

PC VI No. 40

RBE No 161/2008

**GOVERNMENT OF INDIA
MINISTRY OF RAILWAYS
(RAILWAY BOARD)**

No. F(E)III/2008/LE-1/1

New Delhi, dated 29-10-2008

**The General Managers/CA & LAOs,
All Indian Railways/PUs.**

Sub: Sixth Central Pay Commission – Recommendation relating to
encashment of LAP – Acceptance of.

The Government have accepted the recommendation of the Sixth Central Pay Commission to allow the railway servants to avail themselves of encashment of Leave on Average Pay up to 10 days at the time of availing of Passes for a maximum of 60 days in the entire career subject to the condition that successive encashment cannot be made before a minimum period of two years has elapsed and the leave so encashed at the time of availing Railway Passes should not be deducted from the maximum amount of Leave on Average Pay encashable at the time of retirement. Consequently, the employees would be eligible to encash up to 300 days of L.A.P. at the time of their retirement, even though they may have encashed LAP of 60 days during their career while availing Railway Passes. These orders shall be effective from 1st September, 2008.

2. Accordingly, in exercise of the powers conferred by the proviso to Article 309 of the Constitution, the President is pleased to direct that Rule 540-A may be added under the existing Rule 540 of Railway Services (Liberalised Leave) Rules, 1949, of the Indian Railway Establishment Code Vol. I, 1985 Edition (Second Re-print Edition 2003) as per Advance Correction Slip No. **107** enclosed.

5. Hindi version will follow.

6. Please acknowledge receipt.

Salim Md. Ahmed

**(SALIM MD. AHMED)
Dy. Director Finance (Establishment)III
Railway Board**

INDIAN RAILWAY ESTABLISHMENT CODE – VOLUME I – Fifth Edition – 1985 (Second Reprint Edition – 2003)

CHAPTER 5

LEAVE RULES

ADVANCE CORRECTION SLIP NO. 107

Add Rule 540-A under the existing Rule 540

"540-A. 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 condition that:

- (1) leave on average pay of at least an equivalent duration is also availed of simultaneously;
- (2) a balance of at least 30 days of leave on average pay should be available to his credit after taking into account the period of encashment as well as leave availed of.
- (3) 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;
- (4) the cash equivalent shall be calculated as follows namely:-

$$\begin{array}{l} \text{Cash} \\ \text{equi-} \\ \text{valent} \end{array} = \frac{\text{Pay in the respective pay band plus grade pay admissible on the date of availing of Railway Pass plus dearness allowance admissible on that date}}{30} \times \begin{array}{l} \text{Number of days of leave on} \\ \text{average pay subject to the} \\ \text{Maximum 10 days at one} \\ \text{time} \end{array}$$

No House Rent Allowance or Transport Allowance shall be payable;

- (5) The period of leave encashed shall not be deducted from the quantum of leave encashable under Rule 550."

(Authority: Ministry of Railway's letter No. F(E)III/2008/LE-1/1 dated 29-10-2008)