

10% additional installment of dearness allowance to Central Government employees and dearness relief to Pensioners due from 1.7.2010 to compensate for price rise

The Union Cabinet today decided to release an additional instalment of Dearness Allowance (DA) to Central Government employees and Dearness Relief (DR) to pensioners w.e.f. 1.7.2010 representing an increase of 10% over the existing rate of 35% of the Basic Pay/Pension, to compensate for price rise.

The increase is in accordance with the accepted formula, which is based on the recommendations of the 6th Central Pay Commission.

The combined impact on the exchequer on account of both Dearness Allowance and Dearness Relief will be of the order of Rs. 9303.2 crore per annum and Rs. 6202.1 crore in the financial year 2010-2011 (for a period of 8 months from July, 2010 to February, 2011).