



Chhattisgarh Govt Announces DA Hike for State Employees | Chhattisgarh | 18 Oct 2024

Why in News?

Recently, the Chhattisgarh government announced a 4% hike in [Dearness Allowance \(DA\)](#) for its employees ahead of [Diwali](#).

Key Points

- **DA Hike Details:**
 - The Chhattisgarh government increased **DA by 4%**, benefiting state employees and pensioners.
 - This brings the total **DA to 42% of the basic salary**, aligning with the [Seventh Pay Commission's](#) recommendations.
- **Dearness Allowance (DA):**
 - It is the cost-of-living adjustment to offset inflation, provided to government employees and pensioners. It is calculated as a percentage of the basic salary.
- **Impact on Economy:**
 - **Increased Consumer Spending:** The hike boosts disposable income, especially around festive periods, spurring consumer demand.
 - **Inflation Control:** DA helps employees manage inflation, but an increase in demand could potentially raise inflation if supply doesn't keep pace.
 - **Fiscal Pressure:** For the government, DA hikes increase expenditure, which may strain the fiscal budget but stimulate economic growth through consumption.

Pay Commission

- The Pay Commission is a body set up by the **Central Government** that reviews and recommends changes to the **salary structure of employees**.
- The composition of the Pay Commission comes under the **Department of Expenditure (Ministry of Finance)**.
- Pay commissions are usually constituted every 10 years and the first pay commission was set up in 1946. Since Independence, a total of **seven pay commissions** have been formed.
- The **latest pay commission was set up in 2014** and its recommendations came into effect in 2016. Currently, central government employees and pensioners get salaries based on the recommendations of the **7th pay commission**.
- It is **not mandatory** for the government to accept the recommendations of the pay commission. The government may choose to accept or reject the recommendations.