

Shiva Gopal Mishra
Secretary

Ph.: 23382286
National Council (Staff Side)
Joint Consultative Machinery
for Central Government Employees
13-C, Ferozshah Road, New Delhi – 110001
E Mail : nc.jcm.np@gmail.com

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Dated: September 6, 2016

The Secretary(Expenditure),
Ministry of Finance,
(Government of India),
North Block,
New Delhi-110 001
Dear Sir,

Sub: Future computation of Dearness Allowance and adoption base index figure to Revised Minimum Wage - Regarding

The revised pay structure, as recommended by the 7th CPC, was given effect as on 01.01.2016 as per the Government's Notification. The Dearness Allowance, which was computed at 125% (i.e 125.75 fraction of 0.75 being ignored), got merged with Pay as on that date. The 7th CPC has not indicated as to what base figure of AICPI(IW) the Revised Wages will relate to hereafter wards. As you are aware, the actual DA that was due as on 01.01.2016 was 125.75. It is only due to the practice of ignoring fraction; the DA was determined at 125%. No doubt, the said practice had not been impacting very much except for the postponement of the benefit by six months. It is, therefore, necessary that, Revised Wages are related to a base index figure equivalent to actual Dearness Allowance percentage of 125 that stands merged as on 01.01.2016. This is more so due to the fact that there is no possibility of the ignored fraction of 0.75 being reckoned for any computation in future.

We, therefore, request that, 12 monthly average, which stood at 261.33 as on 31.12.2015, may be taken at 260.46, which would provide the exact percentage of DA at 125. The future percentage increase in DA in other words may be computed with the base figure of 260.46. The next instalment of DA, which has become due as on 1.07.2016 if computed on the above basis of 260.46, shall work out to 3.28%. On ignoring the fraction, the DA with effect from 01.07.2016 shall be 3%.

We, request you to kindly take the above into account and issue orders for grant of 3% DA w.e.f. 01.07.2016.

Sincerely yours,


(Shiva Gopal Mishra)
Secretary(Staff Side)
National Council(JCM)

Copy to: **Shri B.P. Sharma**, Secretary(DoP&T), Govt. of India – for necessary action.
Copy to: **Ms. Archana Verma**, J.S.(Admin), Govt. of India – for necessary action.
Copy to: **Smt. Annie G. Mathew**, J.S.(Pers.), Deptt. of Exp.(MoF) – for necessary action.
Copy to: **Shri D.K. Sengupta**, Dy. Secretary(JCA) – for necessary action.
Copy to: All Constituents of JCM(Staff Side), NC/JCM – for information.