

Cabinet approves release of an additional instalment of Dearness Allowance to Central Government employees and Dearness Relief to Pensions, due from 01.07.2021

An increase of 3% over the existing rate of 28% of the Basic Pay / Pension

This will benefit about 47.14 lakh Central Government employees and 68.62 lakh pensioners

Impact on the exchequer on account of both Dearness Allowance and Dearness Relief would be Rs.9,488.70 crore per annum

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The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi, today has approved to release an additional instalment of Dearness Allowance to Central Government employees and Dearness Relief (DR) to pensioners w.e.f. 1.7.2021 representing an increase of 3% over the existing rate of 28% of the Basic Pay / Pension, to compensate for price rise.

This increase is in accordance with the accepted formula, which is based on the recommendations of the 7th Central Pay Commission. The combined impact on the exchequer on account of both Dearness Allowance and Dearness Relief would be Rs.9,488.70 crore per annum. This will benefit about 47.14 lakh Central Government employees and 68.62 lakh pensioners.

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