

No. Fin(C)-B(7)-4/2002
Government of Himachal Pradesh
Finance (Regulations) Department.

Dated Shimla-2, the 10th June, 2005.

OFFICE MEMORANDUM

Subject:-

Merger of 50% Dearness Allowance with basic pay to Government employees.

1. The Undersigned is directed to say that the matter regarding merger of Dearness Allowance equal to 50% of pay with basic pay of the employees of the State Government was under consideration of the Government for sometime past. Now the Governor, Himachal Pradesh is pleased to order that with effect from 01-04-2004, Dearness Allowance equal to 50% of existing pay shall be merged with basic pay and shown distinctly as Dearness Pay (DP), which would be counted for calculating Retirement Benefits and Dearness Allowance and NPA to Allopathic Doctors. Consequently, Dearness Allowance from 01-04-2004 would be payable at the rate of 11%.
2. However, all other allowances and entitlements will continue to be calculated on the basis of Basic Pay alone without taking into account the element of Dearness Pay. Dearness Pay will also not be counted for the calculation of NPA to Ayurvedic and Veterinary Doctors.
3. The maximum ceiling of Rs.25,500/- for basic pay plus NPA as prescribed earlier for doctors will remain as such and the Dearness Pay will not be taken into account for reckoning this limit. In other words, the maximum limit of Rs.25,500/- per month will comprise of Basic Pay plus NPA only.

The following examples are given for ready reference :-

Basic Pay = 7000/-

Dearness Pay (DP) = 7000 x 50% = 3500

DA @ 11% on Basic plus (DP) = 1155/-

Employees

Contd... 2/-

Allopathic Doctors

Basic Pay	19000/-
DP @ 50% of Basic Pay	9500/-
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Basic Pay + DP	28500/-
NPA @ 25% of 28500	7125/-
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Basic Pay + NPA	26125/-
Basic + NPA (restricted to 25,500)	25,500/-
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(Basic Pay + NPA) + DP	25,500 + 9500 = 35,000/-
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DA @ 11% of 35,000	3850/-
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Basic + DP + NPA + DA @ 11%	38850/-

4. The benefit in the shape of cash payment will be allowed with the salary for the month of June, 2005 payable in July, 2005 and arrears w.e.f. 01-04-2004 to 31-05-2005 shall be paid in cash in three instalments. In the first two instalments, arrear for 5 months each will be paid in August, 2005 and October, 2005 and the arrears for the remaining 4 months will be paid in March, 2006.

5. These orders will be applicable to the employees working in various Government Departments.

6. Insofar as the PSUs Universities Autonomous Bodies, Boards etc. are concerned, the managements of these PSUs Universities Autonomous Bodies, Boards etc. will decide the 50% merger after taking into consideration the Resource Scenario of the concerned PSU/ Board.

Deputy Secretary (Fin. Reg.) to the
Government of Himachal Pradesh.

