



GOVERNMENT OF KERALA

Abstract

**ALLOWANCE-DEARNESS ALLOWANCE/DEARNESS RELIEF TO STATE GOVERNMENT
EMPLOYEES/PENSIONERS WITH EFFECT FROM 1.1.2005, 1.7.2005, 1.1.2006 AND
1.7.2006 - REVISION-ORDERS ISSUED**

FINANCE (PAY RESEARCH UNIT) DEPARTMENT

G.O.(P)No.120/2007/Fin.

Dated, Thiruvananthapuram, 20.03.2007.

- Read:- 1.O.M.F. No.1(1)/2005-E-II (B)/263 dated 31.3.2005 of Department of Expenditure, Ministry of Finance, Government of India.
2. O.M.F. No.1(5)/2005-E-II(B)/746 dated 7.9.2005 of Department of Expenditure, Ministry of Finance, Government of India.
3. G.O.[P]No.541/2005/Fin. dated 17.12.2005.
4. G.O.(P)No.145/06/Fin. dated 25.3.2006.
5. O.M.F. No.1(2)/2006-E-II(B)/166 dated 29.3.2006 of Department of Expenditure, Ministry of Finance, Government of India.
6. G.O.(P) No.180/2006/Fin. dated 18.4.2006.
7. Circular No.34/2006/Fin. dated 5.7.2006.
8. O.M.F. No.1(13)/2006-E-II(B)/523 dated 11.9.2006 of Department of Expenditure, Ministry of Finance, Government of India.

ORDER

Government are pleased to order that the rates of Dearness Allowance to Government Employees, staff of Aided Schools, Private Colleges and Polytechnics, Full Time employees borne on the contingent and work charged establishments and employees of Local Bodies will be revised with effect from 1.1.2005, 1.7.2005, 1.1.2006 and 1.7.2006 as shown below:

| <i>Date from which payable</i> | <i>Percentage increase of DA</i> | <i>Revised D.A.</i> |
|--------------------------------|----------------------------------|--|
| 1.1.2005 | 3% | 67% of pre revised pay from 1.1.2005 to 31.3.2005 and 8% of revised pay w.e.f. 1.4.2005. |
| 1.7.2005 | 4% | 12% |
| 1.1.2006 | 3% | 15% |
| 1.7.2006 | 5% | 20% |

2. Since monetary benefits due to revision of pay as per Pay Revision 2004 are granted w.e.f. 1.4.2005 only, the DA from 1.1.2005 to 31.3.2005 will be at 67% on the pre revised pay of Pay Revision 2004. Dearness Allowance will be at 8% w.e.f. 1.4.2005 on revised pay of Pay Revision 2004, since 59% of the DA is merged with the revised pay w.e.f. 1.4.2005.

3. The additional expenditure on this account in respect of Local Bodies will be met from their own funds.

4. The revised rates of DA will be applicable to part-time teachers and part-time contingent employees also, on the basis of pay drawn by them.

5. The employees of State Public Sector Undertakings/Statutory Corporations/autonomous bodies on State DA pattern are also eligible for the enhanced rate of DA, subject to the following conditions:

- i) This will apply only in Public Sector Undertakings, Statutory Corporations, Autonomous Bodies etc. where State DA is in force. This will not be applicable where variable DA or Central DA (with 50% merger) is in force.
- ii) Shifting from one DA system (ie. State DA, Variable DA, Central DA) to another requires separate and specific prior approval of the Government. Orders are to be issued in this regard by the Administrative Department in consultation with Planning & Economic Affairs (BPE) Department and Finance Department.
- iii) Those organizations which are on State DA can release the revised rates of DA to their employees without reference to Government. However a decision on this has to be taken by the Board of Directors of the organization, keeping in mind the ability of the organization to pay for the increase from their own resources. If the organization cannot meet such expenses on their own and has to get funds from the Government for this, prior approval of the Government should be taken. (Orders in Government can be issued by the Administrative Department only in consultation with Planning & Economic Affairs (BPE) Department and Finance Department.) The condition that those organization which require funds from the Government to pay the DA instalments need to take prior Government approval will not apply to organizations such as Universities, Kerala Water Authority, Kerala State Council for Science, Technology and Environment (wherever State DA is payable) etc. where more than 90% of the salary expenses are met by Non Plan grant from the Government. They can release DA instalments without prior approval of the Government but with the approval of the Board.

6. In the case of those who have opted to remain in the pre-revised scale of 1997 Pay Revision (ie. 1992 pay scales) even after 1.1.2005, 1.7.2005, 1.1.2006 and 1.7.2006, DA will be sanctioned as given below:

| <i>Date of effect</i> | <i>Pay Range</i> | <i>Rate of DA per month</i> |
|-----------------------|---|--|
| 1.1.2005 | Basic pay upto Rs.3500 p.m. | 313% of pay |
| | Basic pay above Rs.3500 upto Rs.6000 p.m. | 271% of pay subject to minimum of Rs.10955 |
| | Basic pay above Rs.6000 | 253% of pay subject to minimum of Rs.16260 |
| 1.7.2005 | Basic pay upto Rs.3500 p.m. | 323% of pay |
| | Basic pay above Rs.3500 upto Rs.6000 p.m. | 281% of pay subject to minimum of Rs.11305 |
| | Basic pay above Rs.6000 | 263% of pay subject to minimum of Rs.16860 |
| 1.1.2006 | Basic pay upto Rs.3500 p.m. | 330% of pay |
| | Basic pay above Rs.3500 upto Rs.6000 p.m. | 288% of pay subject to minimum of Rs.11550 |
| | Basic pay above Rs.6000 | 270% of pay subject to minimum of Rs.17280 |
| 1.7.2006 | Basic pay upto Rs.3500 p.m. | 342% of pay |
| | Basic pay above Rs.3500 upto Rs.6000 p.m. | 300% of pay subject to minimum of Rs.11970 |
| | Basic pay above Rs.6000 | 282% of pay subject to minimum of Rs.18000 |

7. For those who are continuing in the 1997 pay scales even after 1.1.2005, 1.7.2005, 1.1.2006 and 1.7.2006, ie. (up to the date of effect of option under Pay Revision 2004), DA will be sanctioned as follows:

| <i>Date of effect</i> | <i>Percentage Increase of DA</i> | <i>Revised DA</i> |
|-----------------------|----------------------------------|------------------------|
| 1.1.2005 | 3% | 67% of pre revised pay |
| 1.7.2005 | 4% | 71% " " |
| 1.1.2006 | 3% | 74% " " |
| 1.7.2006 | 5% | 79% " " |

8. The accounting and drawal of arrears of DA will be regulated as follows:-

- a) The revised rates of DA will be paid in cash as per the following schedule.
- (i) DA due from 1.1.2005 (additional 3%) with the salary due for the month of March 2007.
 - (ii) DA due from 1.7.2005 (additional 4%) with the salary due for the month of September 2007.
 - (iii) DA due from 1.1.2006 (additional 3%) and DA due from 1.7.2006 (additional 5%) with the salary due for the month of February 2008.
- b)
- (i) The arrear for the period from 1.1.2005 to 28.2.2007 will be drawn and credited to the PF Account of the employee along with the salary bill for the month of March 2007 to August 2007.
 - (ii) The arrear for the period from 1.7.2005 to 31.8.2007 will be drawn and credited to the PF Account of the employee along with the salary bill for the month of September 2007 to February 2008.
 - (iii) The arrear for the period from 1.1.2006 to 31.1.2008 and 1.7.2006 to 31.1.2008 will be drawn and credited to the PF Account of the employee along with the salary bill for the month of February 2008 to July 2008.
 - (iv) The permission to draw arrears along with the salary bill is given in relaxation of Rule 176 of Kerala Treasury Code.
- c) This procedure as stated in Para 8 (a) and (b) will also be applicable to the employees continuing in the pay in the pre-revised scale even after the 2004 Pay Revision.
- d) In the case of those drawing pay above Rs.3500 in the pre-revision scale of 1997 Pay Revision as stated in para 6 above, the three instalments of DA sanctioned with effect from 1.7.1991, 1.1.1992 and 1.7.1992 will continue to be credited to the Provident Fund Account, the percentage of which will be as shown below:

| | |
|------------------------|--|
| Pay Rs.3501 to Rs.6000 | 24% of pay subject to a minimum of Rs.1120 |
| Pay above Rs.6000 | 21% of pay subject to a minimum of Rs.1440 |

- e) In the cases referred to in para 8(d) above, the amount of DA that can be drawn in cash by them from the salary due for the month of March 2007 will be 271% of pay subject to a minimum of Rs.10955 (for those with basic pay

between Rs.3500-6000 p.m.) and 253% of pay, subject to a minimum of Rs.16260 (for those with basic pay above Rs.6000 p.m) minus the amount to be credited to PF as per para 8(d) above. Similarly, the amount of DA that can be drawn in cash from the salary due for the month of September 2007 will be 281% of pay subject to a minimum of Rs.11305 (for those with basic pay between Rs.3500-6000 p.m.) and 263% of pay subject to a minimum of Rs.16860 (for those with basic pay above Rs.6000 p.m) minus the amount to be credited to PF as per para 8(d) above. Similarly, the amount of DA that can be drawn in cash by them from the salary due for the month of February 2008 will be 300% of pay subject to a minimum of Rs.11970 (for those with basic pay between Rs.3500-6000 p.m.) and 282% of pay subject to a minimum of Rs.18000 (for those with basic pay above Rs.6000 p.m.) minus the amount to be credited to PF account under para 8(d) above.

- f) Where the employee is not eligible to subscribe to any PF Account before 28.2.2007, the drawal of arrears of DA shall be deferred and as and when the PF account is opened, it shall be drawn and deposited in it.
- g) (i) For claiming the salary for the month of September 2007, a certificate shall be attached to the salary bill to the effect that "the arrears as per DA revision from 1.1.2005 to 28.2.2007 have been claimed and credited to the Provident Fund Account of the employee".
- (ii) For claiming the salary for the month of March 2008, a certificate shall be attached to the salary bill to the effect that "the arrears as per DA revision from 1.7.2005 to 31.8.2007 have been claimed and credited to the Provident Fund Account of the employee".
- (iii) For claiming the salary for the month of August 2008, a certificate shall be attached to the salary bill to the effect that "the arrears as per DA revision from 1.1.2006 to 31.1.2008 and 1.7.2006 to 31.1.2008 have been claimed and credited to the Provident Fund Account of the employee".
- h) The procedure as stated in para 8(g) will also be applicable to the employees continuing in the pre revised scale of pay even after the 2004 Pay Revision.
- i) The enhanced amount of DA to be drawn and credited monthly to Provident Fund Account by those drawing pay above Rs.3500 per month in the pre revised scale of 1997 PR as stated in para 8(d) may be shown separately in the Provident Fund Schedule and Certificate to that effect attached to the bill for each month as already ordered in G.O.[P]No.211/93/Fin. dated 15.3.1993.
- j) Interest on the DA credited to the Provident Fund Account will accrue from the 1st of the month in which the bills are passed by the Treasury.

- k) No withdrawal, other than final withdrawal, shall be made before the date specified below, from the arrears of DA credited to Provident Fund Account.

| | <i>Date on which the amount will be permitted to be withdrawn</i> |
|---|---|
| Arrears for the period from 1.1.2005 to 28.2.2007 | 31.3.2010 or retirement, whichever is earlier. |
| Arrears for the period from 1.7.2005 to 31.8.2007 | 30.9.2010 or retirement, whichever is earlier |
| Arrears for the period from 1.1.2006 to 31.1.2008 | 28.2.2011 or retirement, whichever is earlier. |
| Arrears for the period from 1.7.2006 to 31.1.2008 | |

l) The condition mentioned under clause (k) above will be applicable "mutatis mutandis" to Provident Fund other than General Provident Fund also. In regard to Contributory Provident Fund, however, there will be no matching contribution from the Government in respect of the arrears of DA.

9. In the bill as well as in the Provident Fund Schedule, the arrears of DA from 1.1.2005 to 28.2.2007, 1.7.2005 to 31.8.2007, 1.1.2006 to 31.1.2008 and 1.7.2006 to 31.1.2008 may be indicated separately. Accordingly, the amount of arrears of DA to be credited to Provident Fund Account should be shown as a separate entry in the Provident Fund Schedule as shown below:

| <i>Subscription proper</i> | | | <i>Refund of Advance</i> | | <i>Arrears of DA</i> | | | | <i>Amount</i> |
|----------------------------|----------------------------------|---------------------------|--------------------------|----------------------------------|-------------------------------|-------------------------------|----------------------------------|--------------------------------|------------------------|
| <i>Amount</i> | <i>Month to which it relates</i> | <i>No. of instalments</i> | <i>Amount</i> | <i>Month to which it relates</i> | <i>From 1.1.05 to 28.2.07</i> | <i>From 1.7.05 to 31.8.07</i> | <i>From 1.1.2006 to 28.2.08.</i> | <i>From 1.7.06 to 28.2.08.</i> | <i>Total</i> |
| (6) | (7) | (8) | (9) | (10) | (11) | (12) | (13) | (14) | (15) |
| | | | | | | | | | 6+0 11/12/13 /14 |

10. The following categories of employees will be paid arrears of DA in cash:

- i. Those who have retired since 1.1.2005.
- ii. Those who will retire on or before 31.3.2008.
- iii. Those, in whose cases, it is not obligatory to maintain P.F. Account.
- iv. Part-time teachers.

11. Government are also pleased to revise the rates of Dearness Relief to State Service Pensioners and Family Pensioners with effect from 1.1.2005, 1.7.2005, 1.1.2006 and 1.7.2006 as follows:

| <i>Date of effect</i> | <i>Percentage increase of Dearness Relief</i> | <i>Revised Dearness Relief payable</i> |
|-----------------------|---|---|
| 1.1.2005 | 3% of Pension/Family Pension | 67% of pre revised basic Pension/Family Pension from 1.1.2005 to 31.3.2005 and 8% of revised basic pension /Family Pension w.e.f. 1.4.2005. |
| 1.7.2005 | 4% of Pension/Family Pension | 12% of Pension/Family Pension |
| 1.1.2006 | 3% of Pension/Family Pension | 15% of Pension/Family Pension |
| 1.7.2006 | 5% of Pension/Family Pension | 20% of Pension/Family Pension |

12. Pensioners/Family Pensioners, including those governed by UGC/AICTE etc, whose pension has not undergone revision, as per G.O.[P]No.3001/98/Fin. dated 25.11.1998 and who are at present drawing Dearness Relief beyond 608 points will be sanctioned Dearness Relief as shown below:

| <i>Date of effect</i> | <i>Pension/Family Pension per month</i> | <i>Rate of Dearness Relief per month</i> |
|-----------------------|---|--|
| 1.1.2005 | Not exceeding Rs.1750 | 313% of Pension/Family Pension |
| | Exceeding Rs.1750 but not exceeding Rs.3000 | 271% of Pension/Family Pension subject to minimum of Rs.5478 |
| | Exceeding Rs.3000 | 253% of Pension/Family Pension subject to minimum of Rs.8130 |
| 1.7.2005 | Not exceeding Rs.1750 | 323% of Pension/Family Pension |
| | Exceeding Rs.1750 but not exceeding Rs.3000 , | 281% of Pension/Family Pension subject to minimum of Rs.5653 |
| | Exceeding Rs.3000 | 263% of Pension/Family Pension subject to minimum of Rs.8430 |

| | | |
|----------|---|--|
| 1.1.2006 | Not exceeding Rs.1750 | 330% of Pension/Family Pension |
| | Exceeding Rs.1750 but not exceeding Rs.3000 | 288% of Pension/Family Pension subject to minimum of Rs.5775 |
| | Exceeding Rs.3000 | 270% of Pension/Family Pension subject to minimum of Rs.8640 |
| 1.7.2006 | Not exceeding Rs.1750 | 342% of Pension/Family Pension |
| | Exceeding Rs.1750 but not exceeding Rs.3000 | 300% of Pension/Family Pension subject to minimum of Rs.5985 |
| | Exceeding Rs.3000 | 282% of Pension/Family Pension subject to minimum of Rs.9000 |

13. Pensioners/Family Pensioners whose pension has not undergone revision as per G.O.(P)No.180/2006/Fin. dated 18.4.2006 and are continuing the pension/Family Pension as per pension revision 1997, upto the date of effect of option for Pension Revision 2004 as per G.O.(P)No.180/2006/Fin. dated 18.4.2006, the DR will be sanctioned as follows:

| Date of effect | Percentage increase of DR | Revised DR |
|----------------|---------------------------|---|
| 1.1.2005 | 3% | 67% of pre revised pension/family pension |
| 1.7.2005 | 4% | 71% of pre revised pension/family pension |
| 1.1.2006 | 3% | 74% of pre revised pension/family pension |
| 1.7.2006 | 5% | 79% of pre revised pension/family pension |

14. The revised Dearness Relief along with arrears will be paid in cash as per the following schedule:

- (i) The Dearness Relief due on 01-01-2005 @ 3% with the arrears from 1.1.2005 to March 2007 will be released in cash along with the pension of April 2007 (due on 1st April).
- (ii) The Dearness Relief due on 01-07-2005 @ 4% with the arrears from 1.7.2005 to April 2007 will be released in cash along with the pension of May 2007 (due on 1st May).
- (iii) The Dearness Relief due on 01-01-2006 @ 3% with the arrears from 1.1.2006 to May 2007 will be released in cash along with the pension of June 2007 (due on 1st June).

(iv) The Dearness Relief due on 01-07-2006 @ 5% with the arrears from 1.7.2006 to June 2007 will be released in cash along with the pension of July 2007 (due on 1st July).

15. Payment of Dearness Relief involving fraction of a Rupee shall be rounded off to the next higher rupee.

16. Government are also pleased to order that in future whenever an employee retires, the entire overdue DA will be released w.e.f. the date of their retirement. The entire pension calculations including leave surrender and DCRG will be on the basis of such revised DA.

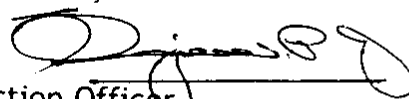
By Order of the Governor,

K. JOSE CYRIAC,
Principal Secretary [Finance]

To

The Accountant General [A&E], Kerala, Thiruvananthapuram.
The Principal Accountant General [Audit], Kerala, Thiruvananthapuram.
All Heads of Departments.
All Departments [all sections] of the Secretariat.
The Secretary, Kerala Public Service Commission [with C.L.].
The Registrar, University of Kerala/Cochin/Calicut [with C.L.].
The Registrar, Mahatma Gandhi University, Kottayam [with C.L.].
The Registrar, University of Sanskrit, Ernakulam [with C.L.].
The Registrar, Kerala Agricultural University, Mannuthy, Thrissur.
The Advocate General, Ernakulam [with C.L.].
The Secretary, Kerala State Electricity Board [with C.L.].
The General Manager, Kerala State Road Transport Corporation,
Thiruvananthapuram [with C.L.].
All Principal Secretaries, Secretaries, Additional Secretaries, Joint Secretaries, Deputy Secretaries and Under Secretaries to Government.
The Secretary to Governor.
The Private Secretaries to Chief Minister and other Ministers.
The Private Secretary to Speaker.
The Private Secretary to Deputy Speaker.
The Private Secretary to the Leader of Opposition.
The Additional Secretary to the Chief Secretary.
The Secretary, State Election Commission, Kerala, Thiruvananthapuram.
The Registrar, Kerala Lokayukta, Thiruvananthapuram.
The Secretary, Kerala Human rights Commission, Thiruvananthapuram.
The Ombudsman for Local Self Government Institutions,
Thiruvananthapuram
The Director of Public Relations, Thiruvananthapuram.

Forwarded/By Order.


Section Officer.