

# 7th CPC Recommendations on Encashment and Accumulation of Earned Leave

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*“The recommendations in relation to pay of both the civilian and defence forces personnel will also lead to a significant increase in the pay drawn and therefore in the total amount of leave encashment available for an employee. Therefore raising the present ceiling of 300 days is not recommended by the Commission”.*

Earned Leave : Presently 30 days EL per annum is granted to Civilian employees and 60 days to Defence personnel.

EL can be accumulated up to 300 days in addition to the number of days for which encashment has been allowed along with LTC.

Suggestions have been made to increase the accumulation to 450 days, allow encashment of 50 percent of the accumulated EL after 20 years of service and delink encashment of leave from LTC. A novel concept of “gifting” has been put forward, wherein employee should be allowed to ‘gift’ certain number of days of leave to one’s spouse or one’s colleague. “Vacational” staff like teachers, principals, etc. have demanded restoration of 10 days EL, which was changed to 20 days Half Pay Leave by VI CPC.

Leave Encashment permitted at the time of retirement:

CPC - Earned Leave

IV CPC - 240 days

V CPC - 300 days

VI CPC - 300 days

# # excludes 60 days EL encashment during LTC

Half Pay Leave (HPL) : Presently, government employees are entitled to 20 days of Half Pay Leave for each completed year of service, credited @10 days on the 1st of January and 1st of July every year. There are representations that encashment of HPL should be allowed at the time of superannuation.

Analysis and Recommendations : The demands lack merit. Elsewhere in the report it has been recommended that 20 days HPL granted to “Vacational” staff be converted into 10 days EL. Hence, HPL will henceforth not be available to them. No change other than this is recommended

**Analysis and Recommendations :** In many organizations, employees are encouraged to take leave on the premise that it revitalizes them and is beneficial for the organization in the long run. Such a system is not prevalent in the government sector in India, but substituting leave with cash is also not desirable. Hence, no change in encashment guidelines is recommended.

The Commission recognizes that Earned Leave is, as the name suggests, earned by an employee through the services rendered. Hence, it is personal to the employee and the concept of “gifting” cannot be considered.

The demand of “Vacational” staff can, however, be agreed to. Hence, it is recommended that “Vacational” staff be granted 10 days EL in place of 20 days Half Pay Leave. Other than this no other change is recommended.