



CONFEDERATION OF CENTRAL GOVT. EMPLOYEES & WORKERS

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Ref: Confed./2025/Improvement in DA & DR/

Dated – 17.01.2025

To,

The Cabinet Secretary,
Government of India,
Rashtrapati Bhawan,
New Delhi-110004
Email address : cabinet@nic.in

Sub: Request for the improvement in computation of Dearness Allowance & Dearness Relief for Central Government Employees and Pensioners- reg..

Respected Sir,

The Confederation of Central Government Employees and Workers, represents about 7 lakhs Central Government employees, working in various Departments of Central Government Departments viz., Postal, Income tax, AG'S, Audit Departments, Survey Departments, Census, GSI, CPWD, CGHS, SREE CHITHRA etc. numbering about 130 Associations & Federations are affiliates of Confederation of Central Government employees and Workers.

The Confederation extends its warm festive Greetings and new year wishes.

The main improvements suggested in computation of Dearness Allowance & Dearness Relief of Central Government employees & pensioners sought are as below; -

1) The DA formula is as below:

For Central Government Employees:

$$DA = \{ (\text{Average of AICPI (Base year 2016=100) for the last 12 months} - 115.76) / 115.76 \} \times 100$$

For Public Sector Employee:

$$DA = \{ (\text{Average of AICPI (Base year 2001=100) for the last 3 months} - 126.33) / 126.33 \} \times 100$$

The above formula needs modifications.

The formula to calculate the Dearness Allowance (DA) for bank employees is:

- **DA%** = $[(\text{Average of AICPI (Base Year 2001 = 100) for the last 3 months} - 126.33) / 126.33] \times 100$

- 2) The average of 12 months should be replaced by a three months average that means variable DA should be given so that the employees get compensated by actual price rise every three months.as in public sector employees and Banks employees.

The DA of banking employees are revised every quarter i.e. Feb-April, May-July, August- October and November- Jan every year

If a price rise is taking place in January, it is compensated partially after 12 months. The DA should be calculated and paid every three months instead of six months

- 3) Point to point DA should be provided, now the DA is rounded off to lowest value if we are eligible for 42.90 % DA we are sanctioned only 42% DA, the 0.9 % DA is being deprived to the CG employees for six months, the point-to-point DA should be provided to us as in the case of Banks and LIC employees get the DA even point to point DA.
- 4) Construct a separate consumer index for the Central Government Employees and Pensioners.

The items used for calculation of the Consumer price index is 465 items after the new series 2016 was adopted by the Government. As many of these items are not used by the central government employees in day-to-day life, it neutralizes the effect of price rise of the actual items used by the central government employees and pensioners, we are getting less dearness allowance than the actual price rise happening. Hence there is a need to construct a separate consumer index for the central government employees and pensioners.

Recommendation of 6th CPC vide para no 4.1.13

The Commission is of the view that the National Statistical Commission may be asked to explore the possibility of a specific survey covering Government employees exclusively, so as to construct a consumption basket representative of Government employees and formulate a separate index. Meanwhile, the Government may continue to use the AICPI (IW) for estimating the DA.

Hence separate DA / AICPI should be formed for Government employees

- 5) The Labour Bureau, which is an attached office of the M/O Labour & Employment, has been compiling Consumer Price Index for Industrial workers every month on the basis of retail prices collected from 317 markets spread over 88 industrial important centres in the country. The index is compiled for

88 industrial important centres and All India Consumer Price Index is released on the last working day of succeeding month by Ministry Of Labour & Employment, Labour Bureau Chandigarh on last day of the month on which the DA is calculated every six months.

The Consumer Price Index for Industrial Workers maintained by Labour Bureau, Shimla and the retail prices are showing different retail rates, the retail prices of essential commodities are at higher end including that of state Government run co-operative societies compared to the retail prices maintained by Labour Bureau, Shimla, not on prevailing market retail rates, net difference of price of commodities varies up to 30 %.

The retail prices are higher in other Central Government Departments, compared to the Labour Bureau, Shimla such as Directorate of Economics & Statistics prices which is also a Central Government Department <https://rpms.dacnet.nic.in/QueryReport.aspx>

&

Department Of Consumer Affairs (Price Monitoring Division) https://fcainfoweb.nic.in/reports/Report_Zonewise.aspx

Therefore, the CG employees & pensioners are deprived of proper Consumer Price Index as **retail prices maintained by Labour Bureau, Shimla are adopting lower prices.**

The Dearness Allowance and Dearness relief is based upon the Consumer Price Index (CPI) points.

Hence proper methodology shall be adopted at arriving at the retail prices of the items, which leads to construction of the Consumer Price Index (CPI).

The above main improvements suggested in Dearness Allowance & Dearness Relief of Central Government employees & pensioners is requested to be implemented at the earliest.

With Regards,

Yours Sincerely,



(S.B. Yadav)

Secretary General

Copy to,

The Secretary General, Staff Side, NC JCM New Delhi.