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No.Fin (C)-C (17)-3/77-II  
Government of Himachal Pradesh  
Finance (Regulations) Department

Dated Shimla-171002, the 13 August, 1987.

OFFICE MEMORANDUM

Subject:- Simplification of adjustments on account of allocation of leave salary and pension between Central and State Governments.

The undersigned is directed to enclose herewith a copy of Government of India, Ministry of Finance, Department of Expenditure (Controller General of Accounts) Office Memorandum No.14(5)-86/TA/1029, dated the 9th October, 1986, on the subject noted above for information and necessary action.

( B.G. Gupta )  
Deputy Secretary (Fin-Reg)  
to the Govt. of Himachal Pradesh.  
K.S.T.

To

All Administrative Departments of the Government of Himachal Pradesh.

No.Fin (C)-C(17)-3/77-II. Dated Shimla-171002, the 13 Aug., 1987.

Copy forwarded to :-

1. The Divisional Commissioner, Shimla Dharamsala (Kangra)/ Mandi, H.P.
2. All Heads of Departments in Himachal Pradesh.
3. The Registrar, H.P. High Court, Shimla-171001.
4. All District and Session Judges in H.P.
5. All Treasury Officers/Assistant Treasury Officers/ Sub-Treasury Officers in H.P.
6. All Deputy Commissioners in Himachal Pradesh.
7. The Resident Commissioner, H.P. Himachal Bhavan, Sikandra Road, New Delhi.
8. The Assistant Director, Financial Administration, HIPA, Fair Lawns, Shimla-12.

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- 9. All Sr. Accounts Officers, Accounts Officers/Sr. Auditors Auditors under the Administrative control of T&A Orgn.
- 10. The Examiner, Local Fund Audit, Himachal Pradesh.
- 11. All Boards/Corporations etc. in Himachal Pradesh.
- 12. The Accountant General (Audit), H.P., Shimla-3 with 40 spare copies.
- 13. The Sr. Deputy Accountant General (ASE), H.P., Shimla-3, with 40 spare copies.
- 14. The Accountant General (Accounts), Himachal Pradesh, Shimla-3 for information and necessary action.
- 15. The Inspection Officer, T&A Organisation, North Zone, Civil Bazar, Dharamsala.
- 16. The Pay and Accounts Officer, No. 1, Reserve Bank of India, Parliament Street, New Delhi.
- 17. Shri Ranjit Singh Kanwar, President, H.P. N.G.O's Federation, C/O Civil Hospital, Gagret, Una, H.P.
- 18. Shri Gopal Dass Verma, Sr. Vice President, H.P. Non-Gazette Officers Federation, O/O Eire Brgade, The Mall Shimla.
- 19. Shri Subhash Sharma Secretary General, H.P. Non-Gazette Officers Federation, C/O Directorate of Horticulture, Shimla-2.

*Bejnli*  
 Deputy Secretary (Fin-Reg)  
 to the Government of Himachal Pradesh.  
 K.S.T.

- Copy to :-
- 1. The Research Officer, Finance Commission Cell with five spare copies for information and necessary action.
  - 2. All Sections of the Finance Department with five spare copies.
  - 3. The Sr. Accounts Officer, Department of Personnel (Accounts Wing) H.P. Secretariat, Shimla-2.
  - 4. Guard File with 100 spare copies.

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No.14(5)/86/TA/1029  
GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF EXPENDITURE  
CONTROLLER GENERAL OF ACCOUNTS  
8TH FLOOR LOK NAYAK BHAWAN  
KHAN MARKET NEW DELHI -11 0003.

FINANCE DEPARTMENT  
Dr. No 5811  
Date 29/10/86

Dated, the 9th Oct., 1986.

OFFICE MEMORANDUM.

Subject:- Simplification of adjustments on account of allocation of leave salary and pension between Central and State Governments.

The Government of India appointed a Committee to review the existing G.F.Rs., Treasury Rules and Account Code Vol.I and to make conceptual suggestions for their revision so as to simplify and rationalise these rules. The Committee, in chapter 5 of its Second report has examined the existing system of allocating the liability on account of leave salary and pensionary charges of the government servants who have served under the Central Government and State Governments as contained in Appendix 3-B-II and IV of Account Code Vol.I and made the following recommendations:-

ICE OF THE  
CHIEF SECRETARY  
No. 9211  
Date 22/10/86

(a) The practice of realising leave salary contributions may be dispensed with altogether as this is a very small fraction of amounts payable to state governments on account of deputation of their officers to the Central Government.

(b) Recovery of leave/pension contributions in respect of inter-state transactions, which must be few and far between and could be given up.

In regard to pensionary liability the Central Govt. may forego any contribution recoverable from State Governments to whom Central Government Officers are deputed.

In lieu of Central Government liability towards pension of state government officers (mainly All India Service Officers) who are deputed to Centre for varying spells an adhoc grant payable to each state government may be worked out at the beginning of the financial year and disbursed to them in one lump sum as Grant-in-aid (Non-Plan) on the basis of a simple formula which takes into account cadre strength, and average length of deputation of All India Service Officers to Central Government.

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FINANCE DEPARTMENT  
Dy. Secy (1073)  
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2. Pursuant to the above, it has been decided in consultation with the State Governments to dispense with the system of allocation of leave salary and pension between Central and State Governments as specified below:-

- (a) Leave Salary - The existing system of allocation or sharing of the liability on account of leave salary contributions by Central Government to State Governments or vice versa will be dispensed with. The liability for leave salary will be borne in full by the Department from which the Government servant proceeds on leave, whether it be his parent Department or a borrowing Department with whom he is on deputation.
- (b) Pension - The liability for pension including gratuity will be borne in full by the Central/State Department to which the Government Servant permanently belongs at the time of retirement. No recovery of proportionate pension will be made from Central/State Government under whom he had served.
- (c) Contributory Provident Fund - The liability for Government contributions will be borne by the parent Department of the Central or State Government and no share of contributions will be recovered from any borrowing Department.

3. It has also been proposed to extend the above provisions to exchange of officers between two State Government. Accordingly, there will be no allocation of leave salary/pension contribution among the Departments of the various State Governments.

4. These orders will take effect from 1-4-87 and will apply to all cases of leave salaries and pensions sanctioned on or after that date.

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5. Necessary action in regard to the payment of compensation in the form of grant-in-aid as envisaged in para 1(d) above, to each State Government in lieu of Central Government liability towards pension of State Government officers is being taken separately.

6. This issues with <sup>the</sup> concurrence of the Comptroller and Auditor General of India vide his U.O.No. 114-AC.I/163-86 Vol.II dated 3-10-86.

( P.V. DESAI )

Jt. Controller General of Accounts.

To:

1. All Ministries/Departments of the Government of India.
2. Chief Secretaries of State Governments/ Union Territories.
3. Comptroller and Auditor General of India with spare copies for circulation amongst Aa.G. (60 copies).
4. All Chief Controllers of Accounts/Controllers of Accounts.
5. The Secretary, Union Public Service Commission, New Delhi.
6. The Secretary, Staff Selection Commission, New Delhi.
7. Banking Division, Department of Economic Affairs, New Delhi.
8. Insurance Division, Department of Economic Affairs, New Delhi.
9. Central Board of Direct Taxes.
10. Central Board of Excise and Customs, New Delhi.
11. Accounts Officer (Codes), Controller General of Accounts (Local) with the request that necessary amendments to Account Code Vol.I may please be issued.

