

SESSION OVERVIEW

Entitlements are government benefits or programs that have been permanently written into law in such a way as to command resources regardless of other competing needs. Currently promised entitlement benefits far exceed our ability or willingness to pay for them over the long-term and account for the government's long-term structural imbalance. It is the nature of the political process to generate near constant pressure to expand existing benefits or to restore benefits that have been trimmed recently. New entitlements create their own demand and generally end up costing more than predicted.

The government provides financial assistance to its employees by way of means-tested schemes. These allowances are usually paid as per eligibility and depend on a number of requirements and conditions.

LEARNING OBJECTIVE

To acquaint the participants with

- Various entitlements admissible to a Government servant.
- To create awareness regarding various allowances of government servant and conditions governing them.
- Fee/ honorarium & Bonus
- HRA/ CCA/ Special compensatory allowance

- Transport allowance/ conveyance allowance
- Tuition fee/ Education Allowance
- Medical facilities
- TA & LTC
- GPF
- Leave including regular and other kinds of leave.
- Government residential accommodation facilities
- Incentives/ other welfare measures
- Small Family Norms – concessions to Govt. Servant
- Other misc. allowances

A. VARIOUS ENTITLEMENTS ADMISSIBLE TO A GOVERNMENT SERVANT

1. General

1.1 The Government provides various allowances and grants entitlements to its employees. These allowances and entitlements can be fixed or variable in the quantum depending on various factor, viz., scale of pay, percentage applicable to a particular area where a Government servant is posted, etc. In the paras below discussion will be made on the interpretations of various terms and the basic outline of the applicable allowances and entitlements.

2. Interpretation of terms

2.1 Entitlement

In its dictionary meaning it means '**a just claim**'. As it is already mentioned in the beginning of the session that entitlements are Government benefits given to an employee subject to certain conditions applicable to each category of such entitlement. They are often termed as '**claims**' or '**allowances**'. A government servant is entitled for various entitlements which are discussed in the subsequent paras.

2.2 Allowance

An amount or sum allowed to a person, especially regularly for a stated purpose.

2.3 Fixed Allowances/ Entitlements

Allowances that are given as a fixed amount based on the pay scale (or not) of a Government employee or given as a fixed percentage of the pay depending on the place of posting are termed as **Fixed Allowances**.

2.4 Variable Allowances/ Entitlements

Allowances and Entitlements which are not fixed amount and their quantum vary according to the distance, duration, mode of transport, etc.

3. Fee

3.1 Meaning - It means a recurring or non-recurring payment to a Government servant from a source other than the Consolidated Fund of India or the Consolidated Fund of a State whether made directly to the Government servant or indirectly

through the intermediary of government.

3.2 Not to be regarded as fees

- (i) Unearned income such as income from property, dividends and interest on securities, and;
- (ii) Income from literary, cultural or artistic efforts, if such effort is not aided by the knowledge acquired by the Government servant in the course of his service.

Note: Under conduct rules prior permission of the Competent Authority should be obtained for acceptance of fee.

3.3 Share to the Government

Fee received	Share to be credited to the Government
Up to Rs 1500	Nil
Above 1500	1/3 rd of the fee received subject to the condition that the fee retained by the employee does not fall short of Rs 1500

4. Honorarium

4.1 Meaning - It means a recurring or non-recurring payment granted to a Government servant from the Consolidated Fund of India or the Consolidated Fund of a State as remuneration for special work of an occasional or intermittent character.

4.2 Prior Sanction of the Competent Authority is necessary before the work is undertaken. The amount of remuneration is to be settled in advance. No share need to be credited to Govt.

4.3 Not Admissible

- (i) For any temporary increase in work or for attending to duties of another post in addition to normal duties.
- (ii) For work connected with setting up of companies/corporations.
- (iii) If over time allowance has been paid for the particular work.
- (iv) For contribution of articles or broadcast of talks as a part of the normal duties.

4.4 No share to Government – Amount of honorarium sanctioned can be retained in full by the employee and no portion need be credited to Government.

B. FIXED ALLOWANCES/ENTITLEMENTS

1. Pay

1.1 Meaning- Amount drawn monthly by a Government servant as—

- (i) The pay, other than special pay or pay granted in view of his personal qualifications which has

been sanctioned to a post held by him substantively or in an officiating capacity or to which he is entitled by reason of his position in a cadre;

- (ii) Special pay and personal pay; and
- (iii) Any other emoluments which may be specially classed as pay by Government.

2. Dearness Allowance

2.1 Meaning - An allowance granted to compensate the price increase above 306.33 points (Base year 1982=100), to which the revised pay scales relate. It is sanctioned twice a year, payable from 1st January and 1st July; and is reckoned on the following basis:-

- (i) The twelve monthly average price index above 306.33 Points is determined twice in a year for the period ending December and June.
- (ii) The percentage increase is taken in whole numbers only and the fraction ignored.
- (iii) Neutralisation will be 100% uniformly for all employees.
- (iv) D.A. is paid on the Basic Pay as defined in FR 9 (21)
(a) (i) + Stagnation Increment + Non Performing Allowance (admissible to employees in

medical service), if any. Personal Pay, Special Pay, etc., are not included.

3. Dearness Pay

When the percentage of Dearness Allowance crosses 50 % of the existing basic pay, it is merged with the basic pay and is termed as Dearness Pay. In other words, Dearness Allowance equal to 50% of the existing basic pay (including Rank Pay, NPA and stagnation increment, if any) is merged with basic pay and shown distinctly in the statement of accounts as Dearness Pay w.e.f. 1-4-2004.

4. Special Compensatory Allowance

It is granted to Central Government employees serving in the specified remote localities of the country, as specified in Part I and V of the Fundamental Rules and Supplementary Rules.

5. House Rent Allowance

5.1 Commonly known as HRA, this allowance is granted to the employees to meet the cost of housing incurred by a Government servant in the place of his duty, subject to fulfilment of certain condition.

- (i) HRA is granted as a fixed percentage of the pay drawn by the employee.
- (ii) The percentage is applicable to a given city/ town depending on the cost of living in that town/ city.

6. City Compensatory Allowance

In short known as CCA, the allowance is granted to a Government servant to meet the cost of living in his place of posting. It is granted at fixed percentage based on the scale of pay which an employees draws at a given point of time.

7. Transport Allowance

7.1 The Vth Central Pay Commission had recommended the grant of Transport Allowance to Central Government Employees to suitably compensate them for the cost incurred on account of commuting between the place of residence and the place of duty. This replaced the Conveyance Allowance admissible prior to the sanction of the Transport allowance, subject to fulfilment of certain condition.

7.2 It is granted as a fixed allowance based on the scale of pay and the place of posting of the employee.

8. Education Allowance/ Reimbursement of Tuition Fees

8.1 It is again a fixed allowance admissible to all Government employees (*irrespective of their pay scale*), admissible in respect of two children; to meet the cost of education fees, hostel expenses and other education related expenses; subject to certain conditions.

8.2 A Government servant can also claim re-imburement of tuition fees (*ceiling applicable*) paid in respect of his two children.

9. Hill Compensatory Allowance

A composite allowance admissible throughout the year to Central Government employees posted at hill stations situated at a height of 1000 meters or more above sea level.

10. Special Duty Allowance

The allowance is admissible to Central Government servants having All India Transfer liability on posting to any station in the North Eastern Region. It is admissible at fixed percentage, @ 12.5%, of pay drawn by an employee.

11. Cash handling Allowance to Cashiers

Admissible to employees entrusted with the work and duties of Cashiers in the office/ department. The fixed rate of allowance depends on the quantum of average monthly cash which is handled by the employee functioning as cashier.

12. Non Practising Allowance

The allowance is admissible to the Government employees in Veterinary or medical posts. It is admissible at 25% of basic pay subject to the conditions that pay plus NPA does not exceed 29,500. The allowance will count a Pay for all Service benefits.

13. Joining Time Entitlement

13.1 Meaning - The time allowed to a Government servant in which to join a new post or to travel to or from a station to which he is posted.

13.2 While serving the Government, a Government servant may undergo movement from one post to another either within the same station or to another station to take up duties of a new post or in consequence of change of his headquarters. Under these circumstances, the employee requires certain time to affect the transit, in case change of station is involved; or to understand the location of his new office if in the same station. This time period is referred as **Joining Time** which, subject to certain limitations, is granted to the employee.

14. Leave entitlements

14.1 A Government servant, in a given year, is also entitled to variety of leave which he can claim either to perform his personal works or for taking off from the work place for visiting other places of interest. This not only improves the quality of life of the government employees but it also helps them in discharging their official responsibilities with renewed enthusiasm & vigour.

14.2 The types of leave entitlements are:

- (i) Earned Leave;
- (ii) Half Pay Leave;
- (iii) Commuted Leave;
- (iv) Extraordinary Leave;
- (v) Maternity Leave;
- (vi) Paternity Leave;
- (vii) Hospital Leave;

- (ix) Study Leave;
- (x) Casual Leave, etc;
- (xi) Leave not due;
- (xii) Special disability leave

14.3 The types of leave entitlements are as per the rules of admissibility depending on the nature of leave. Leave cannot be claimed as a matter of right, it is just an entitlement not a right.

C. VARIABLE ALLOWANCES/ ENTITLEMENTS

1. Travelling Allowance

1.1 Travelling allowances are intended to meet the costs necessarily incurred by employees who are required to travel away from home/place of work on official business. Such costs cover accommodation, meals and incidental expenses. Travelling Allowance includes a travelling or subsistence allowance for travel within the work sphere by the holder of an office.

1.2 Travelling Allowance is granted on Tour, Transfer, Temporary Transfer, On Local Journey, On Retirement, On death of the employee and other occasions.

2. Leave Travel Concession

2.1 It is financial concession granted to a Government servant to meet the cost of his expenses to visit his home town or to any place in India, subject to his entitlements which depend on

the scale of pay which the employee draws.

2.2 In the beginning, this concession was available only for the journeys to home town. On the recommendations of the 3rd Pay Commission, the scope of the concession was enlarged and the LTC as it stands today consists of two schemes:

- (i) Home Travel Concession; and
- (ii) All India Travel Concession.

2.3 **The Home Town LTC** admissible in a block of two years helps the government servants to perform their important social and family obligations at their hometown.

2.4 The concession to visit **any place in India** once in a block of 4 years which is admissible to government servants and their family members, is of recreational, educational, and cultural value and it also promotes social integration. Taking off from the work place for visiting other places of interest not only improves the quality of life of the government employees but it also helps them in discharging their official responsibilities with renewed vigour.

3. Advances for Purchases/ Investments/ Miscellaneous

3.1 An advance from public funds can be granted to a Government employee, for various purposes, by a competent authority; keeping due regard to the terms, rules and conditions applicable in case of the relevant category of '**advance**'. The advances can be granted without charging interest or on interest.

3.2 Interest Free Advances are as under:

- (i) Festival Advance
- (ii) Leave salary Advance
- (iii) Education Advance
- (iv) Advance in connection with medical treatment.
- (v) Advance in the event of natural calamity like flood, drought, cyclone, etc.
- (vi) Advance on first appointment/ deputation and leave ex-India.
- (vii) Advance of LTC
- (viii) Advance of TA to the family of the deceased employee
- (ix) Tour Advance.
- (x) Advance of Pay and TA on transfer.

3.3 Interest Bearing Advances are:

- (i) Warm Clothing Advance
- (ii) Calculator Advance
- (iii) Computer Advance
- (iv) Bicycle Advance
- (v) Motor Cycle Advance
- (vi) Car Advance
- (vii) Marriage Advance

(viii) House Building Advance

4. Retirement Benefits/ Entitlements

4.1 Pension

- (i) Recurring monthly payment admissible to a Government servant retiring after qualifying service of not less than 10 years is referred as pension.
- (ii) The length of service determines the amount of pension that may be granted. Qualifying service is reckoned and expressed in terms of six monthly periods. Full pension is admissible for qualifying service of 66 six monthly periods.

4.2 Gratuity

- (i) Money given in recognition of services is termed as Gratuity.
- (ii) One who has completed five years of qualifying service and above is granted retirement gratuity on his retirement at the rate of 1/4th of emoluments for each completed six monthly period of qualifying service subject to a maximum of 16½ times of monthly emoluments.
- (iii) The Government has issued orders enhancing the maximum of retirement

gratuity from Rs.2.50 Lakhs to 3.50 Lakhs with effect from 1.1.1996. The Government has also issued orders that the calculation of gratuity will be based on pay and dearness allowance last drawn in respect of the employees retiring on or after 1.4.1998.

Further, from 1-4-2004 the granting will be calculated on the basis of Pay, Dearness Pay and DA thereupon, which the retiring/ retired employee had last drawn.

4.3 Family pension

- (i) The family of a Government servant is eligible for family pension in the event of his death either in service or after retirement.
- (ii) In the case of death while in service, one year continuous service in a pension-able post at any time during his service is required to become eligible for family pension.
- (iii) Family pension is also allowed to the family of Government Servants who die in harness before completion of one year continuous service provided that the deceased Government servant concerned immediately prior to his appointment to the service or post was examined by a medical

authority and declared fit for Government service.

5. Provident/ Insurance Benefits

5.1 General Provident Fund

(i) Fund maintained by the Government on account of the subscriber, i.e., the Government servant, out of monthly 'emoluments' of the Government servant; for his future exigencies or requirements".

(ii) Temporary Government servants after continuous service of one year, Re-employed pensioners and permanent Government servants and Temporary Government servants may subscribe to GPF any time even before the completion of one year's service.

(iii) *Rates of subscription* - Any sum (in whole rupees) as fixed by the subscriber, subject to a minimum of 6 % of emoluments and not more than his total emoluments.

5.2 Deposit-linked Insurance Scheme

When a GPF/CPF subscriber dies after having put in five years service the person receiving the Fund balance is entitled to receive an additional amount if the balance at credit had not fallen below the prescribed limits.

5.3 Group Insurance Scheme

The scheme which is compulsory to all the Central Government servants provides at a low cost and on contributory and self-financing basis, the twin benefits of an insurance cover to help their families in the even of death in service and a

lumpsum payment to augment their resources on retirement.

6. Medical Benefits

6.1 Medical Treatment from AMA

- (i) All the Government servants are also eligible for medical benefits from Government Authorised Medical Attendants for themselves and their families.
- (ii) The benefit is also available for treatments from hospitals outside the place of posting of the employees if a particular treatment is not available in that station, subject to certain conditions.

6.2 Central Government Health Schemes

- (i) The Scheme is applicable to all employees paid from Civil Estimates having their headquarters and their family members in the cities notified by the Government in this respect.
- (ii) In order to claim the benefits of the scheme, the Government servants should reside in the area covered by the Scheme. Pensioners including those residing outside CGHS area can get their names registered with any of the dispensaries, whether they reside in that city or not.

7. Other Welfare Measures Promoted by the Government

7.1 Incentives for promoting small family norms

Concessions of special increments (*equal to the amount of next increment due*) in form of Personal Pay are available to the Government servants promoting small families subject to certain conditions. They are also entitled to get rebate of ½% in the interest on House Building Advance.

7.2 Compassionate Appointments of Dependents

An employee's wife/son/daughter may be appointed on compassionate grounds in relaxation of the Recruitment Rules to a Group D or Group C posts when the employee dies in service/ extension of service but not during re-employment leaving his family in immediate need of assistance, when there is no other earning member in the family.

8. Government Quarters

Based on the basic pay range, Government servant is also entitled for Government accommodation depending upon the availability of the type of accommodation to which he/she is entitled. When an allotment of accommodation or alternate accommodation is accepted by a Government servant, he/ she become liable for Licence Fee and do not get HRA.

SUMMARY

At the end of the session the participants will have a basic understanding of various allowances and entitlements admissible to a Government servant. This will help them in understanding the concepts of each allowance which will be discussed in detail in the later sessions during the training programme.