

INDIAN RAILWAYS TECHNICAL SUPERVISORS ASSOCIATION

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CHq. 32, Phase 6, Mohali, Chandigarh-160055.

No:IRTSA/CHQ/Memo. 2020-3

Date: 30-4-2020

Smt. Nirmla Sitharaman,
Hon'ble Minister for Finance,
Government of India,
North Block, New Delhi-110001.

Respected Madam,

**Subject: Freezing of Dearness Allowance to Central Government employees and Dearness Relief to Central Government pensioners at the current rates till July 2021
– Appeal for review of decision; And Grant of option to credit the Additional DA to Provident Fund**

Ref: Ministry of Finance, Department of Expenditure OM No.1/1/2020-E-II (B), dated 23-04-2020

- 1) Indian Railways Technical Supervisors Association (IRTSA) extends its fullest support and cooperation to the Government of India in its all-out effort to control COVID-19 pandemic. Railway men are working on the forefront risking their lives to keep freight & parcel services operational for ensuring uninterrupted supply of essential commodities across the country. Indian Railways have taken up many special tasks to fight against COVID-19 pandemic.
- 2) Railways' and other government employees and pensioners have contributed generously to PM CARES for the fight against COVID-19.
- 3) It is, however, very disheartening that the Government has decided, as per the order cited above, that the DA/DR is frozen and would not be revised up to July 2021; and that no arrears will be paid. This has adversely affected the morale of the employees.
- 4) DA is a part of Pay, compensating for the erosion in the real value of the salary. DA can only be deducted either as a punitive measure or with the consent of the employees.
- 5) Assuming 4% additional DA & DR for each of 3 spans of six months, the total loss of employees and pensioners would be over 1.5 months of Pay & Pension and possibly even more than that, if the inflation is higher than 4 % in the next 2 spans.
- 6) Freezing of DA will also delay the revision of HRA rates since as per decision of the Government on 7th CPC, whenever DA crosses 25%, rates of HRA will be revised.
- 7) It will also cause additional heavy loss to the employees who retire between 1-1-2020 to 30-6-2021 in terms of Gratuity and Leave encashment as the DA is counted for the same.
- 8) We fully realize that a lot of funds are required to combat the social & economic impact of COVID. But freezing the DA & DR would be counter-productive, as freezing this huge amount would give a further blow to the market as well as to the employees and the pensioners since the amount paid as DA and DR will actually flow out to the market. This will help boost the sagging economy in post-COVID times.
- 9) Government had advised all private sectors to pay their employees for the lockdown period. Government, as a model employer should set an example by not making any cut in the pay & allowances of its own employees.
- 10) Lower and middle class employees and pensioners are hard pressed to meet their liabilities due to heavy inflation which is bound to increase in the post-COVID-19 scenario especially in respect of cost of Medicines and household requirements.

- 11) In the past, when funds were required for a National calamity like War, Floods or Cyclones etc., DA installments were deposited in the Provident Fund with the consent of the employees. It was never frozen as of now.
- 12) It is, therefore, requested that, keeping in consideration all the above aspects, the following proposals may please be considered sympathetically to avoid heart burning amongst employees and pensioners:
- Order for freezing of Dearness Allowance and Dearness Relief may please be withdrawn.
 - Instead option may please be given to Employees for crediting of the amount of Additional DA to their Provident Fund in case of pre-1-4-2004 employees and to the Pension Fund (Tier 2) in case of those covered under the NPS.
 - Employees and pensioners may be encouraged to invest in Infrastructure Bonds etc. by increasing the ceiling limit thereof. This would provide the government with the requisite funds and the employees will not be at a loss in the long run.

Thanking you

Yours' faithfully,



(HARCHANDAN SINGH,
General Secretary.

Copy for Information with a request to please consider and recommend our submissions:

- Hon'ble Minister for Railways, Rail Bhawan, New Delhi – 110001
- Dr. Jitendra Singh, MOS PP&PG, North Block, New Delhi – 110001
- Cabinet Secretary, Rastrapati Bhawan, New Delhi - 110004
- Secretary Finance (Expenditure), North Block, New Delhi – 110001
- Secretary Personnel, North Block, New Delhi – 110001