

F.No.12(2)/2020-EII(A)
Ministry of Finance
Department of Expenditure
EII(A) Branch

North Block, New Delhi
12th October, 2020

Office Memorandum

Sub: Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21.

In view of Covid-19 pandemic and resultant nationwide lockdown as well as disruption of transport and hospitality sector, as also the need for observing social distancing, a number of Central Government employees are not in a position to avail themselves of LTC for travel to any place in India or their Hometowns in the current Block of 2018-21.

2. With a view to compensate and incentivise consumption by Central Government employees thereby giving a boost to consumption expenditure, it has been decided that cash equivalent of LTC, comprising Leave Encashment and LTC fare of the entitled LTC may be paid by way of reimbursement, if an employee opts for this in lieu of one LTC in the Block of 2018-21 subject to the following conditions:-

- a) The employee spends the money of a larger sum than the entitlement on account of LTC on actual expenditure.
- b) Cash equivalent of full leave encashment will be allowed, provided the employee spends an equal sum. This will be counted towards the number of leave encashment on LTC available to an employee.
- c) The deemed LTC fare for this purpose is given below :-

Category of employees	Deemed LTC fare per person (Round Trip)
Employees who are entitled to business class of airfare	Rs. 36,000
Employees who are entitled to economy class of airfare	Rs. 20,000
Employees who are entitled to Rail fare of any class	Rs. 6,000

- d) The cash equivalent may be allowed if the employee spends a sum **3 times** of the value of the fare given above.

B. M. Singh

Contd...2/-

e) The amount both on account of leave encashment and fare shall be admissible if the employee spends (i) an amount equal to the value of leave encashment and; (ii) an amount 3 times of the cash equivalent of deemed fare, as given above on purchase of such items / availing of such services which carry a GST rate of not less than 12% from GST registered vendors / service providers through digital mode and obtains a voucher indicating the GST number and the amount of GST paid.

f) The admissible payment shall be restricted to the full value of the package [leave encashment as admissible for LTC and deemed fare] or depending upon the spending as per example given at **Annexure-A**.

g) While TDS is applicable in the case of leave encashment, since the cash reimbursement of LTC fare is in lieu of deemed actual travel, the same shall be allowed exemption on the lines of existing income-tax exemption available to LTC fare. The legislative amendment to the provisions of the Income-Tax Act, 1961 for this purpose shall be proposed in the due course. Hence, TDS shall not be required to be deducted on the reimbursement of deemed LTC fare.

3. Head of the Departments / DDOs may make reimbursement under this package as per the details given above on receipt of invoices of purchases made / services availed during the period post the issuance of this order from the employees who are desirous to avail this package. **It may be noted that in order to avail this package an employee should opt for both leave encashment and LTC fare.**

4. An amount upto 100% of leave encashment and 50% of the value of deemed fare may be paid as advance into the bank account of the employee which shall be settled based on production of receipts towards purchase and availing of goods and services as given in Para 2(e). The claims under this package (with or without advance) are to be made and settled within the current financial year. Non-utilization / under-utilization of advance is to be accounted for by the DDOs in accordance with the extant provisions relating to LTC advance i.e. immediate recovery of full advance in the case of non-utilisation and recovery of unutilized portion of the advance with penal interest.

5. These orders will take effect from the date of issuance of this Office Memorandum and will be in force during the current financial year till 31st March, 2021.

6. All the Ministries/Departments are requested to bring the contents of this OM to the notice of all its Attached and Subordinate offices for their information.

Hindi version of this Office Memorandum will follow.



(B.K. Manthan)
Deputy Secretary to the Govt. of India

To

- All the Ministries/ Departments of the Government of India.

Example:

Pay of an employee: Rs 1,38, 500 and has family of 4 eligible for economy class air travel.

$$\text{Leave Encashment} := \frac{(1,38,500 \times 1.17) \times 10}{30} = \text{Rs. } 54,015$$

$$\text{Fare Value} : \text{Rs. } 20,000 \times 4 = \text{Rs. } 80,000$$

$$\text{Total Value} = \text{Rs. } 1,34,015$$

$$\text{Amount to be spent for full cash benefit} = \text{Rs. } 54,015 + 2,40,000^* = \text{Rs. } 2,94,015$$

$$\text{(a) Share of Leave Encashment in total} = \frac{54,015 \times 100}{2,94,015} = 18\%$$

$$\text{(b) Share of Fare in total} = \frac{80,000 \times 100}{2,94,015} = 27\%$$

* 3 times of notional airfare (80,000 x 3 = 2,40,000)

- Thus, if an employee spends Rs. 2,94,015 or above, he will be allowed cash amount of Rs. 1,34,015.
- However, if the employee spends Rs. 2,40,000 only, then he may be allowed 18 % on account of Leave Encashment (Rs. 43,200) and 27% on account of fare value (Rs. 64,800). The total amount payable shall be Rs. 1,08,000.



No. 12(2)/2020-E.II(A)
Government of India
Ministry of Finance
Department of Expenditure


North Block, New Delhi
Dated 19th October, 2020

OFFICE MEMORANDUM

Subject: Clarification regarding queries being received in respect of Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21.

The undersigned is directed to refer to this Department's O.M of even no. dated 12th October, 2020 and to say that this Department has been receiving queries seeking clarification relating to Special Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21 announced by the Government. A statement giving answers/clarifications to the queries is attached as annexure to this O.M.

2. This issues with the approval of Secretary (Expenditure).


(S. Naganathan)
Deputy Secretary, E.II(A)

All Ministries/Departments of the Government of India

FAQ on LTC Cash Voucher Scheme

S.No.	<u>Queries</u>	<u>Reply</u>
1	Whether the individual employee is required to take leave to avail this LTC- Cash Voucher Scheme? Whether an employee is required to undertake any travel?	An individual need not take leave for this purpose nor undertake any travel. This is a scheme in lieu of LTC travel.
2	If a particular LTC which is meant to be used for the scheme has been partially availed by either self or members of the family, whether this scheme is available and to what extent?	This scheme is applicable to the LTC fare left unutilized during the Block Year as mentioned in the O.M. dated 12.10.2020.
3	If an employee has already exhausted the prescribed limit of leave encashment for LTC, whether he will be eligible for the scheme? Whether an employee can only avail LTC fare without claiming leave encashment	An employee can avail this scheme utilizing the applicable LTC fare without leave encashment. The expenditure should be in accordance with the ratio as prescribed for LTC fare.
4	As per the scheme, an amount of upto 100% leave encashment and 50% of the value of deemed fare is to be paid as an advance to the employee opting for the scheme. It has also been stated that non-utilization / under-utilization of advance is to be accounted for by the DDOs in accordance with extent provisions relating to LTC advance. If an employee spends only the advance amount and makes a claim, how this claim will be regulated?	If as per the calculation suggested in O.M. No. 12(2)/2020-E.IIA dated 12 th October, 2020, the reimbursable amount is less than the advance drawn, this would be treated as under-utilization. However, after calculation of the claim, balance amount, if any may be recovered from the employee.
5	Newly joined Government employees are entitled for three Home Town and one Anywhere in India in a Block of four year. How this will be regulated?	The employee may use any one of the LTC available in a Block Year.
6	As per Special LTC provisions, an employee irrespective of his eligibility can travel by Air to places like Andaman & Nicobar, J&K and North-East under anywhere in India fare. In this case what will be the deemed fare?	The deemed fare has been calculated based on the normal eligibility of an employee and the special packages would not be applicable for this scheme.

7	Whether a single bill of purchase of goods or services is to be submitted or multiple bills can be submitted?	Multiple Bills are accepted. The purchase should have been done from the date of issue of the O.M. till the end of the current Financial Year. The purchase should carry a GST of 12% and above and payment should have been made to digital mode.
8	Whether there is any prescribed format for applying for this scheme.	There is no prescribed format. A simple application conveying the desire of the employee for availing the scheme, if advance is required for the purpose the same is to be mentioned.
9	What are the items which will qualify for reimbursement under this scheme?	Any goods and services which attract GST of 12% and above would qualify. The invoice with GST details should be submitted and payment should have been made through digital mode.
10	An employee having four family members eligible for LTC wants to avail this facility for less than 4 members. Further he wants to avail LTC for rest of the Members later.	As replied to query at S.No. 2, an employee can avail the scheme in partial, i.e. of the LTC of part of the eligible family. Since this is an optional scheme, if the LTC fare of any member of the family has not been utilized for this purpose, those members can avail LTC subject to extent instructions under LTC rules.
11	An employee incurs the expenditure on or before 31/3/2021 on the basis of invoice. Actual product or service received in April, 2021.	The reimbursement is based on production of invoice with details of GST. As far as possible, the claim should be made and settled well before 31 st March, 2021 to avoid any last minute rush and resultant lapse.
12	For digital payment an employee uses credit card of his / her spouse or any family members.	It is clarified that the invoice which is being submitted for reimbursement under the scheme should be in the name of the employee who is availing the scheme.
13	Can services like interior decoration and phone bills be included?	Any service which is having a GST component of more than 12% is permissible.
14	Any limit of number of transaction?	As far as possible, the number of transactions may be limited to a minimum extent to avoid any difficulty / delay.
15	Is it allowed to do purchase from e-commerce platform?	Procurement from e-commerce platform is also permissible provided the relevant invoice / details are submitted.

BY EMAIL

F.No.33 - 3 / 2020 - TS.III
Government of India
Ministry of Education (Shiksha Mantralaya)
Department of Higher Education

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Shastri Bhawan, New Delhi,
dated, the 28th October, 2020

To

- (i) The Registrars of all the 31 NITs; and
- (ii) The Registrar, IEST, Shibpur (W.B.).

Subject:- Special cash package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the block 2018-2021.

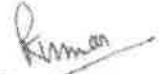
Madam \ Sir,

I am directed to forward herewith a copy of the Office Memorandum F.No.12(2)/2020-EII(A) dated 12th October, 2020 together with the clarification dated 20th October, 2020 issued by the Department of Expenditure, Ministry of Finance in connection with above mentioned subject, for taking further appropriate action at your end.

2. As far as Grant of Advance - Special Festival Package to Government Servants is concerned, that is not applicable to the employees of NITs and IEST, Shibpur as no such provision is available in the First Statutes of NITs / IEST for extending the facility of Grant of Advance relating to Central Government servants to the employees of NITs & IEST, Shibpur.

3. This issues with the approval of the competent authority.

Yours faithfully,



[Pawan Kumar]

Under Secretary to the Government of India

Tel: 23384897

Encl.: as above.

F. No.12(2)/2020-EII(A)
Government of India
Ministry of Finance
Department of Expenditure
E.II(A) Branch

North Block, New Delhi
4th November, 2020

Office Memorandum

Sub: Special Cash Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-2021 -Clarification reg.

The undersigned is directed to refer to O.M. of even number dated 12th October 2020 and the Frequently Asked Question (FAQ) issued vide O.M. of even number dated 20th October, 2020 on the subject mentioned above.

2. Ministries/Departments have raised queries / clarifications with regard to (i) whether the advance taken as per the scheme shall be settled within 30 days of disbursal of advance and (ii) whether the invoice can be in the name of spouse and /or any family member who are eligible for LTC,

3. The Special Cash Package Scheme in lieu of one LTC is to compensate and incentivise consumption by Government Employees and the benefits can be availed up to 31.03.2021. Para 4 of O.M dated 12.10.2020 provides for advance to Government employees in lieu of LTC fare and Leave encashment. As this is a Special Cash Package, the rules relating to advance taken under LTC are not applicable in the present Scheme. Accordingly it is clarified that:

(i) the advance taken under the scheme shall be settled on or before 31st March, 2021, and

(i) the invoices of the goods and services purchased as per the scheme may be in the name of spouse or any family member who are eligible for LTC Fare.

4. This issues with the approval of Secretary (Expenditure).



(B. K. Manthan)

Deputy Secretary to the Govt of India

To

- All the Ministries/ Departments of the Government of India.

No. 12(2)/2020-E.II(A)
Government of India
Ministry of Finance
Department of Expenditure

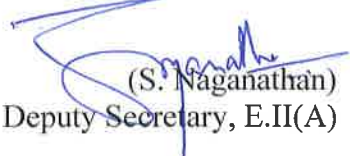
North Block, New Delhi
Dated 10th November, 2020

OFFICE MEMORANDUM

Subject: Clarification regarding queries being received in respect of Special cash package equivalent of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21 (FAQ No. 2).

The undersigned is directed to say that this Department has been receiving a number of queries relating to Special Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the Block 2018-21 announced by the Government on 12th October, 2020. A set of frequently asked questions have already been clarified vide this Department's O.M. of even No. dated 20th October, 2020 and is available on this Department's website viz. doe.gov.in.

2. A further set of frequently asked questions have been clarified and are attached herewith at Annexure-'A'.
3. This issues with the approval of Competent Authority.


(S. Naganathan)
Deputy Secretary, E.II(A)

All Ministries/Departments of the Government of India

FAQ on LTC Cash Voucher Scheme

<u>S.No.</u>	<u>Queries</u>	<u>Reply</u>
1	An employee whose workplace and hometown are same and is eligible for only one all India LTC in one Block Year. If that LTC is exhausted, will he be eligible for this scheme?	No. The scheme is in lieu of one LTC available during the block year.
2	If an employee does not have enough leave or less than the minimum balance of 40 days which is required in his leave account and avail leave encashment for LTC, whether he will be eligible for leave encashment in this scheme?	Leave encashment is to be in accordance with LTC Rules. The employee can however avail the benefit of scheme without the leave encashment if such encashment is not available.
3	If an employee has already availed hometown LTC(only for self) for 2018-19 along with leave encashment, can he now claim LTC cash voucher scheme with LTC for self from block year 2020-21 and for remaining family members from block 2018-19?	Yes. He can claim leave encashment as per the scheme provided it does not exceed the maximum limit of 60 days eligible for encashment.
4	If both husband and wife are working in the central government, if one is availing LTC cash voucher scheme for self and spouse and also taking LTC leave encashment, then can the spouse avail LTC leave encashment separately?	Yes
5	If an employee avails only deemed LTC fare without leave encashment, and spends less than or equal to three times of the deemed fare entitlement, how much reimbursement will he get?	Reimbursement will be on pro-rata basis.
6	Whether purchase of goods/services on loan/EMI, will be covered under this scheme?	Purchase of any goods or services which attract GST of 12% and above qualify for reimbursement under this scheme. Purchases on EMI basis are also permissible. The purchase should have been effected after the issue of the order i.e. 12.10.2020 and should have an invoice.

7	For those officials having three Hometown LTCs and one all India LTC, can they avail special cash package for year 2020 in 2021(upto 31.03.2021) and avail LTC for 2021 also in 2021?	The scheme is valid up to 31.3.2021 and is in lieu of the available LTC. An official may avail LTC for 2021 in 2021 provided the same has not been foregone in lieu of the benefits of the said scheme.
8	If a fresh recruit who is governed by LTC Rules for New Recruits is in his 8 th year after recruitment opts for this scheme, can he submit bills having date of January-March 2021?	Yes, but one block year of LTC/ or one LTC to be foregone to avail the benefits of the Special Scheme.
9	Since the fresh recruits are not allocated block year, can they avail this scheme?	Yes
10	Can the payment be made by cheque /DD / Banker's Cheque/ NEFT/ RTGS?	Yes
11	If a defence employee wants to buy a car from defence canteen, attracting only 14% GST as against 28% GST in the market, can he avail this scheme?	As per scheme Goods & Services attracting GST of 12% or more can be purchased.
12	If an employee has already exhausted 60 days of Leave Encashment, can he further avail 10 days Leave Encashment?	No. He can avail only deemed fare value.
13	If an employee is availing Cash scheme against year 2018-19(extended till 31.12.2020), can he submit bills from January, 2021 to March, 2021?	Yes, provided the transactions occurred on or after 12.10.2020 and bills are submitted before 31.03.2021.
14	If a child is less than 5 year old then he is not eligible for rail fare, will he be counted as a dependent for this scheme?	Yes. Provided the child is eligible as a dependent in accordance with LTC Rules.
15	Is this scheme applicable to the Autonomous Bodies?	Autonomous Bodies can adopt the scheme provided they are already implementing LTC scheme similar to the Central Government's Scheme, before 12.10.2020.
16	Whether any advance will be given like LTC advance?	Please refer to para 4 of Ministry of Finance, Department of Expenditure OM No. 12(2)/20/E-IIA dated 12.10.2020. It has been stated that an amount up to 100% of leave encashment and 50% of the value of deemed fare may be paid as advance into the bank account of employee.

17	Whether we can purchase different items under this scheme like we purchase washing machine, mobile, AC or not?	Yes. An individual can purchase different items which attract GST of 12% and more. The payment should be made through digital mode.
18	I availed home LTC in 2019. What is my eligibility position for LTC cash voucher scheme?	This scheme is for the LTC block of 2018-21. Normally, a block contains two LTC fare [home town and anywhere in India]. If one has been availed and the other remaining, the same can be utilized for this purpose. Any unutilized LTC of the block of 2018-21 is eligible.
19	How spending of 3 to 4 times on purchasing of products will be tracked? Will purchase made online from e-commerce website be acceptable?	Any purchase with digital mode is to be supported by invoice. Based on production of invoice the spending is calculated. The intention of this scheme is to encourage every mode of purchase. It is for the employee to choose a suitable digital mode.
20	I purchased certain items after 12.10.2020 but before formally exercising my option. Can it be counted for reimbursement?	All eligible purchases on or after 12.10.2020 and before 31.3.2021 can be counted.
21	Whether the advance taken under the scheme is to be settled within 30 days of disbursal of advance as stipulated under LTC rules. Can receipt be in the name of any dependent?	The Special Cash Package Scheme in lieu of one LTC is to compensate and incentivise consumption by Government Employees and the benefits can be availed up to 31.03.2021. Para 4 of O.M. dated 12.10.2020 provides for advance to Government employees in lieu of LTC fare and Leave encashment. As this is a Special Cash Package, the rules relating to advance taken under LTC are not applicable in the present scheme. Accordingly it is clarified that: (i) The advance taken under the scheme shall be settled on or before 31 st March 2021, and (ii) the invoices of the goods and services purchased as per the scheme may be in the name of spouse or any family member who are eligible for LTC Fare as declared in the Service records.

No.12(2)/2020/E.II.A
Government of India
Ministry of Finance
Department of Expenditure

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North Block, New Delhi
Dated 25th November, 2020

OFFICE MEMORANDUM

Subject:- Clarification regarding queries being received in respect of Special Cash Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the block 2018-21 (FAQ No.3)

The undersigned is directed to say that this Department has been receiving a number of queries relating to Special Package equivalent in lieu of Leave Travel Concession Fare for Central Government Employees during the block 2018-21 announced by the Government on 12th October, 2020. Two sets of frequently asked questions have already been clarified vide this Department's OM of even no. dated 20th October, 2020 and 10th November, 2020 are available on this Department's website viz. doe.gov.in.

2. A further set of frequently asked questions have been clarified and is attached herewith at Annexure below.
3. This issues with the approval of Secretary (Exp.).



(S. Naganathan)
Deputy Secretary (E.II.A)

All Ministries/Departments of the Government of India

FAQ No.3

Sr. No.	Query	Reply
1.	An employee wishes to avail the special cash package without opting for leave encashment. As per records he has sufficient EL for encashment purpose. Whether an employee can only avail LTC fare without claiming Leave encashment even though he has not exhausted the prescribed limit for leave encashment for LTC.	An employee can avail this scheme utilizing the applicable LTC fare without opting for leave encashment. Leave encashment is optional.
2.	If an employee opts for only deemed LTC fare without the leave encashment and spends less than three times of the deemed fare as has been prescribed to claim reimbursement of the deemed LTC fare, how the reimbursement would be calculated.	The reimbursement in this case would be on pro-rata basis. Since in order to claim the applicable deemed fare, an employee is required to spend three times of the deemed LTC fare, the reimbursement in the case of expenditure less than the prescribed three times would be 1/3rd of the actual expenditure. An illustration of calculation is given at annexure attached below.
3.	Can an employee avail leave encashment for less than 10 days.	The number of days of Leave encashment for LTC (10 days or less than 10 days) is to be in accordance with the relevant provisions of LTC rules.
4.	Will payment of premium of already existing insurance policies be covered under this scheme?	The special cash package envisages just of purchase of goods and services with GST of 12% and above made during the period between 12.10.2020 and 31.03.2021. Payment of premium of existing insurance policies does not fall under this category. However, payment of premium for insurance policies purchased during the period between 12.10.2020 and 31.03.2021 is eligible for reimbursement under the scheme.
5.	If an employee buys a car or any other items or services, whether it is mandatory to submit original bills to DDO as the same may be required for claim the warranty and ownership of the item/service.	No, self attested photocopy would suffice. However, the original bills may be produces on demand for information.
6.	The vouchers/bills to be submitted to avail this scheme on or before the 31 st March 2021. Employees who are due to superannuate (say) on the 31 st December 2020, be required to submit the vouchers/bills before his superannuation i.e. before the 31 st December 2020.	Vouchers/bills should be submitted and settled before the date of superannuation in this case.

Example (1) (without Leave Encashment)

Claiming for family of 4 eligible for economy class air travel.

Fare Value : Rs.20,000 x 4 = Rs.80,000

Amount to be spent for full cash benefit = Rs.80,000 x 3* = Rs.2,40,000

* 3 times of notional airfare (80,000 x 3=2,40,000)

Cash benefit = $\frac{\text{Amount Spent} \times \text{deemed LTC Fare (80,000 in this case)}}{\text{Amount to be spent for full cash benefit}}$

Thus, if an employee spends say Rs.2,40,000 or above, he will be allowed cash amount of Rs.80,000. However, if the employee spends less than Rs.2,40,000, say 1,80,000 then he may be allowed cash amount in the same proportion as illustrated above which comes out Rs.60,000 in this case.

$\frac{[1,80,000 \times 80,000]}{2,40,000} = 60,000$].

Example (2) (without Leave Encashment)

Claiming for family of 4 eligible for Train travel.

Fare Value : Rs.6,000 x 4 = Rs.24,000

Amount to be spent for full cash benefit = Rs.24,000 x 3* = Rs.72,000

Cash benefit = $\frac{\text{Amount Spent} \times \text{deemed LTC Fare (24,000 in this case)}}{\text{Amount to be spent for full cash benefit}}$

* 3 times of notional trainfare (24,000 x 3=72,000)

Thus, if an employee spends Rs.72,000 or above, he will be allowed cash amount of Rs.24,000. However, if the employee spends less than Rs.72,000 say 48,000 then he may be allowed cash amount in the same proportion as illustrated above which comes out Rs.16,000 in this case.

$\frac{[48,000 \times 24,000]}{72,000} = 16,000$].