

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:914
ANSWERED ON:27.07.2001
DEARNESS ALLOWANCE
ANANTA NAYAK;BHIM PRASAD DAHAL;V. SAROJA

Will the Minister of FINANCE be pleased to state:

- (a) the dearness allowance admissible to Central Government employees as on January 1,2001;
- (b) whether an another instalment of Dearness Allowance has become due to the Government employees w.e.f. July 1,2001 as per the recommendation of the Fifth Pay Commission
- (c) if so, the details thereof;
- (d) the method adopted for the calculation of Dearness Allowance; and
- (e) the time by which it is likely to be announced?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

- (a): The Dearness Allowance admissible to Central Government employees w.e.f. 1.1.2001 is 43% of basic pay.
- (b) (c) and (e): Dearness Allowance to Central Government employees is revised twice a year from 1st January & 1st July payable with the salary for the months of March and September respectively. The instalment due from 1st July, 2001 will become payable with the salary for the month of September, 2001. The decision to this effect will be taken well before it becomes payable.
- (d): The All India Consumer Price Index (Industrial Workers) (AICPI) (IW) series with 1982 as the base year is used for calculating Dearness allowance payable to Central Government employees. Dearness Allowance is a compensatory payment. Compensation is paid for the percentage increase above the 12 monthly average of AICPI of 306.33 obtaining on 1.1.1996.