

**Press Information Bureau
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Ministry of Finance**

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**Release of additional installment of Dearness Allowance to Central Government employees
and Dearness Relief to pensioners due from 01.07.2014**

The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, today gave its approval for the release of an additional installment of Dearness Allowance (DA) to Central Government employees and Dearness Relief (DR) to pensioners with effect from 01.07.2014. This is an increase of seven percent over the existing rate of 100 percent of the Basic Pay/Pension, to compensate for price rise.

The increase is in accordance with the accepted formula, which is based on the recommendations of the 6th Central Pay Commission. The combined impact on the exchequer on account of both Dearness Allowance and Dearness Relief would be of the order of approximately Rs. 7691 crore per annum and Rs.5127 crore respectively in the financial year 2014-2015 (i.e. for a period of eight months from July, 2014 to February, 2015).

SH/NT/VK