

7th Pay Commission: Notification of higher allowance likely to be issued in February 2017, hike in basic pay unlikely

New Delhi, Dec 12: Central government employees may get higher allowances under the 7th Pay Commission recommendations from February, 2017. The government is planning to pay higher allowance under the 7th Pay Commission recommendations from February to minimise the expenditures. The extension of two months for the 7th pay commission recommendation might receive higher notification thus pushing it forward to the next fiscal year rather than initiating from this year, said a Fab News report. The recommendation for a hike in salaries will be considered from February 2017 and only be applied from the next fiscal year i.e. April 2017, it said further.

The government is in dilemma on the subject of issuing of notification of higher allowances under 7th pay commission recommendations since the announcement of the demonetisation of old Rs 500 and Rs 1000 currency notes. The central government employees have been waiting for fatter allowance since July when the notification for the implementation of the 7th Pay Commission recommendations was issued.

The government is now planning to pay higher allowances from February, with retrospective effect from August 2016, however central government employees unions demanded for implementation of the allowances with retrospective effect from January 2016. There have been reports that the notification for the implementation of higher allowance, under the 7th Pay Commission recommendations, may be issued after January 2017. No final decision has been taken so far.

“The committee on Allowances has finalized the proposal on the allowances but the government don’t need to it now. The government will decide to review all situation in respect of cash crunch and to look at it, the Finance Minister Arun Jaitley is looking at all situations to normalize cash crunch to receive report on higher allowances,” a Finance Ministry official was quoted as saying by the *Sen Times*. The shortage of cash following the demonetisation drive of Prime Minister Narendra Modi, compelled central government to keep in abeyance the higher allowances till things normalize, said the official.

The government issued the 7th Pay Commission notification in July, making 14.27 per cent hike in basic pay at junior levels, which is the lowest in 70 years. The government is yet to take final call on raising allowances.

Source: India.com