

# Cabinet approves release of additional 1% Dearness Allowance to Central Government employees and Dearness Relief to pensioners w.e.f. 01.07.2017

Posted On: 12 SEP 2017 4:58PM by PIB Bengaluru

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The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for release of additional 1% Dearness Allowance (DA) to Central Government employees and Dearness Relief (DR) to pensioners. It will be applicable from 01.07.2017.

The release of the additional instalment of DA represents an increase of 1% over the existing rate of 4% of the Basic Pay/Pension, to compensate for price rise. This increase is in accordance with the accepted formula, which is based on the recommendations of the 7th Central Pay Commission.

The combined impact on the exchequer on account of both DA and DR would be Rs.3068.26 crore per annum and Rs.2045.50 crore in the financial year 2017-18 (for a period of 8 months from July, 2017 to February, 2018). This will benefit about 49.26 lakh Central Government employees and 61.17 lakh pensioners.

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