



# Leave Travel Concession

## AIUCBOF Empowerment Series Chapter 15

### **Leave Travel Concession** **(Regulation 44 of OSR1979)**

**1.A.** During each block of 4 years, an officer shall be eligible for the Leave Travel

Concession for travel to his home town once in each block of two years. Alternatively he may travel in one block of two years to his home town and the other block to any place in India by the shortest and the direct route. LTC to home town shall not be available to an officer posted at his home town. (SCL121/82 dated 24-12-1982)

**B.** LTC shall be admissible to an officer as well as to his family members. **The officer and his/her family members are entitled to travel in the same mode (Air/Rail/Taxi/ship) and class of travel as on duty (SCL/88/80 dated 08-11-1980).** Where the member of his family resides at his home town and not his place of posting, he may avail home town LTC as under:

- a) For self – to his home town and return.
- b) For family members – to his place of work and return.

**C.** LTC shall be admissible to an officer only after completing one year of actual service. It shall also be permitted to be available to officer on probation.

**LTC can be availed of by the officer on any kind of leave. (CHO/POS/7/92 dt.2.3.92)**

**D.** Officer under suspension shall not be permitted to avail of LTC as no leave can be granted during suspension as such the family of officer under suspension would not also be permitted to avail of leave fare concession. (CHO/PMG/13/87 dt.8.5.87)

**E.** W.e.f. 1st May 2010 an officer in Junior Management Grade Scale I while availing LTC will be entitled to travel by air in the lowest fare economy class in which case the reimbursement will be the actual fare or the fare applicable to AC 1st Class fare by train for the distance traveled whichever is less. The same rules shall apply when an officer in Middle Management Grade Scale II and Middle Management Grade Scale III

while availing LTC where the distance is less than 1000 kms.(CHO/POS/06/2010-11 dated 24-05-2010)

**F.**The officer employee and his/her family may travel even separately but the journey of all member must commence before expiry of the LTC block of the officer and the respective return journeys must be completed within 4 month of the commencement of the respective forward journeys. (Ref. CHO/PMG/13/88 dt.16.3.1988)

**G.** Reimbursement will be limited to the fares between the place of work of the officer and destination of officer/family, in case the starting points are same. In case, the starting points is also different, then the fare for the family will be the limited to the amount of the fare between the place of work of the officer and the destination chosen by family or the amount of fare between the starting point of the family and the destination chosen by them, whichever is less. (CHO/POS/36/87dt.20.6.1987)

**H.LTC for travelling outside India is permitted by the Competent Authority but reimbursement is restricted to travel up to the last place of visit within Indian border by direct/ shortest route in the eligible class of travel or actual claim amount whichever is less.**

#### **I.Travel by Taxi**

Prior permission for travel by taxi by an officer on LTC **need not** be obtained provided the following conditions are satisfied.

- a) There is a regular taxi service between the places covered.
- b) Taxi is commonly used mode of transport by the public between the places covered.
- c) The charges are fixed or follow the schedule approved by a recognized association of the taxi operators or by a recognized institution, government or otherwise, and are not a matter of individual contract/agreement with the taxi operators

#### **J. Encashment of Privilege leave**

Once in every block of 4 years when the officer avails LTC on any kind of leave (Ref. CHO/POS/7/92 dt.2.3.92), he can surrender and encash privilege leave for a period not exceeding 30 days. An officer may be permitted to encash 15 days

privilege leave in each block of 2 years (Ref. CHO/POS/10/92 dt.30.3.92). One day's additional privilege leave can be encashed for remitting to the Prime Minister's Relief Fund.

For such encashment the officer will be paid one month's salary and allowances (inclusive of notional HRA for those who have been provided with Bank's accommodation) at the rate for the month in which he proceeds on leave. Encashment shall normally be made not before 15 days from the date of proceeding on leave. Encashment will not be allowed after he has proceeded on leave. Application may be made at least one month in advance for sanction of LTC.

**2.. Encashment of LTC in lieu of undertaking journey :** Alternatively, an officer, by exercising an option anytime during a 4 year block or two year block, as the case may be, surrender and encash his LTC (other than travel to place of domicile) upon which he shall be entitled to receive an amount equivalent to 75% of the eligible fare for the class of travel by train to which he is entitled upto a distance of 4500 kms (One way) for officers in JMG Scale I and MMG Scale II & III and 5500 kms (one way) for officers in SMG Scale IV and above.( CHO/POS/06/2010-11 dated 21-05-2010)

An officer opting to encash his LTC shall prefer the claim for himself / herself and his/her family members only once during the block / term in which such encashment is availed of. The facility of encashment of privilege leaves while availing of Leave Fare

Concession is also available while encashing the facility of LTC. **Notional HRA equivalent to an amount payable without production of rent receipt will be included for computing leave encashment in the case of officers who have been provided with Bank's residential accommodation (CHO/POS/45/87 dated 11.9.87)**

### **Clarification.**

i)The income tax exemption to LTC shall not be available to more than two surviving children of an individual born on or after 1st October 1998, provided that this sub-rule shall not apply in respect of children born before 1st October, 1998 and also in case of multiple births after one child.

## ii) REIMBURSEMENT FOR CHILDREN

Mode of Travel	Less than 5 years	5 years and above and below 12 years	12 years and above
TRAIN	Nil	Actual fare	Actual fare
BUS, SHIP & AIR	Actual fare incurred or full Adult eligible Class of fare whichever is less	Actual fare or full Adult eligible class of fare whichever is less	Actual fare

iii) Any amount received by an employee by encashing his LTC shall be added to his salary income and accordingly to be taxed in addition to leave encashment amount.

iv) **Definition of Family:** As given in TA Rules

### **ELIGIBILITY FOR FEMALE OFFICER EMPLOYEES:**

#### **Unmarried Female Officer Employees:**

Unmarried female Officer can claim for parents wholly dependent on her and ordinarily residing with her.

#### **Married Female Officer Employees:**

Married Female Officer can claim for spouse, dependent children, either dependent parents or parents in law, (BUT NOT FOR BOTH).

Female employee can claim for self and wholly dependent parents while her husband will claim for self, his children, his parents.

v) Some Airlines/Agencies are issuing costlier air tickets accommodating some extra facilities like transportation charges, stay charges, food charges etc. apart from journey fare. The bank will reimburse only the journey fare and not any other cost. All concerned are advised not to go for such tickets. In case such tickets are submitted with LTC bills, the officer will be required to furnish the break-up of charges obtained from the airlines, failing which it would not be possible for the sanctioning authority to pass the bills. (CHO/POS/28/2010-11 dt 09.02.2011.)

vi) While purchasing tickets for travelling for official work/ LTC, officers are required to use the following corporate codes allotted to our bank by different airlines(CHO/PMG/48/2011-12 dt 10.02.2012.)

#### **Name of the Airline**

Indian Airlines/Air India

Jet Airways/Jet Lite

#### **Tour Code No**

C074

9W5564002

**vii) FOLLOWING EXPENSES ARE NOT ELIGIBLE FOR REIMBURSEMENT:**

Local transportation charges en route, portage/ coolie charges, pilgrimage, toll tax, Travel agent booking charges. However, local sightseeing charges at halt or at destination by the tourist buses run by Govt/ Reputed Travel agent are reimbursable subject to production of

a.) A certificate from agencies covering place visited / distance covered. Actual cost of travel, actual cost of boarding / lodging service charges, if any. b) Stamped receipt. c) List of passengers travelled. **Further conveyance charges from place of work to Rail way station/ airport or at halt / intermediate station are not reimbursable .(SCL 31/84 dated 16-05-1984)**

**ix) MISC:**

LTC Bill should be supported by acceptable evidences of journey like original Ticket/ Boarding pass/Stamped Receipt etc.

**However for travel by Tourist Taxi /Bus : following documents are to be submitted.** a) RC book copy. b) Photo copy of RTO permit c) Stamped receipt covering rate/km, driver, batta, night halt etc.

**x) Sanctioning Authority:**

Branch Head is the competent authority for sanction of LTC to the officers in the branch. Zonal Head is the sanctioning authority for Branch head and officers posted in the Zonal Office. Circle Head is the sanctioning authority for Zonal Head and the officers of Circle Office. H R M Department, HO is the authority for sanction of LTC to officers in HO.

**Taxability of LTC for Travelling Abroad :**

In terms of Section 10(5) of IT Act, 1961 the value of any LTC or Assistance received by or due to an employee from employer for himself and his proceeding of LTC to any place in India will not be included in his total income but for travelling abroad the difference of value of such travel concession or assistance received on the amount admissible for exemption (journey charges/expenses for travel within India) is taxable (HO Circular No.PSD/EST/2008-09/COM/547 dated 29.10.2008).