



**PBC No: 108/2022**

दक्षिण रेलवे Southern Railway  
प्रधान मुख्य कार्मिक अधिकारी का कार्यालय  
Office of the Principal Chief Personnel Officer  
मुख्य कार्यालय, कार्मिक विभाग, चेन्नै-600003  
Headquarters, Personnel Department, Chennai-600003

सं/No: P(R)420/VI PC/Encashment

दिनांक/Dated: 05.07.2022

**All Concerned**

विषय /Sub: **Compilation of instructions/ clarifications issued by  
Railway Board regarding Encashment of leave**

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A Compilation of Railway Board's orders on Encashment of leave while in service, and Leave encashment at the time of termination from Railway service are enclosed for information, guidance and necessary action.

Encl: 5

Copy to: The General Secretary/SRMU  
The General Secretary/AISCTREA  
The General Secretary/AIOBCREA  
The General Secretary/NFIR

IT Section/PB/HQ - to upload in the SR website

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**Deputy Chief Personnel Officer/ Co-ordn  
for Principal Chief Personnel Officer**

<b><u>COMPILATION OF BOARD'S ORDERS ON ENCASHMENT OF LEAVE IN SERVICE</u></b>	
Sl. No	Gist of the letter
1	<p>Encashment of Leave on Average Pay along with Railway Pass while in service: A Railway Servant shall be permitted to encash leave on average pay upto 10 days at the time of availing of Railway passes while in service, subject to the conditions that</p> <ul style="list-style-type: none"> <li>i) leave on average pay of at least an equivalent duration is also availed of simultaneously;</li> <li>ii) a balance of at least 30 days of LAP should be available to his credit after taking into account the period of encashment as well as leave availed of;</li> <li>iii) the total leave so encashed during the entire career shall not exceed 60 days in the aggregate subject to the condition that successive encashment cannot be made before a minimum period of two years has elapsed;</li> <li>iv) cash equivalent shall be calculated as Pay+GP+DA x Max 10 days/30 and no HRA or Transport allowance shall be payable;</li> <li>v) the period of leave encashed shall not be deducted from the quantum of leave encashable under Rule 550 wef 01.09.2008.</li> </ul> <p style="text-align: right;"><b><a href="#">F(E)III/2008/LE-1/1 dt 29.10.2008 (RBE 161/2008; PBC 181/2008)</a></b></p>
2	<p>The term 'passes' for the purpose of leave encashment would include Privilege Passes as well as Privilege Ticket Orders.</p> <p style="text-align: right;"><b><a href="#">F(E)III/2008/LE-1/1 dt 03.12.2008 (RBE 194/2008; PBC 218/2008)</a></b></p>
3	<p>Railway servants who are directly engaged in running of trains viz all the running staff including Drivers, Assistant Drivers, Motormen, Shunters, Guards etc and Station Masters/ Assistant Station Masters should be exempted from the requirement of availing of passes and equal duration of LAP for availing the benefit of encashment of 10 days of LAP. Therefore encashment of LAP upto 10 days to employees of the above categories may be sanctioned without insisting on them to avail Railway passes and apply for LAP of equal duration.</p> <p style="text-align: right;"><b><a href="#">F(E)III/2008/LE-1/1 dt 12.12.2008 (RBE 196/2008; PBC 225/2008)</a></b></p>
4	<p>In partial modification of the earlier instructions contained in letters of even number dated 29.10.2008 &amp; 03.12.2008, it has been decided to permit Railway servants encashment of LAP upto 10 days without any linkage to the number of days and nature of leave availed at the time of availing Passes/PTOs with effect from 11.06.2009</p> <p style="text-align: right;"><b><a href="#">F(E)III/2008/LE-1/1 dt 11.06.2009 (RBE 104/2009; PBC 114/2009)</a></b></p>
5	<p>Joint Procedure order -VI PC - Encashment of Leave on average pay along with Railway Pass while in service.</p> <p style="text-align: right;"><b><a href="#">P(R)420/VI PC/Encashment dated 25.08.2009</a></b></p>
6	<p>The exemption granted to staff of running categories vide letter dated 12.12.2008 is withdrawn with immediate effect. Accordingly, henceforth the categories of running staff and Station Masters/ Assistant Station Masters shall also have to fulfill all the conditions prescribed for railway employees in general for the purpose of availing encashment of LAP upto 10 days while availing Passes/PTOs.</p> <p style="text-align: right;"><b><a href="#">F(E)III/2008/LE-1/1 dt 01.09.2009 (RBE 157/2009; PBC 202/2009)</a></b></p>
7	<p>It is clarified that (i) Central Govt employees governed by CCS(Leave) Rules, 1972 who are entitled to LTC but opt for the facility of LTC provided to their spouses employed in PSUs/Corpns/Autonomous Bodies etc and (ii) Central Govt employees governed by CCS(Leave) Rules, 1972 who are otherwise not entitled to LTC, on account of their spouse being employed in Indian Railway /National Airlines who are entitled to privilege passes/ concessional tickets, are entitled to leave encashment while availing the LTC facility of their spouse/ privilege passes/ concessional tickets of their spouse on fulfilment of all the conditions as stipulated in Rule 38 A of CCS (Leave) Rules, 1972, twice in a four years block of LTC.</p> <p style="text-align: right;"><b><a href="#">(RBE 208/2009 - PBC 255/2009)</a></b></p>

8	<p>The period of two years for the purpose of successive encashment of LAP shall be with respect to a two year block, the first one commencing from 01.09.2008 and ending on 31.08.2010 w.r.t the outward journey performed. The next block would commence from 01.09.2010 and end on 31.08.2012 and successive blocks would follow similar pattern</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt 02.02.2011 (RBE 15/2011; PBC 17/2011)</b></p>
9	<p>It is clarified that in order to claim encashment of LAP while availing Privilege Pass/PTO, in terms of the provisions contained in Rule 540A/R-I 1985 Edition and as modified/clarified from time to time, Railway employees are required to avail leave, including casual leave. Holidays, including Restricted Holidays, do not come within the ambit of the definition of leave.</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt 22.06.2011 (RBE 95/2011; PBC 117/2011)</b></p>
10	<p>After taking into account the nature of running staff including Drivers, Assistant Drivers, Motormen, Shunters, Guards, etc and Station Masters/Assistant Station Masters, it has been decided to permit encashment of leave to the aforesaid Railway servants in cases where leave is refused but Pass/PTO is availed.</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt 07.05.2012 (RBE 61/2012; PBC 85/2012)</b></p>
11	<p>Non-practicing Allowance (NPA) shall be taken into account for calculating encashment of LAP while availing Privilege Pass/PTO</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt 30.05.2012 (RBE 67/2011; PBC 94/2012)</b></p>
12	<p>Board has agreed to allow leave encashment to the employees who have failed to avail the same during the previous block period (first three block periods) despite fulfilling the condition of availing of Pass/PTO and leave during the block, as one time exemption, with the condition that leave encashment will be made at the rate of pay applicable at the time of availing of leave, subject to fulfillment of the conditions as laid down in RB letter of even nos dated 29.10.2008 and 11.06.2009, as applicable on the day of leave availed with the approval of leave sanctioning authority. the above relaxation is made as one time measure and the employees have to apply for the same along with proof of grant of leave and pass during the block period within four months from the date of issue of this letter.</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt 15.12.2014 (RBE 141/2014; PBC 217/2014)</b></p>
13	<p>It is clarified that in the case of Running Staff, the calculation of leave encashment upto 10 days will be done in the same manner as in the case of leave salary in terms of Rule 25(i)(k) of "The Rules for the payment of running and other allowances to the running staff on Railways, 1981, other terms and conditions on encashment of leave remaining the same. Illustration: A=(Basic Pay + 30% of BP); B=DA% on A; Leave encashment for 1 day = A+B/30</p>
	<p align="center"><b>E(P&amp;A)II-2011/RS-20 dated 12.02.2015 (RBE 10/2015; PBC 17/2015)</b></p>
14	<p>It is clarified that Leave encashment with LTC in terms of Rule 38A of CCS(Leave) Rules, which corresponds to Rule 540 A of IREC I, encashment of Earned leave is to be calculated on pay admissible on the date of availing LTC and DA admissible on that date. If pay or DA admissible has been revised with retrospective effect, going by the rule, the Govt servant would be entitled to encashment of leave on revised rates.</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt. 16.12.2016 (PBC No.185/2016)</b></p>
15	<p>Railway employees who failed to avail of the benefit of encashment of leave in the preceding block period of two years, which ended on 31.08.2016 and onwards, can avail of the same within the first year of the succeeding block period of two years by fulfilling all conditions stipulated in this regard.</p>
	<p align="center"><b>F(E)III/2008/LE-1/1 dt. 16.05.2017 (RBE No.48/2017; PBC No.75/2017)</b></p>

16	Board has decided that since Railway employees have been allowed optional AILTC in accordance with the CCS(Leave Travel Concession) Rules, 1988, Railway servants availing the facility of AILTC in terms of instructions contained in RBE 130/2018, may also be allowed to encash LAP upto 10 days. In terms of para 3 of the DoPT O.M dt 27.03.2018, the spouse of Govt employees working in Railways, may be allowed to avail encashment of leave upto 10 days on the AILTC availed by the Govt employee in terms of para 2(ix) of the above DoPT OM dt.27.03.2018.
	<b>(RBE 157/2018- PBC 221/2018)</b>
17	Cash equivalent to deemed AILTC and Leave encashment extended to Railway employees also - Guidelines thereof
	<b>(RBE 95/2020 - PBC 10/2021)</b>
18	It is clarified that drawal of Pass/PTO cannot be construed as availing of Pass/PTO. Only if booking of ticket and travel is made on a Pass/PTO, it can be considered as availing of Pass/PTO for all purposes, unless specifically stipulated otherwise.
	<b>E(W)2021/PS5-2/12 dt.28.07.2021 (PBC No.135/2021)</b>

### Part II

<b><u>COMPILATION OF BOARD'S ORDERS ON LEAVE ENCASHMENT ON TERMINATION FROM RAILWAY SERVICE</u></b>	
Sl. No	Gist of the letter
1	Consequent on the recommendations of the V CPC relating to leave, the President is pleased to decide that the existing provisions in Rule 523(2) R.I of the Liberalised Leave Rules, 1949 may be modified. The existing ceiling of 240 days on accumulation of Leave on Average Pay shall be enhanced to 300 days with effect from 01.07.1997.
	<b>(RBE 155/97 - PBC 161/97)</b>
2	The existing ceiling of 240 days for availing of the benefit of encashment of unutilised leave on average pay shall be increased to 300 days in respect of (i) retirement on attaining the age of superannuation; (ii) cases where the service of a Railway servant has been extended in the interest of public service, beyond the date of retirement on superannuation; (iii) voluntary/pre-mature retirement; (iv) cases where the services of a Railway servant are terminated by notice or payment of pay & allowances in lieu of notice, or otherwise in accordance with the terms and conditions of his/her appointment; (v) termination of re-employment after retirement; (vi) death of a Railway servant while in service to the family of the deceased; (vii) leave preparatory to retirement; (viii) transfer of a Railway servant to an industrial establishment; (ix) and on absorption of a Railway servant in a Central Public Sector Undertaking/ autonomous body wholly or substantially owned or controlled by the Central State Government. (b) A Railway servant who resigns or quits service shall be entitled to cash equivalent in respect of LAP at credit on the date of cessation of service, to the extent of half of such leave at his credit, subject to a maximum of 150 days.
	<b>(RBE 157/97 - PBC 169/97)</b>
3	Ceiling on encashment of leave on LAP increased from 240 to 300 - ACS No.62 & 63 of Chapter V of IREC Vol I wef 01.07.1997
	<b>F(E)III/97/LE1/8 dt. 04.09.1998 (RBE 93/1998; PBC 145/1998)</b>
4	Procedure for crediting LAP for Railway employees - clarification thereof
	<b>(RBE 156/99 - PBC 110/99)</b>

5	<p>It is clarified that there is no provision for payment of leave salary liabilities by the Railways/ Government at the time of absorption of the Railway/Govt servant. Encashment of unutilised leave in the credit of the absorbed employees at the time of retirement/ superannuation is to be paid from the budget of PSU/Autonomous body. This is applicable only in cases of those employees who get absorbed in PSUs/Autonomous Body or a Public Sector Undertaking and opt for pensionary benefits on the basis of combined service rendered by them in the Govt/Railways and in PSU/Autonomous Body, not in other cases of permanent absorption.</p> <p style="text-align: right;"><b>F(E)III/2003/PN1/1 dt. 03.03.2008 (RBE 28/2008; PBC 34/2008)</b></p>
6	<p>For the purposes of payment of encashment of leave to a person dying in harness under the provisions of Rule 549A of the Railway Services (Liberalised Leave) Rules, 1949 under Chapter V of IREC Vol I, the amount should be paid to the relations as per the following order:</p> <ol style="list-style-type: none"> <li>(1) Widow or the eldest surviving widow (wrt to date of marriage) or husband;</li> <li>(2) the eldest surviving son or an adopted son;</li> <li>(3) the eldest surviving unmarried daughter;</li> <li>(4) the eldest surviving widowed daughter;</li> <li>(5) the father;</li> <li>(6) the mother;</li> <li>(7) the eldest surviving married daughter;</li> <li>(8) the eldest surviving brother below the age of 18 years;</li> <li>(9) the eldest surviving unmarried sister;</li> <li>(10) the eldest surviving widowed sister; and</li> <li>(11) the eldest child of the eldest predeceased son.</li> </ol> <p>These orders shall take effect from 01.09.2008</p> <p style="text-align: right;"><b>F(E)III/2008/LE-1/2 dt 08.10.2008 (RBE 147/2008; PBC 160/2008)</b></p>
7	<p>Both Earned Leave and Half Pay Leave shall be considered for encashment of leave subject to overall limit of 300 days. The cash equivalent payable for Earned Leave shall continue unchanged. However, cash equivalent payable for Half Pay Leave shall be equal to leave salary as admissible for Half Pay Leave plus DA admissible on the leave salary without any reduction being made on account of pension and pension equivalent of other retirement benefits payable. To make up the shortfall in EL, no commutation of HPL shall be permissible. The cash equivalent for Half pay leave component shall henceforth be calculated as = HPL admissible on DOR plus DA admissible on that date/30 x No. of days of HPL at credit subject to the total of EL and HPL at credit not exceeding 300 days wef 01.09.2008</p> <p style="text-align: right;"><b>F(E)III/2008/LE-1/2 dt 08.10.2008 (RBE 148/2008; PBC 161/2008)</b></p>
8	<p>In terms of this office letter of even number dated 08.10.2008, both LAP and LHAP are to be considered for encashment at the time of retirement, subject to the overall limit of 300 days. These instructions are not applicable in the case of permanent absorption of railway employees in PSUs/Autonomous Bodies. In other words, the existing provision of forfeiture of LHAP standing at the credit of such Railway servants on absorption in PSUs/Autonomous bodies shall continue to be in force.</p> <p style="text-align: right;"><b>F(E)III/2008/LE-1/2 dt 15.07.2009 (RBE 130/2009; PBC 159/2009)</b></p>
9	<p>The benefit of encashment of leave for both earned leave and half pay leave subject to overall limit of 300 days shall be effective from 01.01.2006 instead of 01.09.2008. The benefit will be admissible in respect of past cases on receipt of applications to that effect from the pensioners concerned by the Administrative Ministry concerned. ii) In respect of retirees who have already received encashment of earned leave of maximum limit of 300 days together with encashment of HPL standing at their credit on the date of retirement, such cases need not be reopened. However, such cases in which there was a shortfall in reaching the maximum limit of 300 days can be reopened. iii) Calculation of cash equivalent in respect of HPL at credit shall be made mutatis mutandis in the manner given in this Dept OM of even no. dated 25.09.2008.</p> <p style="text-align: right;"><b>F(E)III/2008/LE-1/2 dt 24.11.2009 (RBE 204/2009; PBC 250/2009)</b></p>

10	Re-employed Railway pensioners will be entitled to encashment of LAP while availing Pass/PTO during the period of re-employment upto the overall limit of 60 days in accordance with Rule 540 A of IREC Vol.I (including the number of days for which encashment has been allowed at the time of availing Pass/PTO while in service) provided, he is entitled to Pass/PTO. <b>(RBE 43/2010; PBC 49/2010)</b>
11	<b>Amendment to IREC Vol.I- Chapter V - Leave Rules - ACS 111 &amp; 112</b> <b>F(E)III/2008/LE-1/2 dt 12.05.2010 (RBE 53/2010; PBC 58/2010)</b>
12	The benefit of encashment of LHAP admissible in terms of the instructions contained in DoP&T letter dated 24.11.2009, has been extended to such railway servants who retired during the period from 01.01.2006 till 31.08.2008, but who expired before availing themselves of the benefit envisaged in this office letter of even number dated 08.10.2008, may be extended to the spouse/members of the family of such retirees on receipt of a written request from the spouse/eligible members of the family, on fulfillment of the prescribed conditions, subject to the overall limit of 300 days of both LAP and LHAP. <b>F(E)III/2008/LE-1/2 dt 19.04.2010 (RBE 56/2010; PBC 60/2010)</b>
13	It is clarified that as per Rule 924 (i)(k) of IREM I and para 3.23 of Board's letter No.E(P&A)II-80/RS-10 dt. 17.07.1981, 30% pay element will be reckoned for calculation of leave salary of running staff for the period from 01.01.2006 to 31.08.2008 also, consequent to implementation of VI PC <b>(RBE 148/2017 - PBC 201/2017)</b>
14	Rule 550(A)(1)(C) of IREC Vol.II provides: to make up the shortfall in earned leave for leave encashment on retirement, no commutation of half pay leave shall be permissible. <b>F(E)III/2008/LE-1/2 dt. 28.06.2019 - PBC 146/2019)</b>
15	It is clarified that as per Rule 1412(III) of IREC Vol.II, and Rule 924 (i)(k) of IREM I and para 3.23 of Board's letter No.E(P&A)II-80/RS-10 dt. 17.07.1981, pay element (presently 30% until further orders) will be reckoned for calculation of leave salary of running staff on revised basic pay in VII PC wef 01.01.2016 <b>(RBE 204/2018 - PBC 66/2021); E(P&amp;A)II-2017/RS-22 dt 29.07.21 (PBC 134/2021)</b>

**Note:** While referring to this compendium, the original letters mentioned herein should be read for proper appreciation. This compendium is only a consolidation of the existing instructions and should not be treated as a substitution to the original circulars. In case of doubt, the original circulars should be relied upon as authority

  
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