

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Leave on Half pay - Encashment of Leave on Half pay at the time of Retirement of Government employees - Further orders - Issued.

**FINANCE & PLANNING (FIN. WING. FR.I) DEPARTMENT**

**G.O.Ms.No. 234.**

**Dated: 27th October, 1998**

Read the following :

1. G.O.Ms. No. 46 G.A.(Ser.Wel) Dept., dt. 28-1-94.
2. O.M.No. 14025/11/82-Estt (L) dt. 25-8-93 of Dept of personnel and Training. Govt. of India.
3. O.M.No. 14020/1/90/ Estt (Leave)dt. 6-4-93. of Dept. of personnel and Training .Govt. of India.
4. Recommendations of the High power Committee.
5. G.O.Ms.No. 342 Fin. & Pig. (PW.FR.I) Department, dt. 30-9-94.
6. O.M.No. 14020/1/90-Estt (L) dt. 13-4-94. of Deptt. of personnel and Training, Govt. of India.
7. Lr. No. PAO/Co-ordn/290/94,dt. 15-11-94 of PAO., Hyderabad.
8. D.O.Lr. No Bills - I Genl/3-17/98, dt. 6-12-95 of Deputy Accountant General, A.P. Hyderabad.
9. O.M.No. 14020/2/93-Estt (L) dt. 29-3-95 of Deptt., of personnel and Training, Govt. of India.
- 10.G.O.(P) No. 21 Fin.& Pig. (FW.PC.I) Dept., dt. 19-01-1994
- 11.Lr. No, 1AW/Genl/Encashment ofHPL/97-98, dt. 29-1-1998 of Internal Audit officer, A.P. Vaidya Vidhana Parishd, Hyderabad.

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**ORDER :**

The Joint Action Committee of Employees, Teachers and Workers of Andhra Pradesh have represented, among others that the Government of India have 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.

In the Government Order first read above, Government have constituted a High power Committee of Secretaries to Government under the Chairmanship of Sri A.V.S. Reddy, IAS to examine and recommend on the various demands put forth by the employees. The High Power Committee, among others, 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. Basing on the representation of the Joint Action Committee of Employees, Teachers and Workers of A.P. and basing on the recommendation of the High power Committee, orders were issued in the Government order fifth read above, extending the benefit of encashment of leave on Half pay to the employees on their retirement as applicable to Government of India Employees.

4. As per para 9 (ii) (a) of the Government Order fifth read above the formula for the calculation of cash equivalent of leave salary on account of encashment of leave on Half pay is follows:

Cash payment in = lieu of leave on half pay encashed	Leave salary on half pay + (Plus)DA thereon if admissible (minus) pen sion, pension equivalent to gratuity and Dearness relief on pension,	Number of days leave on half pay due on the date of retirement subject to the limits prescribed in the rules.
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5. The Pay and Accounts Officer Hyderabad in his letter seventh read above, sought for clarification as to the basis for calculation of pension equivalent to gratuity and also for the cash equivalent.

6. The Internal Audit Officer A.P., Vaidya Vidhna Parishad Hyderabad, in his letter eleventh read above also sought for a clarification regarding the calculation of cash equivalent payable due to encashment of Leave on Half pay on their retirement.

7. In view of the clarification sought for by the Pay and Accounts Officer, Hyderabad and Internal Audit officer, A.P. Vaidya Vidhana Parishad, Hyderabad and also by various administrative departments of Secretariat, the matter has been further examined, in detail, in consultation with the Accountant General, A.P. Hyderabad and the following further orders are issued.

8. The pension equivalent gratuity has to be arrived at basing on the formula indicated below:

Pension Equivalent = Amount of Retirement Gratuity Gratuity 12X commutation factor

Note: The commutation factor has to be adopted from the table prescribed under Rule 10 of the A.P. Civil pensions (commutation) Rules 1944 an extract of which is appended as Annexure I. A few examples are appended for the calculation of pension equivalent Gratuity for the guidance. (Annexure.II)

9. As per the formula indicated in para 4 above, the encashment of leave on half pay is subject to the limits prescribed under the Rule, But the Government of India in their O.M. sixth read above deleted the word "subject to the limits prescribed under the rule" in so far as cases relating to those retired on superannuation. In view of the above, it is considered that the same benefit may be extended to the state Government employees also and the entire half pay leave at their credit may be permitted to be encashed, as per the formula contained in para 4 above, in so far as cases relating to the employees retiring on superannuation.

10. The employees, Government of India are entitled for Dearness allowance only for the first 240 days of leave(earned leave + Leave on half pay)(vide Rule 39(5) of C.C.S (Leave) Rules 1972, as indicated in para. 3. of G.O. 5th read above) But there is no such restriction in the case of state Government employees. The State Government employees are eligible for Dearness allowance along with leave salary while in service even if the total period of earned leave + Leave on half pay put together exceeds 240 days . As the State Government had agreed to extend the same benefit as is admissible to the employees of Government of India in the matter of encashment of Leave on Half pay on retirement to the State Government Employees, it is hereby ordered that in so far as the matter of encashment of leave on Half pay on retirement relates, Dearness allowance is not admissible beyond a period of 240 days of leave (Earned Leave + Leave on half pay together in the case of State Government employees. Therefore, while calculating the cash



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equivalent of leave on half pay, this aspect has to be kept in view.

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11. As per G.O. tenth referred to above, the State Govt. employees drawing pay in the scale of pay up to and inclusive of the scale of pay of Rs. 3110-6380 are eligible for dearness allowance at full rates during the period of leave on half pay, while in service. Further this benefit is not entitled while encashing leave at the time of superannuation such benefit is not admissible to the employees of Govt. of India they are entitled only to proportionate Dearness allowance irrespective of their scale of pay i.e., basing on the half pay. As the decision of the Govt. is to extend the same benefit in the matter of encashment of leave on half pay to State Government employees on par with the employees of Govt. of India, the orders issued in the G.O. tenth read above are not applicable while arriving at the Dearness allowance admissible on leave on half pay in the formula referred to in para 4 above. For purpose of encashment of leave on half pay, only proportionate Dearness admissible to the leave X salary on half pay has to be taken into account to all the categories of State Government employees.

In the O.M. of Govt. of India ninth referred to above, the scheme of encashment of leave on half pay was extended to the employees of Government of India, who die while in service. After careful examination of the matter, it is hereby ordered to extend this scheme of encashment of entire leave on half pay at credit on the date of death to the State Govt. employees who die while in service. For the purpose of Calculating the value of encashment of LHP on the date of death, the amount of family pension may taken into account in place of pension in the formula referred to in para 4 above. This benefit shall come into force with effect from the date of issue of these, orders.

IX The restrictions contained in para 9 (ii) of G.O. fifth read above, in the Case of State Government employees retiring on retiring pension and on invalid pension will continue to apply similarly, the orders issued in para 9(b) 9 (c), 9(d) and para 10 of the G.O. fifth read above will continue to be in force.

14. A check slip for working out the entitlement is appended as Annexure III.

15. All the Departments of Secretariat and all the Heads of Departments are requested to communicate these orders to all the subordinate authorities working under them.

K. PRADEEP CHANDRA,  
SECRETARY TO GOVERNMENT

#### ANNEXURE-I

Commutation Table prescribed under rule 10 (Effective form the 1st August 1971)  
Commutation values for a pension of Rupee 1 per annum

Age next birthday	Commutation value expressed as number of year's purchase
17.	19.28
18.	19.20
19.	19.11
20.	19.01
21.	18.91
22.	18.81
23.	18.70
24.	18.59
25.	18.47
26.	18.34
27.	18.21
28.	18.07
29.	17.93
30.	17.78
31.	17.62

32.	17.46
33.	17.29
34.	17.111
35.	16.92
36.	16.72
37.	16.52
38.	16.31
39.	16.09
40.	15.87
41.	15.64
42.	15.40
43.	15.15
44.	14.90
45.	14.64
46.	14.37
47.	14.10
48.	13.82
49.	13.54
50.	13.25
51.	12.95
52.	12.66
53.	12.35
54.	12.05
55.	11.73
56.	11.42
57.	11.10
58.	10.78
59.	10.46
60.	10.13
61.	9.13
62.	9.48
63.	9.15
64.	8.82
65.	8.50
66.	8.17
67.	7.85
68.	7.53
69.	7.22
70.	6.91
71.	6.60
72.	6.30
73.	6.01
74.	5.72
75.	5.44
76.	5.17
77.	4.90
78.	4.65
79.	4.40
80.	4.17
81.	3.94
82.	3.72
83.	3.52
84.	3.32
85.	3.13

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**ANNEXURE -II**

Examples for the calculation of pension equivalent gratuity.

In the case of employees who retire on attaining the age of superannuation of 58 years.

a) amount of Retirement Gratiuty. Rs. 1,00,000 (presumptive)

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b) Commutation factor as per table in the 10.46 A.P. Civil pensions (commutation) Rules. 1944

c) P.E.G.

$$= \frac{\text{Amount of Retirement Gratuity}}{12X \text{ commutation factor}}$$

$$= \frac{1,00,000}{12X10.46}$$

$$= \frac{1,00,000}{125.52}$$

$$= \text{Rs. 79668 or Rs. 797/-}$$

In the case of employees who retire on attaining the age of superannuation of 60 years i.e. last grade employees.

a) Amount of Retirement Gratuity = Rs. 50,000 / (presumptive)

b) Commutation factor as per the table in the A.P. Civil Pensions (commutation) Rules, 1944. 9.81

c) Pension Equivalent Gratuity =  $\frac{\text{Amount of Retirement Gratuity}}{12 X \text{ commutation factor}}$

$$= \frac{50,000}{12X9.81}$$

$$= \frac{50,000}{117.72}$$

$$= \text{Rs. 424.73 or Rs. 425/-}$$

Note: In the case of employees retiring on retiring pension / invalid pension the commutation factor varies with reference to the age of the employees at which they actually retire as per the table in A.P. Civil Pensions (commutation) Rules 1944 has to be adopted.

### ANNEXURE III

Check slip for calculating cash payment in lieu of Half pay Leave component (in the case of retirement on superannuation/ death)

1. Name of the Employee
2. Post held at the time of retirement

3. Date of retirement on  
Superannuation/Date of  
death while in service

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4. Scale of pay
5. Basic pay at the time of the event at (3) above
6. HPL at credit as at (3) above
7. (i) Rate of D.A.  
  
(ii) Rate of Dearness Relief on Pension
8. DCRG entitled Sanctioned
9. Commutation factor  
(With reference to the table in A.P. Civil Pension (commutation) Rules, 1944 effective from 1st August, 1971.

Step I

$$\text{Determination of PEG} = \frac{\text{DCRG}}{12 \times \text{Commutation factor}}$$

Step II

$$\text{Entitlement of cash payment in lieu of Half pay leave component} = \frac{\text{No. of days of leave} \times \text{HPL Salary + Proportionate D.A. - (Pension/FP + PEG + Relief on pension)}}{30} \times \text{on HPL due on the date of retirement/death.}$$