



**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

LEAVE RULES: - Recommendations of PRC 2010 - Encashment of Leave on Half Pay at the time of retirement of Government Employees – Orders – Issued.

FINANCE (FR.I) DEPARTMENT

G.O.Ms.No. 154

**Dated:04.05.2010
Read the following:-**

1. G.O.Ms.No. 46, G.A. (Ser.Wel.) Department, dated 28.01.1994.
2. O.M.No.P.14025/11/82-Estt. (Leave), dated 25.08.1983 of Department of Personnel and Training, Government of India.
3. O.M.No. 14020/1/09-Estt. (L). dated 06.04.1993 of Department of Personnel and Training, Government of India.
4. G.O.Ms.No.342, Finance and Planning (FW: FR-I) Department, dt. 30.09.1994.
5. O.M.No.14028/3/2008- Estt. (L) dated: 25-09-08 of Department of Personnel & Training Ministry of P.PG & Pension, Government of India
6. G.O.Ms.No.438, G.A. (Spl. A) Department, dated: 07.07.2008.
7. G.O.Ms.No.598, G.A. (Spl. A) Department, dated: 26.11.2009.

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ORDERS:-

In the reference 4th read above orders were issued extending the benefit of encashment of Half Pay Leave to the State Government Employees as applicable to the Central Government Employees as per the reference 2nd and 3rd read above and based on the recommendations of High Power Committee constituted in the G.O. 1st read above.

2. In the Government Order 6th read above, orders were issued constituting Ninth Pay Revision Commission and Government appointed Sri. C.S. Rao, IAS, (Retd) as Pay Revision Commissioner. In the Government Order 7th read above, the terms of reference of the Pay Revision Commissioner were laid down.

3. The Ninth Pay Revision Commission submitted its report to the Government on 05.12.2009 and recommended, inter alia, that, **“The Commission after examining the above requests recommends to adopt the same formula in the case of encashment of Leave on Half Pay at the time of retirement / death in the case of State Employees also subject to the condition that the total number of days of earned leave + leave on half pay put together should not exceed 300 days for encashment”**.

4. It is observed in the report that as per the existing orders, the cash equivalent of leave salary on account of encashment of leave on half pay shall be calculated in the manner indicated below.

Cash payment in lieu of LHP encashed	=	Leave salary on half pay (+) D.A thereon if admissible (-) pension (+) pension equivalent of gratuity and Dearness Relief on pension.	X	Number of days of Leave on half pay due, subject to the limits prescribed in the rules.
		30		

5. The above formula was adopted based on the orders issued by Government of India to its employees.

6. Based on the recommendations of 6th CPC, the Government of India issued revised orders changing the formula in the following manner- (vide O.M.No.14028/3/2008- Estt. (L) dated: 25-09-08 of Department of Personnel & Training Ministry of P.PG & Pension, Government of India, 5th read above).

Cash payment in lieu of half pay leave Component	=	Half pay leave salary admissible on the date of retirement plus D.A. admissible on that date	X	No. of days of half pay leave at credit subject to the total of earned leave and half pay leave at credit not exceeding 300 days.
		30		

7. The Employees' Associations requested to adopt the above formula in the case of encashment of L.H.P. of the State Government employees and the Commission after examining the above requests recommends to adopt the same formula in the case of encashment of Leave on Half Pay at the time of retirement / death in the case of State Employees also subject to the condition that the total number of days of earned leave + leave on half pay put together should not exceed 300 days for encashment.

8. After careful consideration of the report, Government decided to accept the recommendations of the Pay Revision Commissioner and hereby order that formula for calculation of encashment of Leave on Half Pay at the time of retirement / death in the case of State Employees shall be as follows subject to the condition that the total number of days of earned leave + leave on half pay put together should not exceed 300 days for encashment.

Formula

Cash payment in lieu of half pay leave Component	=	Half pay leave salary admissible on the date of retirement plus D.A. admissible on that date. <hr style="width: 50%; margin: 0 auto;"/> 30	X	No. of days of half pay leave at credit subject to the total of earned leave and half pay leave at credit not exceeding 300 days.
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9. These orders shall come into force with immediate effect.

10. The G.O is available on Internet and can be accessed at the address <http://www.ap.gov.in/goir> and <http://www.apfinance.gov.in>.

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

**L.V. SUBRAHMANYAM
PRINCIPAL SECRETARY TO GOVERNMENT (FP)**

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