

Government of India
Ministry of Finance
Department of Expenditure

Rajya Sabha

Starred Question No. 162

To be answered on Tuesday, 3rd August, 2021
Sravan 12, 1943 (Saka)

Regarding Freezing of DA/DR and use of saved fund

162:: Ch. Sukhram Singh Yadav:

Will the Minister of Finance be pleased to state:

- (a) whether Government would not pay the arrears of dearness allowance to employees of Central Government since January 2020 till July 2021;
- (b) if so, the details thereof and details of savings of Government due to freezing of DA/DR;
- (c) if not, the reason therefor;
- (d) the details of utilization fund saved by freezing of DA/DR; and
- (e) the rationale for salary cut of Union Ministers for only 12 months till 31.03.2021 and their subordinate employees for 18 months till 30.06.2021?

Answer

**THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)**

(a) to (e): A statement is laid on the Table of the House

**Statement referred to in reply to the Rajya Sabha Starred Question No. 162
by Ch. Sukhram Singh Yadav due for answer on 3rd August, 2021**

(a): Yes Sir. The Government has released the installments of DA/DR from 01.07.2021 which were due from 01.01.2020, 01.07.2020 and 01.01.2021 in respect of Central Government employees/pensioners. The Central Government employees/Pensioners will get DA/DR @ 28% (11% over the existing rate of 17%) from July, 2021. The rate of Dearness Allowance for the period from 01.01.2020 till 30.06.2021 shall remain at 17%; No arrears shall be paid for the period from January 2020 till 30.06.2021

(b) & (c): On account of freezing of three installments of Dearness Allowance and Dearness Relief to Central Government employees and pensioners due from 01.01.2020, 01.07.2020 & 01.01.2021, an amount of Rs.34402.32 crores approximately has been saved;

(d): The decision to freeze DA and DR was taken in the context of COVID-19 caused economic disruption so as to ease pressure on Government finances;

(e): In view of the crisis arisen out of COVID -19 pandemic, it became necessary to raise resources from different possible avenues including resources by reduction in the salary of Members of Parliament for a period of 12 months w.e.f. 01.04.2020 to 31.03.2021 by 30%. The salary of Union Ministers is at the same rate as specified in Section 3 of the Salaries, Allowances and Pension of Members of Parliament Act, 1954. As the salary payable to Members of Parliament was reduced by 30%, the salary of Union Ministers was also reduced by 30%. There was no salary cut or DA cut in respect of subordinate employees. They received salary and DA in full. Only further increase in DA was frozen from 01.01.2020 to 30.06.2021.