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PRESS RELEASE

24-4-2020

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Freezing Dearness Allowance payable to Central Government employees and pensioners is unfair – Government should reconsider the decision.

The decision of the Government to freeze the Dearness Allowance and Dearness Relief payable to the Employees and Pensioners of the Central Government for a period of 18 months from January, 2020 to June, 2021 is highly arbitrary and unfair. The very basis of payment of Dearness Allowance and Dearness Relief is to compensate the employees and pensioners against increase in cost of living.

This compensation of Dearness Allowance is paid after the cost of living index has gone up due to price rise. In the case of Government employees, the Dearness Allowance is revised once in 6 months based on the increase in Consumer Price Index of the preceding 12 months. This is clear that DA is paid only after the prices have gone up and it is a payment made to compensate the price rise in the past period. In a country like India, where there is unabated price rise and continued inflation, the real wages get eroded and that is why DA is paid as an Allowance. After the cost of living has gone, it is unfair to deny the compensation to the employees. Dearness Allowance is an important part of the wage basket and freezing the DA amount due to the employees will hit the employees below the belt.

In fact additional Dearness Allowance is due from January, 2020 on the basis of cost of living index of January to December, 2019 and it has been already approved by the Government to be paid from January, 2020. Now to freeze it and stopping payment of the same upto June 2021 in the name of Government expenses connected with Covid19 is not proper.

This is the time when Government employees have to be taken on board with the measures being taken by the Government to fight and contain the pandemic and denying their rightful wage will be injustice to them.

It is not out of place to mention that Government has been extending various concession to the Corporates through tax relief, moratorium on bank loans, etc. to provide necessary liquidity. But in the case of the staff, their eligible liquidity is being deprived.

In a system where there is no control on price rise, denying compensation to wage earners when prices go up is grossly unjust. There are many other ways for the Government to find resources that are additionally needed to contain the pandemic.

We urge upon the Government to reconsider the decision and release the DA due to the Central Govt. employees and pensioners.

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