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No.NC/JCM/2014

Dated: June 12, 2014

The Cabinet Secretary
And
Chairman National Council(JCM),
Government of India,
North Block,
New Delhi

Resp. Sir,

Sub: Merger of DA with Pay and sanction of Interim Relief for the Central Government Employees

I take this opportunity to bring to your kind notice that, while Government of India have appointed 7th Central Pay Commission for the Central Government Employees to make recommendations in regard to revision of wages and other allowances, merger of Dearness Allowance with Pay and payment of Interim Relief have neither been considered by the government itself nor included in the Terms of Reference(ToR) of the VII CPC.

It may be recalled that the two issues, viz. Merger of Dearness Allowance with Pay and Interim Relief have been the subject matter with the government at the time when the Staff Side was called upon to present their views while finalizing the ToR of the VII CPC by the Secretary(Personnel, DoP&T), in his capacity as Chairman, Standing Committee, National Council(JCM). Although, the Staff Side pleaded for the specific reference of the above two issues to the VII CPC, the final version of the ToR, as approved by the government, did not find place for our views.

It would not be out of context to mention here that the methodology adopted for compensating the erosion in the real value of wage on account of price hike reflected in the rate of Dearness Allowance paid to Government Employees. The merger of DA to partially compensate the erosion in the real wages was done in pursuance of the report of Gadgil Committee in the post 2nd Pay Commission. This has, thereafter, been continued in the successive Central Pay Commissions also, wherein up to 50% of DA has been merged with the Pay when Dearness compensation exceeded 50%.

Dearness compensation has already reached 100% as on 01.01.2014, and it is further likely to exceed w.e.f. 01.07.2014, therefore, it would be grossly justified that, at least 50% DA be merged with Pay to compensate the erosion of the real value of the wages immediately.

The 7th CPC, appointed by the Government of India, has though started its functioning, nevertheless its report is expected to be available not earlier than 1 and ½ years time and because of uncontrolled skyrocketing price hike of essential commodities in the market, the real value of the wages is eroding the greatest extent, which is in no way being compensated even by sanction of Dearness Allowance/Dearness Relief.

It would, therefore, be imperative that, at least 25% of the Basic Pay of Central Government Employees, but not less than Rs.2000 should be sanctioned as “**Interim Relief**” with immediate effect to compensate the sharp erosion in the real value of the wages.

We request your early intervention in the matter so as to provide necessary relief to the Central Government Employees.



(Shiva Gopal Mishra)