

CHAPTER IV

WAGE POLICY & RELATED MATTERS

(b) Dearness Allowance/Interim Relief

DPE/Guidelines/IV(b)/3

Recommendations made by the High Power Pay Committee on payment of interim relief to employees working in Public Enterprises following Central DA pattern

The High Power Pay Committee constituted under the Department of Public Enterprises Resolution No.2(10)/83-BPE(WC) dated the 27th November, 1986 as per the directions of the Supreme Court of India to go into the various aspects relating to the pay scales and other incidental matters such as additional D.A., Interim Relief and other allowances relating to the employees working in Public Sector Undertakings governed by the Central Government Pay Scales and D.A., have now submitted their further interim recommendations for payment of 2nd instalment of Interim Relief and enhancement of ceilings for payment of HRA and CCA. These recommendations have been accepted by the Govt. and the following decisions have been taken.

(i) The public enterprises following 3rd CPC DA formula can release another instalment of IR at the rate of 10% of the basic pay only subject to a minimum of Rs. 50/- to their employees who have not yet opted for revised scales of pay and Industrial DA pattern. This IR is payable w.e.f. 1.12.1987. The IR will not count for any purpose.

(ii) These enterprises would continue to pay HRA to their employees at the existing percentage rates relating to the basic pay of the concerned employee. If an employee who claims HRA is not in a position to produce rent receipt or stays in his own house or a house owned by his/her spouse, whose rental value as assessed by the Municipal Authorities is either small or negligible, can be paid HRA at the percentage rates applicable to him related to his basic pay but such payments would be restricted to Rs.1000/- per month in A, B1 and B2 class cities and Rs.500/- per month in C Class cities and Rs.300/- per month in unclassified areas.

(iii) These public enterprises would also continue to pay City Compensatory Allowance to their employees at the existing percentage rates, which are in force at present. This will continue to be related to the basic pay of the concerned employee. However, the Existing ceilings on payment of CCA would be Rs.100/- as against Rs.75/- in A Class cities, Rs.75/- as against Rs.50/- in B1 class cities and Rs.20/- as against Rs.10/- in B2 class cities.

(iv) The enhanced ceilings for payment of HRA without the production of rent receipt as well as for payment of CCA are effective from 1.4.1987.

2. Ministry of Petroleum and Natural Gas and Ministry of Agriculture, etc. are requested to bring the foregoing to the notice of the Public Enterprises under their administrative control for their information and immediate necessary action.

(BPE O.M. No. 2(5)/87-BPE(WC) dated 5th April, 1988)
