

RBE No. 334/1987: Compulsory Retirement - Encashment of Un-utilized Leave  
No.F(E)III-77/LE-1/4, dated 12.08.1987

Sub: Cash payment in lieu of unutilized leave on Average Pay on the date of retirement to the Railway servants who are compulsorily retired as a measure of punishment under the disciplinary rules.

1. Attention is invited to Board's letter of even number dated 15.11.1977, according to which the orders for encashment of un-utilized LAP are not applicable in cases of employees who are compulsorily retired as a measure of punishment under the disciplinary rules. The question whether the employees who are compulsorily retired as a measure of punishment under the disciplinary rules should be allowed the benefit of encashment of un-utilized LAP has been under the consideration of the Government.
2. It has now been decided that where a Railway Servant is compulsorily retired as a measure of penalty and in whose case the cut in pension is ordered he would not be allowed in encashment of LAP at the time of such compulsory retirement.
3. However, encashment of un-utilized LAP will be allowed to those Railway Servants who are compulsorily retired as a measure of punishment under the disciplinary rules where the disciplinary authority has not imposed any cut in the amount of pension. This will be subject to such other general conditions as are laid down in respect of leave encashment.
4. These orders will apply to Railway Servants compulsorily retired on or after 06.02.1987.
5. This may be deemed to have amended the relevant provisions of the Rules. The formal amendment to the Rules will follow in due course.

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**Forward reference ⇒RBE No.**