

NATIONAL SCHEDULED TRIBES FINANCE AND DEVELOPMENT CORPORATION

ENCASHMENT OF LEAVE (REVISED) RULES, 2015

1. OBJECTIVE:

To have codified rules for encashment of leave with a view to encouraging employees to avail leave in a planned and systematic manner with necessary funds to meet their social obligations and other expenditure during leave period and also to reduce long absenteeism and consequent load on the staff requirements.

2. TITLE AND SCOPE:

These rules shall be called the "NSTFDC ENCASHMENT OF LEAVE (REVISED) RULES, 2015". These rules shall apply to all employees of the Corporation excluding the following categories:

- a) Casual/Contractual employees.
- b) Management Trainees.
- c) Deputationists from other organisations.
- d) Employees under suspension

These rules will come into force after approval of the Board of Directors and shall cover leave earned in the Corporation and standing in the credit of employee on that date.

3. SANCTIONING AUTHORITY:

The sanctioning authority for encashment of leave will be the Competent Authority to sanction earned leave.

4. ELIGIBILITY/EXTENT OF CONCESSION:

4.1 The scheme of leave encashment of earned leave, while in service, will be on the following lines:

- (i) Only earned leave on full pay would be allowed to be encashed and not any other kind of leave like sick leave, half pay leave, casual leave, etc.
- (ii) The earned leave account of all employees would be maintained in two sections:
 - (a) Encashable leave account; and
 - (b) Non-encashable leave account.

Fifty per cent of the accrued earned leave will be credited to the encashable leave account and fifty per cent to the non-encashable leave account. Similarly, the earned leave earned in the future, from time to time, will also be divided into two parts and credited to the two accounts in the ratio of 50:50. Any part or whole of the encashable leave can be availed of as leave and it is not necessary that it should be encashed.

- (iii) For encashing earned leave from the encashable leave account, an employee will have to actually avail himself of an equal amount of earned

leave. However, this requirement of actual availing of earned leave would be subject to a ceiling of 30 days. The requirement of actually availing a matching period of leave could be relaxed if the full amount of earned leave required to be taken as per the scheme is not granted by the management on account of exigencies of work. The encashment of earned leave would be admissible only once in a calendar year.

- (iv) Cash equivalent to be paid for the encashed leave would be restricted to pay and dearness allowance and should not include any other allowances.
- (v) The payment made towards encashment would not be reckoned for any other purpose like gratuity, provident fund, bonus, etc.
- (vi) The ceiling on accumulation of encashable earned leave would be 50% of the ceiling on total accumulation of earned leave as per DPE's O.M. No. 2(53)/90-DPE(WC) dated 5th August, 2005, i.e., 300 days.

- 4.2 An employee already on leave preparatory to retirement who has been allowed to return to duty shall also be entitled to these benefits.
- 4.3 Benefits under these rules shall also be admissible to employees who attain the age of superannuation and are granted extension of service. In such cases, the benefits shall be granted on the date of final retirement or the expiry of extension to the extent of earned leave at credit on the date of superannuation plus the earned leave during the period of extension reduced by earned leave availed of during such period subject to the maximum of 300 days.
- 4.4 Benefit of encashment of leave will be admissible in cases of retirement/death/cessation of service on other than disciplinary ground to the extent defined in para 5 below.
- 4.5 These rules will not apply in cases where services are terminated on disciplinary grounds.
- 4.6 Deputationists from Government Departments/Public Sector Undertakings who are permanently absorbed in the Corporation in public interest and those who on appointment in the Corporation carry forward their leave from Government Departments or Public Sector Undertakings in whose case the parent department has paid a lump sum equal to leave salary for the leave on average pay/earned leave due to them on the date of permanent absorption/appointment in the Corporation will be eligible to encash 100 per cent of the earned leave so transferred.

5. ENCASHMENT OF LEAVE ON RETIREMENT/DEATH/CESSATION OF SERVICE ON OTHER THAN DISCIPLINARY GROUNDS.

5.1 ON RETIREMENT/SUPERANNUATION:

- (i) In case of retirement/superannuation, an employee whose services are terminated other than on disciplinary grounds or who retires/superannuates shall be allowed to encash full amount of earned leave to his/her credit on the

date of his/her retirement/superannuation at the rate of last pay drawn before retirement/superannuation subject to other conditions stated herein.

- (ii) An employee shall be allowed to encash full amount of half pay leave to his/her credit together with earned leave subject to the overall limit of 300 days. The case equivalent payable for half pay leave would be equal to the leave salary as admissible for half pay plus DA. No commutation of half pay leave would be permissible to make up the shortfall in the earned leave.

5.2. **ON DEATH:**

In case of death, the entire earned leave standing at the credit of a deceased employee (who dies while in service) will be encashed and paid to his/her dependent/legal heirs at the rate of last pay drawn by the deceased while in service.

5.3 **ON RESIGNATION:**

When an employee resigns or quits service on his own accord, the lump sum cash payment will be only to the extent of half of the earned leave at his credit on the date of cessation from service.

6. **DEDUCTION:**

No deduction other than:

- a) Income Tax,
- b) Statutory enforceable recoveries,
- c) Any other recovery as specifically ordered by the Competent Authority,

will be made from the amount payable to a serving employee. In cases of retirement/death/termination, Corporation's dues shall be recovered from the amount of encashment.
