

## **Centre may hike DA to 80 per cent**

Union Cabinet is likely to approve today a proposal to increase dearness allowance (DA) to 80 per cent from existing 72 per cent benefiting about 50 lakh employees and 30 lakh pensioners of the central government.

"The Union Cabinet may consider the finance ministry proposal to increase the DA by 8 per cent to 80 per cent in its meeting scheduled for today", a source said.

The hike would be effective from January 1, 2013 and the employees and pensioners would be entitled for arrears, he said.

The government had hiked DA to 72 per cent in September last year, which had come into effect from July 1, 2012.

"It is good that they are increasing DA. We demand that they should merge up to 50 per cent DA with the basic pay as per the practice and set up the seventh pay commission at the earliest", Secretary of Confederation of Central Government Employees, K K N Kutty said.

As per the practice, the DA is merged with basic pay when it breaches the 50 per cent cap. This helps employees get higher allowances as those are paid as proportion of the basic pay.

(Economic Times)