



NHF/2/Leave Encashment/08/3533

Dated: 18-09-2019

OFFICE ORDER

Pursuant to the decision of the Board at the 102nd meeting held on 30th July, 2019 amendments have been affected in respect of Rule 4.1 (i), 4.1 (iii)(a), 5.1, 5.2 and 5.3 of NHFDC Leave Encashment Rules, 2002. The amended Rule 4.1 (i), 4.1 (iii)(a), 5.1, 5.2 and 5.3 would henceforth read as under:

Rule 4.1 (i): Both the Earned Leave (EL) and Half Pay Leave (HPL) available in the employees' leave account would be allowed for encashment under Clause-5.1 and Clause-5.2 of this Rule, subject to the overall limit of 300 days.

Rule 4.1 (iii) (a): Encashment of earned leave upto 30 days in a year out of the accumulated encashable leave account may also be permitted. However, for the purpose of leave encashment under this clause i.e. Encashment of Leave while in service, only encashment of EL shall be considered and not any other kind of leave available in employee's leave account.

Rule 5.1 ON RETIREMENT / RETRENCHMENT:

In case of retirement / retrenchment, an employee whose services are terminated otherwise than on disciplinary grounds or who retires shall be allowed to encash both the Earned Leave and Half Pay Leave subject to overall limit of 300 days.

However, cash equivalent payable for Half Pay Leave shall be equal to Leave salary as admissible for Half Pay Leave. To make up the shortfall in Earned Leave, no commutation of Half Pay Leave shall be permissible.

Rule 5.2 ON DEATH:

In case of death, the both earned leave and Half Pay Leave subject to overall limit of 300 days 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. However, cash equivalent payable for Half Pay Leave shall be equal to Leave salary as admissible for Half Pay Leave. To make up the shortfall in Earned Leave, no commutation of Half Pay Leave shall be permissible.

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Rule 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 (encashable part only) at his credit on the date of cessation from service.

The updated "NHFDC Leave Encashment Rules, 2002" incorporating all amendments since inception to till date is enclosed at **Annexure-A**.

This issues with the approval of Competent Authority.



(Anil Kumar)
Deputy General Manager (P&A)

Distribution:

1. All Employees of NHFDC
2. P & A Section
3. Finance Section
4. Personal file of all concerned
5. Manager (O/L) – For Hindi Translation
6. Notice Board
7. Office Order file
8. APAR Cell
9. Nodal Officer (KMP)-: For information and necessary updation in KM Portal
10. Manager (S&P) – For necessary changes in Web site

NHFDC ENCASHMENT OF LEAVE RULES, 2002

1. OBJECTIVE

To have rules for encashment of leave with a view to encouraging employee to avail leave in a planned and systematic manner with necessary funds to meet their social obligation 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 " NHFDC ENCASHMENT OF LEAVE RULES"-2002. These rules shall apply to all employees of the Corporation excluding the following categories:

- a) Casual employees (including daily rated, work-charged short term contract employees).
- b) Trainees/Apprentices recruited under the Apprentices Act.
- c) Deputationists from Government Departments/Public Sector Undertakings.
- 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 Chairman -cum- Managing Director of the Corporation

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)¹ Both the Earned Leave (EL) and Half Pay Leave (HPL) available in the employees' leave account would be allowed for encashment under Clause-5.1 and Clause-5.2 of this Rule, subject to the overall limit of 300 days.
- ii) The earned leave account of all employees would be maintained in two sections:

1. Para 4.1 (i) amended as approved in 102nd Board Meeting held on 30-7-2019.

- (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. 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) Cash equivalent to be paid for the encashed leave would be restricted to pay and dearness allowance and should not include any other allowance
 - iii(a)² Encashment of earned leave upto 30 days in a year out of the accumulated encashable leave account may also be permitted. However, for the purpose of leave encashment under this clause i.e. Encashment of Leave while in service, only encashment of EL shall be considered and not any other kind of leave available in employee's leave account.
 - iv The payment made towards encashment would not be reckoned for any other purpose like gratuity, provident fund bonus etc.
 - v³. The ceiling on accumulation of encashable earned leave would be 50% of the ceiling on total accumulation of earned leave as per DPE O.M. No. 2(53)/90-DPE(WC) dated 5-8-2005 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)⁴. 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 earned 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/retrenchment/death/termination of service on other than disciplinary ground to the extent defined in para 5 below.
- 4.5. These rules will not apply in case where services are terminated on disciplinary grounds.

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- 2. Clause 4.1 (iii)(a) amended by inserting in 71st BOD meeting held on 13-12-12. Thereafter, clause 4.1 (iii)(a) amended as approved in 102nd BOD meeting held on 30-07-2019.
 - 3. Clause 4.1 (v) amended as approved in 57th BOD meeting held on 4-8-2009. Office order no. NHF/2/Leave Encashment/2018/53493-53497 refers.
 - 4. Clause 4(3) amended as approved in 57th BOD meeting held on 4-8-2009. Office Order no. NHF/2/Leave Encashment/2018/53493-53497 refers.

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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 lumpsum 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/RETRENCHMENT/DEATH /TERMINATION OF SERVICE ON OTHER DISCIPLINARY GROUNDS.

5.1⁵ ON RETIREMENT / RETRENCHMENT

In case of retirement /retrenchment, an employee whose services are terminated otherwise than on disciplinary grounds or who retires shall be allowed to encash both the Earned Leave and Half Pay Leave subject to overall limit of 300 days.

However, cash equivalent payable for Half Pay Leave shall be equal to Leave salary as admissible for Half Pay Leave. To make up the shortfall in Earned Leave, no commutation of Half Pay Leave shall be permissible.

5.2⁶ ON DEATH

In case of death, the both Earned Leave and Half Pay Leave subject to overall limit of 300 days 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. However, cash equivalent payable for Half Pay Leave shall be equal to Leave salary as admissible for Half Pay Leave. To make up the shortfall in Earned Leave, no commutation of Half Pay Leave shall be permissible

5.3⁷. 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 (encashable part only) at his credit on the date of cessation from service.

5. Para 5.1 amended as approved in 102nd Board Meeting held on 30-7-2019.

6. Para 5.2 amended as approved in 102nd Board Meeting held on 30-7-2019.

7. Para 5.3 amended as approved in 102nd Board Meeting held on 30-7-2019.



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/retrenchment/death, termination, Corporation's dues shall be recovered from the amount of encashment .

