

Dated Shimla-2, the 8<sup>th</sup> August, 2005.

**OFFICE MEMORANDUM**

**Subject.—Merger of 50% Dearness Relief with basic Pension/Family Pension to State Government Pensioners/ Family Pensioners.**

1. The undersigned is directed to say that the matter regarding merger of Dearness Relief equal to 50% of Pension/Family Pension with basic pension/Family Pension of the State Government pensioners/Family Pensioners was under consideration of the Government for sometime past. Now the Governor, Himachal Pradesh is pleased to order that in case of existing Pensioners/Family Pensioners, Dearness Relief equal to 50% of the present Pension/Family Pension, w.e.f. 1-4-2004, will be merged with Pension/Family Pension and shown distinctly as Dearness Pension. Consequently, Dearness Relief from 1-4-2004 would be payable at the rate of 11% on Basic Pension/Family Pension and Dearness Pension/Dearness Family Pension.
2. To ensure that the Government servants retiring between 1-4-2004 and 31-01-2005 do not face any loss in fixation of Pension, as a special dispensation in their case, Dearness Allowance equal to 50% of basic pay would be treated as basic pay for the purpose of computation of Pension in respect of basic pay received by them prior to 1-4-2004. Consequently, element of dearness pension will exist only for pensioners retired from Government of Himachal Pradesh, upto 31-03-2004.
3. Since 50% Dearness Allowance converted into Dearness Pay is counted for retirement benefits, Pension/ Family Pension shall be calculated at 50% and 30% respectively of Pay plus Dearness Pay subject to minimum of Rs. 1965/- and maximum of 50% and 30% respectively, of the highest pay plus Dearness Pay, in the State Government. Provisions contained in para 8 and 10 (i) of this Department O.M. No. Fin (Pen)A(3)-1/96-Part-I dated 31-08-1998, therefore will stand amended to this extent.
4. These orders shall also be applicable to Himachal Pradesh State Government employees where the Government servants on permanent absorption in Public Sector undertakings/ Autonomous Bodies continue to draw pension separately from Government.