

No. 42/2/2004-P&PW (G)
Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Pension & Pensioners Welfare

New Delhi, the 15th March, 2004

OFFICE MEMORANDUM

Subject: Grant of dearness relief to Central Government pensioners/family pensioners -
Revised rate effective from 01.01.2004.

The undersigned is directed to refer to this Department's OM No. 42/2/2003-P&PW (G) dated 10.09.2003 sanctioning the installment of dearness relief admissible from 01.07.2003 and to state that the President is pleased to decide that dearness relief payable to the Central Government Pensioners/Family Pensioners shall be enhanced from the existing rate of 59% to 61% with effect from 01.01.2004.

2. From 1.4.2004, Dearness Relief equal to 50% of basic pension/family pension would be converted into Dearness Pension/Dearness family pension. Government has issued order in this regard vide Department of Expenditure; Ministry of Finance O.M. No.105/1/2004-IC dated 1st March 2004 (Copy enclosed). Consequently, Dearness Relief from 1.4.2004 would be payable at the rate of 11% on Basic Pension/family pension and Dearness pension/Dearness family pension.

3. Since 50% of Dearness Allowance converted into Dearness Pay is counted for retirement benefits, pension/family pension shall be calculated at 50% and 30% respectively of Pay plus Dearness Pay subject to minimum of Rs.1913/- and maximum of 50% and 30% respectively of the highest Pay plus Dearness Pay in the Government. Provisions contained in para 5 and 7.1 of this Department's O.M. No.45/86/97-P&PW (A)-Pt.I dated 27.10.1997, therefore, stand amended to this extent.

4. These orders apply to (i) All Civilian Central Government Pensioners/Family Pensioners (ii) The Armed Forces Pensioners, Civilian Pensioners paid out of the Defence Service Estimates, (iii) All India Service pensioners (iv) Railway pensioners and (v) The Burma Civilian pensioners/family pensioners and pensioners/families of displaced Government pensioners from Pakistan, who are Indian Nationals but receiving pension on behalf of Government of Pakistan, who are in receipt of ad-hoc ex-gratia allowance of Rs.1275/- p.m. in terms of this Department's OM No. 23/1/97-P&PW(B) dated 23.02.1998.

5. Central Government Employees who had drawn lump sum amount on absorption in a PSU/Autonomous body and have become eligible to restoration of 1/3rd commuted portion of pension as well as revision of the restored amount in terms of this Department's OM No. 4/59/97-P&PW (D) dated 14.07.1998 will also be entitled to the payment of Dearness Relief @ 61% with effect from 01.01.2004 on full pension i.e. the revised pension which the absorbed employee would have received on the date of restoration had he not drawn lump sum payment on absorption subject to fulfillment of the conditions laid down in Para 5 of the O.M. dated 14.07.98. In this connection,

instructions contained in this Department's O.M. No.4/29/99-P&PW(D) dated 12.07.2000 refer. From 1.4.2004, Dearness Relief equal to 50% of basic pension/family pension would be converted into Dearness Pension/Dearness family pension. Consequently, Dearness Relief from 1.4.2004 would be payable at the rate of 11% on the basis of Basic Pension/family pension and Dearness pension/Dearness family pension.

6. The surviving CPF beneficiaries who had retired from service between the period 18.11.1960 to 31.12.1985 and are in receipt of Ex-gratia @ Rs.600/- p.m. with effect from 01.11.1997 under this Department's O.M. No.45/52/97-P&PW (E) dated 16.12.1997 are entitled to Dearness Relief @ 61% with effect from 01.01.2004. From 1.4.2004, Dearness Relief equal to 50% of Ex-gratia would be converted into Dearness Ex-gratia. Consequently, Dearness Relief from 1.4.2004 would be payable at the rate of 11% on the basis of Basic Ex-gratia and Dearness Ex-gratia.

7. The following categories of CPF beneficiaries who are in receipt of Ex-gratia payment in terms of this department's OM No.45/52/97-P&PW (E) dated 16.12.1997 will be paid DR @ 53% with effect from 01.01.2004. From 1.4.2004, Dearness Relief equal to 50% of Ex-gratia would be converted into Dearness Ex-gratia. Consequently, Dearness Relief from 1.4.2004 would be payable at the rate of 3% on the basis of Basic Ex-gratia and Dearness Ex-gratia:

(i) The widows and dependent children of the deceased CPF beneficiary who had retired from service prior to 01.01.1986 or who had died while in service prior to 01.01.1986 and are in receipt of Ex-gratia payment of Rs.605/- p.m.

(ii) Central Government Employees who had retired on CPF benefits before 18.11.1960 and are in receipt of Ex-gratia payment of Rs.654/-, Rs.659/-, Rs.703/- and Rs.965/-.

8. Payment of Dearness Relief involving a fraction of a rupee shall be rounded off to the next higher rupee.

9. Other provisions governing grant of Dearness Relief in respect of employed family pensioners and re-employed Central Government Pensioners will be regulated in accordance with the provisions contained in this Department's OM No. 45/73/97-P&PW (G) dated 02.07.1999. The provisions relating to regulation of Dearness Relief where pensioner is in receipt of more than one pension will remain unchanged.

10. In the case of retired Supreme Court and High Court Judges, necessary orders will be issued by the Department of Justice separately.

11. It will be the responsibility of the pension disbursing authority, including the nationalized banks, etc. to calculate the quantum of Dearness Relief payable in each individual case.

12. The offices of Accountant General and Authorized Public Sector Banks are requested to arrange payment of relief to pensioner etc. on the basis of above instructions without waiting for any further instructions from the Comptroller and Auditor General of India and the Reserve Bank of India in view of letter No.528-TA, II/84-80-II dated 23/04/1981 of the Comptroller and Auditor General of India addressed to all Accountant Generals and Reserve Bank of India Circular No. GANB

No. 2958/GA-64 (ii)(CGL)/81 dated the 21st May, 1981 addressed to State Bank of India and its subsidiaries and all Nationalized Banks.

13. In their application to the employees belonging to Indian Audit and Accounts Department these orders issue in consultation with the C&AG.

14. This issues with the concurrence of Ministry of Finance, Department of Expenditure vide their U.O. No. 278/2004/IC dated 15th March 2004.



(M.P. SINGH)
Director

To,

All Ministries/Departments to the Government of India.

F.No.105/1/2004-IC
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 1st March, 2004

OFFICE MEMORANDUM

Subject: Merger of 50% Dearness Allowance/Dearness Relief with basic pay/pension to Central Government employees/pensioners w.e.f. 1.4.2004.

The Fifth CPC in para 105.11 of their Report had recommended that '*DA should be converted into Dearness Pay each time the CPI increases by 50% over the base index used by the last Pay Commission*'.

2. This recommendation of Fifth CPC has been considered and the President is pleased to decide that, with effect from 1.4.2004, DA equal to 50% of the existing basic pay shall be merged with the basic pay and shown distinctly as Dearness Pay (DP) which would be counted for purposes like payment of allowances, transfer grant, retirement benefits, contribution to GPF, Licence Fee, monthly contribution for CGHS, various advances etc. The entitlements for LTC, TA/DA while on tour and transfer and government accommodation shall, however, continue to be governed on the basis of the basic pay alone without taking into account Dearness Pay. In case of existing pensioners, Dearness Relief equal to 50% of the present pension will, w.e.f. 1.4.2004, be merged with pension and shown distinctly as Dearness Pension. Dearness Allowance/Dearness Relief converted into Dearness Pay/Dearness Pension respectively would be deducted from the existing rate of Dearness Allowance/Dearness Relief.

3. To ensure that pensioners retiring between 1.4.2004 to 31.1.2005 do not face any loss in fixation of pension, as a special dispensation in their case, DA equal to 50% of the basic pay would be treated as basic pay for purposes of computation of pension in respect of basic pay received by them prior to 1.4.2004. Consequently, element of dearness pension will exist only for pensioners retired/retiring from Government of India upto 31.3.2004.

4. Insofar as the persons serving in the Indian Audit & Accounts Department are concerned, these orders issue after consultation with the Comptroller & Auditor General of India.

Sd/-

(SUSHAMA NATH)

Joint Secretary to the Government of India

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