



GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Leave - Encashment of leave on Half Pay at the time of retirement of Government Employees –
Orders - Issued.

FINANCE PLG. (FIN. WING. F.R.I.) DEPARTMENT

G.O.Ms. No. 342.

Date: 30-9-1994.

Read the following :-.

1. G.O. Ms. No. 46, G.A.(Ser.Wel)Department, dated 28-1-1994.
2. O.M.No.P . 14025/11/82-Esst(Leave) , dated.25-08-1983 of Department of Personnel and Training, Government of India.
3. O.M.No.P . 14020/1/90-Esst(I) , dated.6-4-1993of Department of Personnel and Training, Government of India.
4. Recommendations of High Power Committee.

APUS

ORDER :-

1. The Joint Action Committee Employees, Teachers and workers of Andhra Pradesh have represented among others, that the Government of India issued orders for encashing the half pay leave at the time of retirement and the same benefit may be extended to the state Government employees also.
2. In the Government Orders first read above, Government have constituted a High Power Committee of Secretaries to Government under the Chairmanship of Sri A.V.Reddy, IAS to examine and recommend on the various demands put forth by the employees. The High Power Committee among the other recommended that the benefit of encashment of leave on Half Pay on retirement as is applicable to the employees of the Government of India, may be extended to the State Government employees also.
3. As per Rule 39(5) of Central Civil Services (Leave) Rules, 1972, a Government Servant who retires on retiring pension may be granted cash equivalent of the Leave salary in respect of Earned Leave at his credit subject to a maximum of 240 days and

also in respect of all half pay leave at his credit provided that this period (E.L.+H.P.L) does not exceed the period between the date on which he so retires or is retired from service and the date on which he would have retired on attaining the age prescribed for retirement under the terms & conditions governing his service. The cash equivalent shall be equal to the leave salary as admissible for Earned Leave and/or equal to the leave salary as admissible for half pay leave plus Dearness Allowance admissible on the leave salary for the first 240 days , at the rates in force on the date the Government servant so retires or is retired from service. The pension and pension equivalent of other retirement benefits and adhoc relief graded relief on pension shall be deducted from the leave salary paid for the period of half pay leave if any for which the cash equivalent is payable. The amount so calculated shall be paid in one lumps as a one time settlement, No House Rent Allowance or City Compensatory Allowance shall be payable, provided that if leave salary for the half pay leave component falls short of pension and other pensionary benefits, cash equivalent of half pay leave shall not be granted.

- 4 As per the Rule 39-B of central Civil Services(Leave) Rules, 1972, a Government servant who retires or is retired on invalidation for further service may be granted cash equivalent of leave salary in respect of leave due and admissible on the date of the retirement on invalidation from service provided that the period of leave for which he is granted cash equivalent does not extend beyond the date on which he would have retired in the normal course after attaining the age of superannuation. The cash equivalent payable shall be equal to the leave salary as calculated under Rule39(5) of the central Civil Services (leave) rules, 1972.
- 5 There is no provision in the central Civil Services(Leave) Rules, 1972 , for the payment of cash equivalent to Half Pay Leave to the employees (i) in the case of a Government Servant s compulsorily retired as a measure of penalty, (ii) in the case of a Government Servant whose services are terminated by notice or payment of pay and allowances in lieu of such notice, (iii) in the case of a Government Servant who resigns/quits the service, and (vi) to a Government Servant who is re employees after retirement.
- 6 In the Office Memorandum, of Government of India second read above , it was ordered that the encashment of Earned Leave due and admissible subject to a maximum of 240 days , may be allowed to the Government Servants in case of premature/voluntary retirement or retirement to invalidation, even if this exceeds the period between the date on which the officer retires and the date on which he would have retired in the normal course on superannuation.
- 7 In the Office Memorandum, of Government of India third read above ,it was order that entire Half Pay Leave at the credit of Government Servants who retire on superannuation shall be allowed to be encashed subject to the condition that pension & pension equivalent of other retirement benefits shall be deducted from the amount payable as cash equivalent.
- 8 The following formula for calculation of cash equivalent of Half Pay Leave was also specified on Office Memorandum No.P.14025/5/81, Estt(L) dated 30-10-1982 of Government of India and in the Office Memorandum, of Government of India third read above.

Cash payment	Half pay leave salary plus	Number of days of HPL
In lieu of	D.A.if admissible (minus)	due on the date of retire
Half pay	pension, Pension equivalent	ment /quitting the service
Leave component =	to gratuity and relief on	‘subject to the limits
	Pension, if DA is admissible X	prescribed under the
	On Halfpay leave	rule

9 (i) After careful examination of the matter, the Government have decided to accept the recommendation of the High Power Committee and to extend the benefit of encashment of half Pay Leave at the credit of the State Government Servants on their retirement, as is applicable to Central Government Employees. All the state Government Employees who retire or are retired on superannuation pension or on retiring pension or on invalid pension are eligible for the encashment of leave on half pay at their credit on the date of retirement/in-validation.

(ii) In the case of employees retiring pension and on invalid pension, the total period of encashment of earned Leave plus Half Pay Leave (both put together) shall not exceed the period between the date on which the employee so retired from service and the date on which the employee would have retired in the normal course after attaining the age of superannuation as per rules. However, such Government servants may be allowed the encashment of earned leave up to a maximum of 240 days even if this (i.e., 240 days) exceeds the period between the date on which the employee retires and the date on which the employee would have retired in the normal course on superannuation.

(a) the cash equivalent of leave salary on account of encashment of leave on half pay ordered in the above para shall be calculated in the manner indicated below:

	Leave salary on half Pay (plus) DA there on If admissible (minutes)		Number of days leave on half pay due on the date of retirement subject to the limits prescribed in the rules
Cash Payment	Pension , pension	X	
In lieu of	Equivalent to gratuity		
Leave on	And dearness relief on		
Half pay	Pension.		
encashed =			

(b) house rent allowance and city compensatory Allowance shall not be payable.

(c) The pension Equivalent Gratuity shall be calculated with reference to the table in the Andhra Pradesh Civil Pensions(commutation) Rules. 1944

(d) If the total amount of leave salary for the value half pay component plus Dearness allowance there on if admissible falls shorts of the total amount of pension + Pension equivalent to Gratuity + Dearness relief on pension, the cash equivalent of leave on half pay shall not be granted.

10 These orders are not applicable to those State Government Servants:

- i) Who are compulsorily retired.
- ii) Who have resigned/quit service: and
- iii) Who are re-employed after retirement

11 These orders shall come into force with effect from 1-9-1994 i.e., applicable only to the cases of retirements on or after 30-9-1994.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

A.R.JAYA PRAKASH,
Special Secretary to Government