



# State Government's Big Decision in the Interest of Pensioners

## Why In News?

- On November 30, 2022, the Madhya Pradesh state government took a big decision in the interest of pensioners and increased the rate of dearness relief on pension to pensioners and family pensioners on the 6th and 7<sup>th</sup> pay scales from October 1, 2022. The increased amount will be payable from November 2022. The Finance Department has issued orders to this effect.

## Key Points

- After the 12 per cent hike in the sixth pay scale, the rate of dearness relief has now gone up to 201 per cent. With the increase of 5 percent in the seventh pay scale, the inflation relief rate has increased to 33 percent.
- Prior to the issuance of the order, inflation relief was being available at the rate of 189 percent on basic pension and family pension in the 6th pay scale and 28 percent in the 7th pay scale. According to the order, dearness relief will also be payable on additional pension payable to pensioners aged 80 years and above.
- Dearness relief will also be payable on superannuation, retirement, disability and indemnity pension. Employees who have been dismissed from service or removed from service will also be eligible for dearness relief on compassionate allowance accepted and dearness relief will also be payable to pensioners receiving family pension and extraordinary pension as per the order of the Finance Department.
- If a person has been kept in service on compassionate grounds due to the death of his/her spouse, dearness relief on family pension will not be eligible in such cases. If the spouse is in service at the time of his death, he will be eligible for dearness relief on family pension payable on account of death of spouse. Dearness relief will be payable on their basic pension to such pensioners who have summarized a part of their pension.
- The order will also apply to retired employees of the state government who have drawn a lump sum amount on merger in undertakings, autonomous institutions, mandals, corporations etc. and who have become eligible for repatriation of one-third of the pension.
- The director pension has been instructed to conduct sample checks in the branches of the bank and adjust it in the payments for the next month in case of discrepancy. All pension disbursing officers have been directed to ensure payment of approved dearness relief to pensioners keeping in view the provisions of Madhya Pradesh Treasury Code 2020.