

# Cabinet approves additional 2% Dearness Allowance / Dearness Relief due from January, 2017

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## **Cabinet approves additional 2% Dearness Allowance / Dearness Relief due from January, 2017**

The Union Cabinet, chaired by the Prime Minister Shri Narendra Modi has approved release of an additional instalment of Dearness Allowance (DA) to Central Government employees and Dearness Relief (DR) to pensioners w.e.f. 01.01.2017. It has increased by 2% over the existing rate of 2% 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 Dearness Allowance and Dearness Relief would be Rs. 5,857.28 crore per annum and Rs.6,833.50 crore in the Financial Year 2017-18 (for a period of 14 months from January, 2017 to February, 2018).

This will benefit about 48.85 lakh Central Government employees and 55.51 lakh pensioners.

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