

**Letter No. 77938/PC-I/98-2, Dated. 25.03.1999**

**From**

**Tmt. Girija Vaidhyanathan, I.A.S.,  
Special Secretary to Government,**

**To**

**All Secretaries to Government.**

**Sir,**

**Sub: Foreign Service – Collection of leave salary and pension  
contribution – Instructions – Issued.**

**Ref: From the Principal Accountant General, Tamil Nadu Lr.  
No. AG (A&E)/PC-I/Genl.I/98-99/77 dt.11.09.98.**

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In the reference cited, the Accountant General has stated that payment of leave salary and pension contribution from the foreign employers is due consequent on the revision of scale of pay ordered in April 1998 with retrospective effect from 01.01.1996 and also belated payment of such contribution would attract levy of penal interest as per the provisions of FR 119(b). The Accountant General has further stated that large amounts of leave salary and pension contribution over twenty years are outstanding and also in spite of repeated reminders through the Treasury Officers by his office, response from the parent departments, borrowing departments and the Government servants has not yielded good results. Hence, he has brought the matter to the notice of the Government for issue of proper instructions.

2. Government has carefully examined the issue in the light of the position explained by the Accountant General.

3. I am to inform that based on the recommendations of the Official Committee, the scales of pay of employees were revised in April 1998 with retrospective effect from 01.01.1996, i.e. after two years. Hence, the Government have decided to attempt the levy of penal interest for the payment of difference in leave salary and

pension contribution by the foreign employers to the Government for the period from 01.01.1996 to 31.12.1998. All Heads of Departments and Drawing and Disbursing Officers are requested to conduct a review of foreign service cases and ensure that –

- (i) Copies of proceedings, orders, etc. for all foreign service spells of all Government servants have been communicated to the Accountant General (A&E), Chennai-18;
- (ii) The CR No./Vol.No. (Contribution Register Number/Volume No.) have been allotted to each foreign service spell;
- (iii) The foreign service card has been communicated to Accountant General for all cases duly furnishing the particulars required therein;
- (iv) The rates of leave salary contribution and pension contribution have been intimated by the Accountant General
- (v) The contributions have been made periodically for each and every financial year and ensure that all such remittances worked out to the Final Demand intimated by the Accountant General;
- (vi) The claim satisfaction certificate, which is a must for counting the period of foreign service as qualified service for pension, has been recorded in the Service Registers/Foreign Service Cards;
- (vii) The pay and pay scales have been revised from 01.01.96, recorded in the foreign service cards and communicated to Accountant General; and
- (viii) Even in respect of already closed foreign service cases covering a period from 01.01.1996, revision of pay is communicated to Accountant General and the differential amount of LSC and PC due to such revision has been remitted.

4. I am also to request you to issue necessary instructions to all subordinate officers to avoid levy of penal interest for belated payment of leave salary and pension contribution and that all the dues to the Government including penal interest should be paid in time. This process of clearing cases falling between 01.01.1996 and 31.12.1998 should be completed before 31<sup>st</sup> October 1999.

5. Further the salient points to be noted in respect of calculating a spell of foreign service including calculation of penal interest and also the format furnished by Accountant General is enclosed for adherence. I am to request you to take follow-up action immediately in this regard and also intimate the course of action taken thereon to the Senior Accounts Officer, Pension Contribution Branch, Office of the Accountant General (A&E), Kamadhenu Supermarket Buildings; IInd Floor, 559, Anna Salai, Chennai-18.

Yours faithfully,

Sd/-

*for Special Secretary to Government.*

### **ANNEXURE**

#### **Office of the Principal Accountant General (A&E), Madras – 18.**

##### *Some salient points to be noted in respect of a spell of Foreign Service :*

1. A copy of the G.O. or the proceedings or the orders sanctioning a spell of foreign service should be communicated to the Principal Accountant General (A&E), 559, Anna Salai, Madras-18.
2. The Contribution Register Number (CR No.) and volume number should be got allotted from the Accountant General and to be mentioned in all the communications in respect of Leave Salary Contribution and Pension Contribution No. Remittance of LSC and PC should be made before the allotment of CR Number by this office. Any such remittance made before the allotment of CR No. may not be accounted for properly in the accounts of the Government servant concerned.
3. The foreign service card (as prescribed in G.O. Ms. No. 12, dt. 08.01.91) for each individual, for each spell of foreign service, should be communicated to the Accountant General by the Parent Department of Government servant. Service Books of the individuals should not be sent to the Accountant General for fixing the Leave Salary Contribution and Pension Contribution.



4. It should be ensured that all the spells of leave availed of during the period of foreign service are clearly noted in the Foreign Service Card with due verification of the Service registers.
5. The initial rates of LSC and PC should be got fixed by the Accountant General.
6. The Parent Department and the Government servant on foreign service should ensure that the remittances towards LSC & PC for every financial year, are made by the foreign employer before 15<sup>th</sup> of April of the succeeding year. Similarly if the period of foreign service ends in the middle of the financial year, the remittances for that period should be made before 15 days from the date on which the foreign service ends. Any belated payment attracts penal interest. Separate Demand Drafts drawn in favour of Accountant General (A&E), Madras-18 for LSC and PC should be sent to A.G. as these remittances have to be accounted for in different heads of accounts.
7. The Final Demand and the Demand-Collection Balance (DCB) statement should be got from the Accountant General (A&E) immediately after a spell of foreign service comes to a close.
8. After all the remittances towards LSC and PC as also penal interest, if any, are made a Claim Satisfaction Certificate should be got from the Accountant General and necessary entries should be made in the Service Register of the concerned Government Servant.
9. After the fixation of initial rates of Leave Salary Contribution and Pension Contribution, or communication of Final Demand and/or Claim Satisfaction Certificate, if there is any change in the pay or personal pay or deputation allowance or special allowance covering the period of foreign service, that should be brought to the notice of the Accountant General for revision of Initial Rates/ Final Demand/Demand-Collection-Balance statement and the differential amount consequent on such revision should be remitted by the foreign employer at once.

10. If any organisation to which a Government servant proceeds on foreign service, is covered by G.O. No. 656, dt. 08.05.74 which grant exemption from LSC and a concessional rate of Pension Contribution, this fact should be specifically mentioned in the Foreign Service Card. If any such organisation is subsequently wound up or liquidated or converted into a different name and nomenclature or fragmented into two or more organisations, the said fact should be urgently brought to the notice of the Accountant General (both by the parent department and the borrowing department) to examine afresh the dates and rates of LSC and PC as would be applicable.
11. If in respect of a foreign service out of India, the terms and conditions prescribed any special conditions such as remittance of Pension Contribution in foreign currency, etc., it should be ensured by the parent department that such conditions are scrupulously followed. It may be specifically noted that only in respect of cases of foreign service out of India, the service Registers of the individuals should be sent to the Accountant General, instead of the Foreign Service Card.

12. Illustrative example of calculation of Penal Interest:

Period of Foreign Service	:	01.04.91 to 20.06.94
Leave Salary Contribution	:	from 01.04.91 at Rs.200 p.m. from 01.01.92 at Rs.210 p.m. from 01.04.93 at Rs.220 p.m. from 01.01.94 at Rs.230 p.m.
Pension Contribution	:	from 01.04.91 at Rs.300 p.m. from 01.01.93 at Rs.350 p.m.

Earned Leave from 01.05.94 to 31.05.94.

Date of remittance of the entire amount of Final Demand :  
31.05.96.

Calculate the Penal Interest at 2 paise per 100 Rupees per day from the date on which remittance is due till the date of actual remittance.

## PENAL DEMAND

### Leave Salary Contribution (S.L.R.)

01.04.91 to 31.12.91	9 x 200 = 1800	
01.01.92 to 31.03.92	3 x 210 = 630	2430
01.04.92 to 31.12.92	9 x 210 = 1890	
01.01.93 to 31.03.93	3 x 220 = 660	2550
01.04.93 to 31.12.93	9 x 220 = 1980	
01.01.94 to 31.03.94	3 x 230 = 690	2670
01.04.94 to 30.04.94	1 x 230 = 230	
01.05.94 to 31.05.94	Leave	
01.06.94 to 20.06.94	20/30 x 230 = 153	383
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		8033
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### Pension Contribution

01.04.91 to 31.03.92	12 x 300 = 3600	3600
01.04.92 to 31.12.92	9 x 300 = 2700	
01.01.93 to 31.03.93	3 x 350 = 1050	3750
01.04.93 to 31.03.94	12 x 350 = 4200	4200
01.04.94 to 30.04.94	1 x 350 = 350	350
01.05.94 to 31.05.94	Leave	
01.06.94 to 20.06.94	20/30 x 350 = 233	583
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		12,133
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## PENAL INTEREST

Date of remittance of LSC and PC : 31.05.96

Period of foreign service	Amount due	No. of days of delay in remittance (A)	Penal Interest due	Remarks Details for (A)
01.04.91 to 31.03.92	2430 x	1507 days x 0.02 Ps	732.40	16.4.92 to 31.5.96
01.04.92 to 31.03.93	2550 x	1142 days x 0.02 Ps	582.42	16.4.93 to 31.5.96
01.04.93 to 31.03.94	2670 x	777 days x 0.02 Ps	414.92	16.4.94 to 31.5.96
01.04.94 to 20.06.94	383 x	696 days x 0.02 Ps	53.31	6.7.94 to 31.5.96
Total Penal Interest on LSC			1,783.05	

Period of foreign service	Amount due	No. of days of delay in remittance (A)	Penal Interest due	Remarks Details for (A)
01.04.91 to 31.03.92	3600 x	1507 days x 0.02 Ps	1085.04	16.4.92 to 31.5.96
01.04.92 to 31.03.93	3750 x	1142 days x 0.02 Ps	856.50	16.4.93 to 31.5.96
01.04.93 to 31.03.94	4200 x	777 days x 0.02 Ps	652.68	16.4.94 to 31.5.96
01.04.94 to 20.06.94	583 x	696 days x 0.02 Ps	81.15	6.7.94 to 31.5.96
Total Penal Interest on PC			2675.37	

Penal Interest on Leave Salary Contribution : Rs.1,783/-

Penal Interest on Pension Contribution : Rs.2,675/-

*Note : The more the delay in the remittance of the LSC & PC the more the liability of Penal Interest.*



## ANNEXURE

Details of Foreign Service : C.R. No.

Vol. No.

1.	Name of the Government Servant	:	
2.	Date of Birth	:	
3.	Date of commencement of continuous Government Service	:	
4.	Name & Complete postal address of the parent (lending) Department	:	
5.	(a) Name & complete postal address of the foreign (borrowing) department	:	
	(b) Whether the foreign (borrowing) Dept. is owned or controlled by Govt. as per G.O. No. 656, Finance dt. 08.05.74.	:	
6.	Date of relief from the parent department on foreign service (f.n./a.n.)	:	
7.	Period and nature of leave availed immediately on relief from parent department	:	Nature of leave from to
8.	Period of joining time availed	:	from to
9.	Date of joining the foreign (borrowing) dept. (f.n./a.n.)	:	



10. Details of pay drawn :

		Parent Department	Foreign Department
(i)	At the time of commencement of foreign service (a) Scale of pay (b) Basic pay (c) Special pay (d) Personal Pay (e) Any special allowance		
(ii)	Next three increment (Date/Pay)	1. 2. 3.	1. 2. 3.
(iii)	(a) Date of promotion while on foreign service (b) Scale of pay (c) Basic Pay (d) Date of next increment (e) Special pay (f) Personal Pay (g) Any other special allowance (h) Deputation allowance		

11.	Details of leave availed of during the period of foreign service	:	Nature of leave From To
12.	Date of relief from foreign service	:	
13.	Details of leave availed of after relief from foreign service		Nature of leave from to

14.	Joining time availed of after relief from foreign service	:	from to
15.	Date of rejoining Government service after completion of foreign service (f.n./a.n.)	:	

Signature

Date

Seal of the parent department

(Note – All the columns should be filled in accurately with reference to the Service Book, Terms and conditions of foreign service, pay bill register, etc.)

(True copy)