



GOVERNMENT OF KERALA

Abstract

Pay Revision 2019 - House Rent Allowance - Note clarified - Orders issued.

FINANCE (PAY REVISION CELL-B) DEPARTMENT

G.O.(P)No.89/2025/(85)/FIN

Dated, Thiruvananthapuram, 11-07-2025

Read 1 G.O.(P) No. 27/2021/Fin. dated 10.02.2021

2 G.O.(P) No. 7/2016/Fin dated 20.01.2016

ORDER

Government, vide 1st paper above have issued orders revising the pay and allowances of State Government employees and Teachers with effect from 01.07.2019, where in the existing slab system of fixed amount of House Rent Allowance on the basis of different pay ranges continued in the erstwhile pay revision orders were dispensed with, with effect from 28.02.2021 and instead, the rate of House Rent Allowance is computed as percentage of basic pay.

2) In the new system of House Rent Allowance implemented in the Government order read as 1st paper above, it is also specified that an employee working within 1 km from the corporation limits and was enjoying HRA at the corporation rates will be entitled for a 10% hike in the existing amount of HRA or the new rate applicable to their places whichever is higher. The above note is incorporated to ensure a minimum hike of 10% in the amount of HRA already enjoyed by the employees.

3) In 10th Pay Revision Order issued as per Government Order read as 2nd paper above, House Rent Allowance was sanctioned to the employees based on a slab system wherein, the employees were categorized into four slabs based on their basic pay and area of working. Also, in Note 3 below para 14 of the 10th Pay Revision Order, it was mentioned that the Government institutions situated within 1 kilometer from the Corporation of Thiruvananthapuram, Kollam,

Kochi, Thrissur, Kozhikkode and Kannur would be considered as B2 Class Cities and above for the purpose of granting HRA and City Compensatory Allowance. Thus employees working in the Government Offices which are situated within a radius of 1 kilometer from Corporation limits were entitled for HRA at the rate of B2 Class Cities and above during the tenure of 10th Pay Revision.

4) As per the XI Pay Revision Order read as 1st paper above, Government have implemented the new system of HRA as a fixed percentage of basic pay according to the class in which working place belongs to and have decided to discontinue the existing slab system of computing HRA with effect from 28.02.2021, agreeing to the recommendations of XI Pay Revision Commission in toto. The exemption to the institutions situated within 1 km from the city limits prevailing in the previous pay revision period is taken away with effect from 28.02.2021. Government have ensured a minimum hike of 10% in the amount of HRA already enjoyed by the employees from 01.02.2016 to 28.02.2021, as per Note 1 below Para 12 of the Government Order read as 1st paper above.

5) This is a policy matter which comes within the realm of the Government and it is the discretion of the Government, both Centre and State to decide on the pay and allowances applicable to the employees coming under its control. The pay and allowances mentioned in a particular pay revision order are meant only for the respective pay revision period.

6) A lot of litigation are received claiming for HRA at a revised rate of 10% of Basic Pay, mistakenly treating the area at which they are working as Class A category. Government have examined the matter in detail and in order to bring more clarity and reinforcing the fact that benefit of HRA already enjoyed by the employees from 01.02.2016 to 28.02.2021 are not reduced, "the existing amount of HRA" mentioned in Note (1) below Para 12 with respect to House Rent Allowance in the Government Order read as 1st paper above, is clarified as "the amount of HRA drawn by the employees from 01.02.2016 to 28.02.2021".

7) The Government Order read as 1st paper above stands clarified to this extent.

Some illustrations for computation of House Rent Allowance

are shown below:

Case 1

HRA of an employee drawing pre-revised basic pay of Rs.75600 in the scale of pay of Rs. 39500-83000 as on 28.02.2021 is revised with effect from 01.03.2021 as follows.

Pre-Revised HRA

Basic Pay as on 28.02.2021: Rs. 75600

Scale of Pay: Rs. 39500-83000

Classification of Place: Other Places within 1 KM from Corporation boundary

Pre-revised HRA: Rs. 2000

Revised HRA based on Class D - Panchayath area

Basic Pay as on 01.03.2021: Rs.105300

Scale of Pay: Rs. 55200-115300

HRA @ 4% of the Revised Basic Pay: Rs.4212

HRA @ 10% hike in the Pre-revised amount of HRA: Rs.2200

Hence the employee is eligible for Revised HRA of Rs. 4212 as per Note 1 below Para 12 of G.O (P) No. 27/2021/Fin dated 10.02.2021

Case 2

An employee drawing a basic pay of Rs.20000 in the scale of pay 16500-35700 as on 28.02.2021 is revised with effect from 01.03.2021 as follows.

Pre-Revised HRA

Basic Pay as on 28.02.2021: Rs. 20000

Scale of Pay: 16500-35700

Classification of Place: Other Places within 1 KM from Corporation boundary

Pre-revised HRA: Rs.1500

Revised HRA based on Class D - Panchayath area

Basic Pay as on 01.03.2021: Rs.27900

Scale of Pay: 23000-50200

HRA @ 4% of the Revised Basic Pay: Rs.1116

HRA @ 10% hike in the Pre-revised amount of HRA: Rs.1650

Hence the employee is eligible for 10% hike in the pre-revised HRA i.e, Rs. 1650 as per Note 1 below Para 12 of G.O (P) No. 27/2021/Fin dated 10.02.2021.

(By order of the Governor)

K R JYOTHILAL

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Thiruvananthapuram

The Accountant General (Audit II), Kerala, Thiruvananthapuram

All Heads of Departments

All Departments of Secretariat

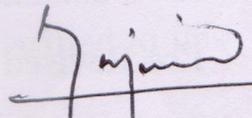
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