th to the expected 8th Pay Commission in India:

8th Pay Commission Fitment Factor			
Pay Commission	Hike in pay (%)	Fitment Factor	Minimum Basic Salary
4th Pay Commission	27.6%	-	Rs.750
5th Pay Commission	31%	-	Rs.2,550
6th Pay Commission	54%	1.86	Rs.7000
7th Pay Commission	14.29%	2.57	Rs.18,000
8th Pay Commission	20% (expected)	3.00 (expected)	Rs.21,600 (expected)

8th Pay Commission Pay Matrix Table

Below the table we have shared the Pay Matrix Table according to the expected 8th Pay Commission:

8th Pay Commission Pay Matrix Table

Pay Matrix Level	Basic Salary of 7th CPC	Basic Salary of 8th CPC
Pay Matrix Level 1	Rs.18,000	Rs.21,600
Pay Matrix Level 2	Rs.19,900	Rs.23,880
Pay Matrix Level 3	Rs.21,700	Rs.26,040
Pay Matrix Level 4	Rs.25,500	Rs.30,600
Pay Matrix Level 5	Rs.29,200	Rs.35,040
Pay Matrix Level 6	Rs.35,400	Rs.42,480
Pay Matrix Level 7	Rs.44,900	Rs.53,880
Pay Matrix Level 8	Rs.47,600	Rs.57,120
Pay Matrix Level 9	Rs.53,100	Rs.63,720
Pay Matrix Level 10	Rs.56,100	Rs.67,320
Pay Matrix Level 11	Rs.67,700	Rs.81,240
Pay Matrix Level 12	Rs.78,800	Rs.94,560

Pay Matrix Level 13	Rs.1,23,100	Rs.1,47,720
Pay Matrix Level 13 A	Rs.1,31,100	Rs.1,57,320
Pay Matrix Level 14	Rs.1,44,200	Rs.1,73,040
Pay Matrix Level 15	Rs.1,82,200	Rs.2,18,400
Pay Matrix Level 16	Rs.2,05,400	Rs.2,46,480
Pay Matrix Level 17	Rs.2.25 lakh	Rs.2.70 lakh
Pay Matrix Level 18	Rs.2.50 lakh	Rs.3 lakh

8th Pay Commission for Pensioners

The **8th Central Pay Commission**, expected to take effect from **1st January 2026**, is likely to bring major benefits for Central Government pensioners. The Commission aims to enhance pension structures, adjust Dearness Relief, and review pension schemes for better post-retirement security.

Expected Changes for Pensioners:

- **Revision of Pension Amounts:** Pension will be recalculated using a new *fitment factor* recommended by the commission.
- **Minimum Pension Hike:** The current minimum pension of ₹9,000 may rise to **₹20,500–₹25,740**.
- **Dearness Relief (DR) Reset:** DR will likely reset to **zero** once the revised pay and pension structure is implemented.
- **Pension Scheme Updates:** Modifications may be introduced in schemes like **NPS or UPS**, ensuring at least **₹10,000 minimum pension** for employees with over 10 years of service.
- **Impact on NPS Contributions:** Contributions under the **National Pension System** **(NPS)** are expected to increase in line with higher revised salaries.
