

Merger of 50 percent DA may soon be considered by Central Government – Sources

Sources close to the Central Government Employees Federations told that Merger of 50% DA will soon be considered by Central Government before the budget session of Parliament in February 2014. According to the sources, the central government is likely to consider the central government employees demand for merging of 50 % DA, for the reason that the DA will be crossing 100% level after January 2014.

The rate of dearness allowance to be paid to govt servants has been increasing consistently due to the rise in the prices of essential commodities for the past two years. In 2011 the rate of DA was at 50 % level. Since then all the Federation demanded the central government to merge the 50 Percent DA with basic Pay. But the government did not accept this demand to merge the DA with basis pay, as it was not recommended by sixth CPC.

The demand would be considered in view of parliament elections

But federations kept on demanding the government that raising dearness allowance alone will not help to compensate the alarming rate of price rise. So they urged the government to consider their demand favorably. It is believed that after the defeat in the election of four state legislative councils, the UPA government has decided to reconsider about its decision on the issues which directly affects the common public. The high command of the ruling party thought that the reason for their defeat in the state election is mainly because of their government failed to contain the price rise. The gap between common public and UPA government has been considerably increased. To correct these failures the UPA government decides to do something to attract the voters.

After announcing the government's proposal to constitute the 7th pay commission, the community of central government employees has been convinced to have soft view on this government. Further the 50 lakh central government employees would be made happy if the 50% DA is merged with Basic Pay. It is told that , as the central government staff association and federations demanding it very seriously, in case the government decides go with this demand, there will be around one crore voters will be in favour of UPA government. So the government may consider the demand of merging of 50% DA with basic Pay in view of forthcoming Parliament elections.

Allowances will have no impact on merging DA with basic Pay

The sources, associated with National Council JCM, said that the government initially was not willing to consider this demand as some allowance and advances have been raised by 25% whenever the DA crosses 50% level as per the sixth CPC recommendation. But federations insisted that the allowances, which are raised to 25 % level when DA crosses 50%, will have no impact on merging DA with basic pay. The only allowance will have an increase when Basic Pay increases are HRA. No other allowances will be increased and other entitlement of the respective Grade Pay

will not be revised as the 50% DA to be merged will be kept under separate component like it was treated in 5CPC as Dearness Pay. "There is no need to worry about financial implications, as the 50% DA will be paid by just changing its nomenclature as Dearness Pay", said sources.

50% DA merger to be declared before DA crosses 100%

Further, it has been informed that it is good enough for the government to announce its decision before declaring the next additional instalment of DA. Because the AICPIN for Industrial workers for the Month of December 2013 is awaited to determine the rate of dearness allowance to be paid from January 2014. The result of last 11 months AICPIN shows that DA will definitely be raised by 10 % from existing 90% level. So the rate of DA will be 100% with effect from 1st January 2014. After the DA increased to 100%, the demand for 50% DA merger will have to change its avatar. Probably the demand would be for 100% DA merger. So the federations expect the government may consider 50% DA merger soon.

However, decision if any in this regard should be taken before the announcement of election for parliament. It is expected that election announcement for parliament will be made by the end of February 2014. Before that, the announcement of 50% DA merger is expected from central government.