CIRCULAR

No. AN/VI/1435/LTC

Dated: 23.10.2020

To

All Sections/Sub Offices under PCDA (WC)
Chandigarh

(Through PCDA (WC) Website)

Subject: Special Cash Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the block 2018-21

Reference: HQrs office letter No.AN/XIV/19015/Govt. Orders/TA/DA/LTC/Medical dated 16.10.2020

A copy of Government of India, Ministry of Finance, Department of Expenditure Office Memorandum F. No. 12(2)/2020-III(A) dated 12.10.2020 on the above subject received vide HQrs office letter cited above is forwarded herewith for your information and compliance please.

Dy. CDA (AN)
रक्षा लेखा महानियत्रक
उलान बटार रोड, पालम, दिल्ली छावनी-110010
Controller General of Defence Accounts
Ulan Batar Road, Palam, Delhi Cantt.-110010

(Ph: 011-28663714/E-mail: admin14.cgda@nic.in)

No. AYNXIV/19015/Govt. Orders/TA/OA/LTC/Medical

दिनांक: 16/10/2020

सभी रक्षा लेखा प्रशासन नियंत्रक/रक्षा लेखा नियंत्रक/प्र.में.नि (फ)।

All PCsDA/CsDA/PCA (Fys)
(Through CGDA Website)

Subject: Special cash Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the block 2018-21.

उपरोक्त विवरण पर भारत सरकार, वित्त संस्थान, भारत वित्त के दिनांक 12.10.2020 के सार्वजनिक आदेश सं-12(2)/2020-El(A) की प्रति स्वीकार, गर्व में तथा एवं अनुपालन हेतु प्रेमित की जाती है।

A copy of Government of India, Ministry of Finance, Department of Expenditure Office Memorandum F.No. 12(2)/2020-El(A) dated 12.10.2020 on the above subject is forwarded herewith for your information, guidance and compliance please.

अभिनव
(हा* अभिनव गुप्त)
रक्षा लेखा व* उप महानियत्रक

प्रतिविधि -

1. प्रशासन से वेतन (स्थानीय)।
2. निर्णय परिधि (सेवा/स्वास्थ्य या इत्यादि) स्थानीय।
3. निर्णय परिधि (समस्तता) अनुपालन (स्थानीय)।
4. अई. है. ए. परिधि (स्थानीय) - रक्षा लेखा महानियत्रक वेतनांक ग्रहण करने हेतु।
5. प्रशासन एवं मैनेजमेंट केंद्र, भारत सरकार, दिल्ली छावनी।
6. ग्राहकार्य अनुपालन (स्थानीय)।
7. मास्टर नोट नं. 14।
8. महानियत्रक, ए.अई. है. (पी.ई.) यु. (इ.ई.पी.ई.) यु. (उपरोक्त रक्षा लेखा प्रशासन नियंत्रक (अधिकारी) यु.।
9. महानियत्रक, ए.अई. है. (पी.ई.पी.ई.) कोलकाता | द्वारा प्रशासन नियंत्रक लेखा (फैस्टरी) कोलकाता।

(प्रदेश कुमार)
रक्षा अधिकारी (रक्षा)
Office Memorandum

Sub: Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21.

In view of Covid-19 pandemic and resultant nationwide lockdown as well as disruption of transport and hospitality sector, as also the need for observing social distancing, a number of Central Government employees are not in a position to avail themselves of LTC for travel to any place in India or their Hometowns in the current Block of 2018-21.

2. With a view to compensate and incentivise consumption by Central Government employees thereby giving a boost to consumption expenditure, it has been decided that cash equivalent of LTC, comprising Leave Encashment and LTC fare of the entitled LTC may be paid by way of reimbursement, if an employee opts for this in lieu of one LTC in the Block of 2018-21 subject to the following conditions:

a) The employee spends the money of a larger sum than the entitlement on account of LTC on actual expenditure.

b) Cash equivalent of full leave encashment will be allowed, provided the employee spends an equal sum. This will be counted towards the number of leave encashment on LTC available to an employee.

c) The deemed LTC fare for this purpose is given below:

<table>
<thead>
<tr>
<th>Category of employees</th>
<th>Deemed LTC fare per person (Round Trip)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees who are entitled to business class of airfare</td>
<td>Rs. 36,000</td>
</tr>
<tr>
<td>Employees who are entitled to economy class of airfare</td>
<td>Rs. 20,000</td>
</tr>
<tr>
<td>Employees who are entitled to Rail fare of any class</td>
<td>Rs. 6,000</td>
</tr>
</tbody>
</table>

d) The cash equivalent may be allowed if the employee spends a sum 3 times of the value of the fare given above.

Contd...2/-
e) The amount both on account of leave encashment and fare shall be admissible if the employee spends (i) an amount equal to the value of leave encashment and; (ii) an amount 3 times of the cash equivalent of deemed fare, as given above on purchase of such items / availing of such services which carry a GST rate of not less than 12% from GST registered vendors / service providers through digital mode and obtains a voucher indicating the GST number and the amount of GST paid.

f) The admissible payment shall be restricted to the full value of the package [leave encashment as admissible for LTC and deemed fare] or depending upon the spending as per example given at Annexure-A.

g) While TDS is applicable in the case of leave encashment, since the cash reimbursement of LTC fare is in lieu of deemed actual travel, the same shall be allowed exemption on the lines of existing income-tax exemption available to LTC fare. The legislative amendment to the provisions of the Income-Tax Act, 1961 for this purpose shall be proposed in the due course. Hence, TDS shall not be required to be deducted on the reimbursement of deemed LTC fare.

3. Head of the Departments / DDOs may make reimbursement under this package as per the details given above on receipt of invoices of purchases made / services availed during the period post the issuance of this order from the employees who are desirous to avail this package. It may be noted that in order to avail this package an employee should opt for both leave encashment and LTC fare.

4. An amount upto 100% of leave encashment and 50% of the value of deemed fare may be paid as advance into the bank account of the employee which shall be settled based on production of receipts towards purchase and availing of goods and services as given in Para 2(e). The claims under this package (with or without advance) are to be made and settled within the current financial year. Non-utilization / under-utilization of advance is to be accounted for by the DDOs in accordance with the extant provisions relating to LTC advance i.e. immediate recovery of full advance in the case of non-utilisation and recovery of unutilized portion of the advance with penal interest.

5. These orders will take effect from the date of issuance of this Office Memorandum and will be in force during the current financial year till 31st March, 2021.

6. All the Ministries/Departments are requested to bring the contents of this OM to the notice of all its Attached and Subordinate offices for their information.

Hindi version of this Office Memorandum will follow.

(B.K. Manthan)
Deputy Secretary to the Govt. of India

To
• All the Ministries/Departments of the Government of India.
Annexure-A

Example:

Pay of an employee: Rs 1,38,500 and has family of 4 eligible for economy class air travel.

Leave Encashment: $(1,38,500 \times 1.17) \div 10 = Rs. 54,015$

Fare Value : Rs. 20,000 x 4 = Rs. 80,000

Total Value = Rs. 1,34,015

Amount to be spent for full cash benefit = Rs. 54,015 + 2,40,000* = Rs. 2,94,015

(a) Share of Leave Encashment in total $= \frac{54,015 \times 100}{2,94,015} = 18\%$

(b) Share of Fare in total $= \frac{80,000 \times 100}{2,94,015} = 27\%$

* 3 times of notional airfare $(80,000 \times 3 = 2,40,000)$

- Thus, if an employee spends Rs. 2,94,015 or above, he will be allowed cash amount of Rs. 1,34,015.

- However, if the employee spends Rs. 2,40,000 only, then he may be allowed 18% on account of Leave Encashment (Rs. 43,200) and 27% on account of fare value (Rs. 64,800). The total amount payable shall be Rs. 1,08,000.

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