



भारतीय प्रतिरक्षा मजदूर संघ

Bharatiya Pratiraksha Mazdoor Sangh

(AN ALL INDIA FEDERATION OF DEFENCE WORKERS)

(AN INDUSTRIAL UNIT OF B.M.S.)

(RECOGNISED BY MINISTRY OF DEFENCE, GOVT. OF INDIA)

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Dear Members,

Kindly go through the draft on 8th CPC on the topics of Allowances and Advances.

Kindly offer your valuable suggestions.

With regards,

Sincerely Yours

(Rabindra Kr Mishra)
General Secretary

Allowances

Dearness Allowance/ Dearness Relief

It is widely perceived among employees and pensioners that the existing system for determination of Dearness Allowance (DA) and Dearness Relief (DR), based on the Consumer Price Index compiled by the Labour Bureau, Shimla, does not adequately reflect the **actual inflationary trends and cost of living**.

1. Limitations of the Present System

The current index is considered inadequate on account of:

- An **outdated basket of goods and services**, which does not fully capture present-day consumption patterns.
- Inadequate representation of **essential and emerging expenditure heads**, such as healthcare, education, housing, and digital services.
- Possible gaps in reflecting **regional variations and real market prices**.

2. Need for Comprehensive Review

Given the changing economic environment and evolving lifestyle patterns, there is a pressing need to **revisit and rationalize**:

- The **basket of items and their weightage** in the index.
- The **data collection methodology and coverage**.
- The **formula used for index calculation and its linkage to DA/DR**.

3. Proposal for Expert Committee

It is, therefore, proposed that a **high-level Expert Committee** be constituted comprising economists, statisticians, and representatives of employees and pensioners to:

- Review the existing methodology adopted by the Labour Bureau.
- Suggest necessary **modifications to ensure realistic measurement of inflation**.
- Recommend a **more accurate, transparent, and responsive mechanism** for determination of DA/DR.

4. Payment of DA/DR including fractional values

It is further submitted that at present, DA/DR is **sanctioned in whole numbers only**, ignoring the fractional values derived from the index. This practice leads to **partial denial of legitimate compensation** to employees and pensioners for six months.

Illustration of Loss Due to Non-payment of Fractional DA

Suppose the Dearness Allowance (DA) calculated based on the index comes to **42.99%**.

- **Present System (Rounded to Whole Number):**
DA is paid at **42%**
- **Proposed System (Including Fraction):**
DA should be paid at **42.99%**

Example Calculation

Assume Basic Pay = ₹72,000 (Minimum Pay demanded by the BPMS Federation)

- **DA at 42% (current practice):**
 $₹72,000 \times 42\% = ₹30,240$
- **DA at 42.99% (actual entitlement):**
 $₹72,000 \times 42.99\% = ₹30,952.80$

Difference (Loss to Employee):

$₹30,952.80 - ₹30,240 = ₹712.80$ per month

- **Loss for 6 Months:**
 $₹712.80 \times 6 = ₹4,276.80$

It is, therefore, demanded that:

- DA/DR should be **calculated and paid including fractional percentages**, instead of rounding down to the nearest whole number.
- This will ensure **accurate and fair compensation** corresponding to the actual rise in the price index.

House Rent Allowance

1. Existing Provision

At present, House Rent Allowance (HRA) is granted to Central Government employees based on classification of cities (X, Y, and Z), at 10%, 20% & 30% rates of Basic Pay respectively. However, the existing rates are no longer commensurate with the **prevailing rental market conditions**, particularly in urban and semi-urban areas.

2. Rising Cost of Housing

Over the years, there has been a **steep and continuous increase in house rents** across cities due to:

- Rapid **urbanization and migration** towards major cities.
- Limited availability of affordable housing.
- Significant rise in **land prices, construction costs, and maintenance charges**.
- Increasing demand for housing near workplaces, especially in metropolitan and industrial hubs.

As a result, employees are compelled to spend a **substantial portion of their salary on rent**, far exceeding the support provided through existing HRA rates.

3. Inadequacy of Current HRA Rates

The current HRA structure does not adequately compensate for actual rental expenditure:

- In X-class cities, rents have **increased disproportionately** compared to HRA.
- In Y and Z class cities, even modest accommodation has become costly due to expanding urban boundaries.
- The gap between **HRA and actual rent paid** has widened considerably, causing financial strain on employees.

4. Proposal for Revision

In view of the above, it is proposed that HRA rates be revised as follows:

- **X Class Cities:** 40% of Basic Pay
- **Y Class Cities:** 30% of Basic Pay
- **Z Class Cities:** 20% of Basic Pay

5. Justification for the Proposed Rates

The proposed enhancement is justified on the following grounds:

- It reflects the **actual rental burden** faced by employees in different city categories.
- Ensures **equitable compensation** aligned with cost of living.
- Helps employees secure **decent and hygienic accommodation**, which is essential for health and productivity.
- Reduces financial stress, thereby improving **efficiency and job satisfaction**.
- Aligns with the principle that HRA should reasonably correspond to **market-driven housing costs**.

In view of the rising housing costs and inadequacy of existing rates, it is **earnestly demanded** that the Government revise the HRA to **40%, 30%, and 20% of Basic Pay for X, Y, and Z class cities respectively**, to ensure realistic and fair compensation towards rental expenditure.

The rates of HRA be enhanced by 2% for all cities on each occasion whenever Dearness Allowance reaches 25%, 50%, 75%, 100% and so on.

Illustration

DA Level	X Class City	Y Class City	Z Class City
Initial	40%	30%	20%
DA ≥ 25%	42%	32%	22%
DA ≥ 50%	44%	34%	24%
DA ≥ 75%	46%	36%	26%
DA ≥ 100%	48%	38%	28%

Transport Allowance

There has been a considerable and substantial enhancement in Transport Allowance due to the steep and continuous rise in commuting costs, fuel prices, and urban congestion. The existing rates no longer adequately compensate employees, particularly in metropolitan and large cities, where daily travel has become both costly and time-consuming. A rational upward revision, indexed to inflation and city classification, is essential to ensure equitable support, maintain real income, and enable employees to perform their duties efficiently without financial strain.

The Transport Allowance are proposed as under-

Pay Level as per proposed Pay Matrix	Higher TPTA Cities	All Other Places
Level 7 and above	₹ 20,000 + DA thereon	₹ 10,000 + DA thereon
Level 1 to 6 (i.e. pre-revised Level upto Level 8)	₹ 10,000 + DA thereon	₹ 5,000 + DA thereon

Allowance Related to Capacity Building or Knowledge Up gradation or Trainings.

A structured and mandatory framework for continuous capacity building of Central Government employees should be institutionalized. Each Department may implement a well-defined annual training calendar covering induction, mid-career, and advanced stages, with regular in-house training programmes tailored to functional requirements. Employees should also be systematically deputed to reputed higher and specialized institutions for domain-specific training, research exposure, and skill enhancement. Dedicated specialized training centres may be strengthened or established for technical and emerging areas. Such a structured approach would ensure continuous professional development, improve efficiency, and align the workforce with evolving governance and technological demands.

Allowance Related to Qualifications

It is proposed that any Central Government employee who acquires an additional qualification over and above the minimum prescribed qualifications for the post, as laid down in the applicable Recruitment Rules (RRs), should be granted an Additional Qualification Allowance equivalent to 25% of their Basic Pay. Such higher qualifications enhance professional competence, improve efficiency, and contribute to better service delivery in government functioning. Providing this allowance would serve as a strong incentive for continuous learning and skill upgradation, align the workforce with evolving administrative and technical demands, and ultimately strengthen institutional capacity.

Allowance Related to Additional Duty or Extra Duty or Working on Holidays, etc.

To meet exigencies of work in offices and establishments, employees are often required to perform overtime by working beyond prescribed hours. Those covered under the Factories Act, 1948 (now subsumed under the Occupational Safety, Health and Working Conditions Code, 2020) are entitled to overtime at double the rate. However, employees not covered under these provisions are deprived of such statutory protection, leading to inequity. There is a clear need for parity across all categories. It is therefore proposed that all Central Government employees, irrespective of coverage, be compensated for overtime at double the rate of their pay.

Allowance Related to Risk and Hardship :-

There exists a significant disparity between the Risk Allowance granted to Industrial Employees of Central Government establishments (such as Ministry of Defence, Ministry of Railways, etc.) and the Risk and Hardship Allowance provided under the Risk and Hardship Matrix recommended by the 7th Central Pay Commission. Despite comparable levels of risk and life threat, industrial employees—such as those handling ammunition and explosives, engaged in metallurgy, or working on naval nuclear platforms—receive disproportionately lower compensation.

This inequity must be addressed. Industrial employees should be brought under the Risk and Hardship Matrix.

And, this Risk and Hardship Allowance should be paid at the rate of minimum ₹10,000 for any cell/ employee i.e. Industrial Employee, Fire Fighting Staff, Health Workers, Sanitary Workers etc, duly linked with DA.

Allowance Related to Deputation or Posting

Travelling Allowance / Conveyance Allowance :-

On many occasions, employees are deputed on official duty at short notice, making it difficult to secure confirmed reservations in their entitled class of train travel. This often leads to inconvenience, delays, and inefficiency in discharging official responsibilities. In view of this, it is proposed that all Central Government employees, irrespective of post or grade, be permitted to undertake air travel while on temporary duty. The fare may be reimbursed either on the basis of distance, proposed at ₹20 per kilometre, or the actual air fare incurred, whichever is higher. This measure would ensure timely travel, enhance efficiency, and reduce hardship faced by employees during official assignments.

Daily Allowance

Considering the steep escalation in hotel tariffs, food costs, and local travel expenses, along with the genuine difficulties in producing vouchers, it is proposed that the existing Daily Allowance (comprising food, accommodation, and local conveyance) be replaced with a consolidated “Deputation Allowance,” payable without submission of bills or vouchers. The proposed rates are:

Level 7 and above (Pre-revised Level 9 and above –	₹24,000 per day;
Level 4 to 6 (Pre-revised Level 6 to 8) –	₹16,000 per day;
Level 1 to 3 (Pre-revised Level 1 to 5) –	₹8,000 per day.

This simplified structure would reduce administrative burden, ensure timely reimbursement, and adequately compensate employees. The allowance should be linked with DA to enable automatic adjustment in line with inflation.

Hospital Patient Care Allowance / Patient Care Allowance / Nursing Allowance

This allowance be enhanced by 3 times and the left out categories working in hospitals / dispensaries such as Industrial employees, Medical Assistant of MI Rooms and Ministerial Staff etc may also be included. The same may be linked with DA increase.

Cooking Allowance

At present, cooks working in Departmental Canteens of the Central Govt Establishments/ Offices are paid a Cooking Allowance of ₹1,000 per month, while cooks engaged in Industrial/Statutory Canteens are not extended this benefit, leading to clear disparity. It is proposed that the allowance be enhanced to ₹5,000 per month and uniformly extended to all cooks working under the Central Government, without any discrimination. This would ensure equity, recognize the nature of their duties, and provide fair compensation. The allowance should also be linked with DA to ensure periodic revision in line with inflation.

Allowance related to Sports

The existing ceiling of a maximum of five additional increments during the entire service for sportspersons achieving distinction at National and International levels is restrictive and does not adequately recognize repeated excellence. It is proposed that this cap be removed, and sportspersons be granted additional increments, along with DA, on each occasion they achieve such laurels, without any limitation. This would serve as a strong incentive for sustained performance and bring greater recognition to sporting achievements. Further, the incentives granted to Sportspersons should be enhanced to at least two additional increments with DA, in recognition of their vital contribution to such accomplishments.

Allowance related to Uniform

Dress Allowance should be extended uniformly to all Central Government employees, including Industrial Employees, to ensure equity across all categories. The existing rates are inadequate in view of rising costs and should be enhanced at least threefold. This would enable employees to maintain proper dress standards required for official duties. Further, the allowance should be

linked with DA so that it is automatically revised in line with inflation, ensuring its real value is preserved over time.

Night Duty Allowance

Night Duty Allowance should be calculated on the actual Basic Pay plus DA of Central Government employees without imposing any artificial ceiling on Basic Pay. The existing restrictions lead to inequitable compensation, particularly for higher-paid employees who are equally affected by night duty. Further, this allowance should be extended to all categories of employees, irrespective of the nature of their duties. Denial of this allowance to certain categories, such as Chowkidars in the Defence Establishments on the grounds that night duty is part of their charter, is unjustified, as the adverse health and social impacts of night work are uniform. The allowance is meant to compensate such hardship and should be granted universally.

Children Education Allowances

CEA should be extended up to Post-Graduation level irrespective of the stream. The existing rate may be enhanced to ₹12,000 per child per month in view of rising education, hostel, and related costs, including compulsory purchase of uniforms and books at higher institutional rates.

Hostel Subsidy may be increased to ₹40,000 per month per child. Both CEA and Hostel Subsidy should be linked with DA. Eligibility should cover two children without restriction of first two children conditions, as there are cases where the first/second child is physically / mentally incapacitated to attend school or due to various other reasons. For Divyang children, reimbursement should be continued at double rates.

Fixed Medical Allowance for Serving Employees

There are numerous remote and difficult areas where access to adequate medical facilities is limited or unavailable. Employees posted in such locations, along with their family members, face significant hardship in obtaining timely medical care and are often compelled to rely on locally available systems such as homeopathy, ayurvedic, or naturopathic treatment. In the absence of proper OPD facilities and reimbursement mechanisms, this results in additional out-of-pocket expenditure. It is therefore proposed that a Fixed Medical Allowance of ₹5,000 plus DA per month be granted to such employees to meet routine OPD-related expenses. This allowance was earlier discontinued by the Government; however, there is an urgent need for its revival to address the genuine difficulties faced in remote postings and to ensure basic medical support.

Advances

In view of the persistently high rates of interest being charged by nationalized and private sector banks on various categories of loans, it is proposed that the Government of India, as a welfare-oriented and model employer, should extend greater financial support to its employees by providing interest-free advances.

Central Government employees often rely on institutional borrowing to meet essential needs such as housing, education, transportation, and technological requirements. The burden of high interest rates significantly affects their financial stability and overall well-being. In this context, it is both appropriate and desirable that the Government steps in to alleviate such financial pressures.

As a progressive welfare measure, it is proposed that certain advances be provided to Central Government employees without charging any interest. Additionally, some previously discontinued advances may be reintroduced in the interest of employee welfare and productivity.

The following advances are recommended:

1. **Computer/ Mobile Advance (Interest-Free)**

To promote digital literacy, efficiency, and e-governance readiness among employees, interest-free computer advances as per actual cost upto maximum ₹ 2,00,000 should be provided for the purchase of computers, laptops, tablets, mobiles and related accessories.

2. **House Building Advance (Interest-Free)**

Considering the rising cost of housing and the fundamental need for secure accommodation, house building advances at the rate of estimated cost or 50 times of the basic pay of the employees, whichever is lower should be extended without interest to enable employees to construct or purchase residential property.

3. **Revival of Festival Advance (Interest-Free)**

The festival advance, which was previously available, should be restored and granted at the rate of one-month salary, recoverable in 10 instalments, to support employees in meeting additional financial requirements during major festivals, thereby promoting cultural and social well-being.

4. **Introduction of Two/ Four-Wheeler Advance (Interest-Free)**

The Advance should be granted at the rate of on-road price of the vehicle.


5. **Natural Calamity Advance (Interest-Free) – Proposal for Restoration**

Various parts of the country sometimes affect by natural calamities such as unprecedented rainfall, floods, cyclones, droughts, and other extreme weather events. These disasters cause significant financial distress and disruption to the lives of Central Government employees posted in affected regions.

Earlier, Central Government employees were eligible for a **Natural Calamity Advance** to help them cope with immediate financial requirements arising out of such emergencies. However, this facility has since been withdrawn, leaving employees to depend on high-interest loans from external sources during times of crisis.

It is proposed that the Natural Calamity Advance be **restored as an interest-free advance** at the rate of **one month salary** as a part of employee welfare measures. As a responsible and model employer, the Government should extend timely financial assistance to its employees during such unforeseen and distressing situations.

Sincerely Yours


(Rabindra Kr Mishra)
General Secretary