Government of India
Ministry of Finance
Department of Expenditure

Lok Sabha
Unstarred Question No. 962
To be answered on Tuesday, 26th July, 2021
Sravan 4, 1943 (Saka)

Release of DA and DR

962:: Shri Janardan Singh Sigriwal, Shri Rajiv Ranjan Singh alias Lalan Singh, Shri Kaushalendra Kumar and Shri Prajwal Revanna:

Will the Minister of Finance be pleased to state:

(a) whether the Government proposes to release frozen three installments of Dearness Allowance (DA) and Dearness relief (DR) to the Central Government Employees and Pensioners due w.e.f. July 2021;

(b) if so, the details thereof along with the time by which said decisions is likely to be implemented and DA/DR and arrears would be released;

(c) whether the restored DA and DR will be subsumed in the cumulative revised rates effective from 01-07-2021 and if so, the details thereof;

(d) whether the Government would compensate its employees/pensioners the DA/DR for the period January 01, 2020 to June 30, 2021 and if so, the details thereof;

(e) whether freezing of DA and DR has helped the exchequer to save huge amount; and

(f) if so the details thereof along with the manner in which the said amount would be utilized by the Government to tide over the economic impact of COVID-19 pandemic?

Answer

Minister of State in the Ministry of Finance
(Shri Pankaj Chaudhary)

(a), (b), (c) & (d) The Government has increased the existing rate of DA of 17% to 28% payable to Central Government employees from 01.07.2021. This increase subsumes the additional installment arising on 01.01.2020, 01.07.2020 and 01.01.2021. The DA will be granted at enhanced rates of 28% from 01.07.2021. The rate of DA from 01.01.2020 till 30.06.2021 will remain at 17%;

(e) On account of freezing of three installments of Dearness Allowance and Dearness Relief to Central Government employees and pensioners due from 01.01.2020, 01.07.2020 & 01.01.2021, an amount of Rs.34402.32 crores approximately has been saved.

(f) The decision to freeze DA and DR was taken in the context of COVID-19 caused economic disruption so as to ease pressure on Government finances.

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