



No. CWC/CO-PD0PLCY/19/2020-PERS

Dated: 08.12.2020

CIRCULAR

Sub: Clarification in respect of Special Cash Package equivalent in lieu of LTC fare during the block year 2018-21 – reg.

In reference to the circular dated 20.10.2020 on LTC cash voucher scheme and clarification issued vide circular dated 06.11.2020, various queries seeking clarification related to Special package have been received. Accordingly, a FAQ giving answers/clarification to the queries is attached herewith (FAQ No. 2).

(Debapati Saha Chowdhury)
Asst. General Manager (Pers)

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1. All HoDs, CWC, CO, New Delhi
2. All Regional Managers, CWC, Regional Offices – with the request to circulate the contents to all field units also.
3. Notice Board
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FAQ No. 2

Sr. No.	Queries	Reply
1.	An employee whose workplace and hometown are same and is eligible for only one all India LTC in one Block Year. If that LTC is exhausted, will he be eligible for this scheme?	No. The scheme is in lieu of one LTC available during the block year.
2.	If an employee has already availed hometown LTC (only for self) for 2018-19, can he now claim LTC cash voucher scheme with LTC for self from block year 2020-21 and for remaining family members from block 2018-19?	Yes. He can claim leave encashment as per the scheme provided it does not exceed the maximum limit of 60 days eligible for encashment.
3.	If both husband and wife are Government servant, if one is availing LTC cash voucher scheme for self and spouse and also taking LTC leave encashment, then can the spouse avail LTC leave encashment separately?	Yes
4.	If an employee avails deemed LTC fare and spends less than or equal to three times of the deemed fare entitlement, how much reimbursement will he get?	Reimbursement will be on pro-rata basis.
5.	Whether purchase of goods/services on loan/EMI, will be covered under this scheme?	Purchase of any goods or services which attract GST of 12% and above qualify for reimbursement under this scheme. Purchases on EMI basis are also permissible. The purchase should have been effected after the issue of the order i.e. 20.10.2020 and should have an invoice.
6.	For those officials having three Hometown LTCs and one all India LTC, can they avail special cash	The scheme is valid up to 31.3.2021 and is in lieu of the available LTC. An official may

	package for year 2020 in 2021(up to 31.03.2021) and avail LTC for 2021 also in 2021?	avail LTC for 2021 in 2021 provided the same has not been foregone in lieu of the benefits of the said scheme.
7.	If a fresh recruit who is governed by LTC Rules for New Recruits is in his 8th year after recruitment opts for this scheme, can he submit bills having date of January-March 2021?	Yes, but one block year of LTC/ or one LTC to be foregone to avail the benefits of the Special Scheme.
8.	Since the fresh recruits are not allocated block year, can they avail this scheme?	Yes
9.	Can the payment be made by cheque /DD / Banker's Cheque/ NEFT/RTGS?	Yes
10.	If an employee is availing Cash scheme against year 2018 19(extended till 31.12.2020), can he submit bills from January, 2021 to March, 2021?	Yes, provided the transactions occurred on or after 20.10.2020 and bills are submitted before 31.03.2021.
11.	If a child is less than 5-year-old then he is not eligible for rail fare, will he be counted as a dependent for this scheme?	Yes. Provided the child is eligible as a dependent in accordance with LTC Rules.
12.	Whether any advance will be given like LTC advance?	Please refer to para 4 of Circular No. CWC/CO-PDOPLCY/19/2020-pers dated 20.10.2020. It has been stated that an amount up to 50% of the value of deemed fare may be paid as advance into the bank account of employee.
13.	Whether we can purchase different items under this scheme like we purchase washing machine, mobile, AC or not?	Yes. An individual can purchase different items which attract GST of 12% and more. The payment should be made through digital mode.
14.	I availed home LTC in 2019. What is my eligibility position for LTC cash voucher scheme?	This scheme is for the LTC block of 2018-21. Normally, a block contains two LTC fare (home

		town and anywhere in India). If one has been availed and the other remaining, the same can be utilized for this purpose. Any unutilized LTC of the block of 2018-21 is eligible.
15.	How spending of 3 to 4 times on purchasing of products will be tracked? Will purchase made online from e-commerce website be acceptable?	Any purchase with digital mode is to be supported by invoice. Based on production of invoice the spending is calculated. The intention of this scheme is to encourage every mode of purchase. It is for the employee to choose a suitable digital mode.
16.	I purchased certain items after 20.10.2020 but before formally exercising my option. Can it be counted for reimbursement?	All eligible purchases on or after 20.10.2020 and before 31.3.2021 can be counted.
17.	Whether the advance taken under of the scheme is to be settled within 30 days of disbursal of advance as stipulated under LTC rules. Can receipt be in the name of any dependent?	<p>The Special Cash Package Scheme in lieu one LTC is to compensate and incentivize consumption by the Employees and the benefits can be availed up to 31.03.2021. Para 4 of Circular dated 20.10.2020 provides for advance to employees of the Corporation in lieu of LTC fare. As this is a Special Cash Package, the rules relating to advance taken under LTC are not applicable in the present scheme. Accordingly it is clarified that:</p> <p>(i) The advance taken under the scheme shall be settled on or before 31st March 2021, and</p> <p>(ii) the invoices of the goods and services purchased as per the scheme may be in the name of spouse or any family member</p>

		who are eligible for LTC Fare as declared in the Service records.
18.	If an employee opts for deemed LTC fare and spends less than three times of the deemed fare as has been prescribed to claim reimbursement of the deemed LTC fare, how the reimbursement would be calculated?	The reimbursement in this case would be on pro-rata basis. Since in order to claim the applicable deemed fare, an employee is required to spend three times of the deemed LTC fare, the reimbursement in the case of expenditure less than the prescribed three times would be 1/3rd of the actual expenditure. An illustration of calculation is given at Annexure- I (attached below).
19.	Will payment of premium of already existing insurance policies be covered under this scheme?	The special cash package envisages just of purchase of goods and services with GST of 12% and above made during the period between 20.10.2020 and 31.03.2021. Payment of premium of existing insurance policies does not fall under this category. However, payment of premium for insurance policies purchased during the period between 20.10.2020 and 31.03.2021 is eligible for reimbursement under the scheme.
20.	If an employee buys a car or any other items or services, whether it is mandatory to submit original bills to DDO as the same may be required for claim the warranty and ownership of the item/service?	No, self-attested photocopy would suffice. However, the original bills may be produced on demand for information.
21.	The vouchers/bills to be submitted to avail this scheme on or before the 31st March 2021. Employees who are due to superannuate (say) on	Vouchers/bills should be submitted and settled before the date of superannuation in this

	the 31st December 2020, be required to submit the vouchers/bills before his superannuation i.e. before the 31st December 2020?	case.
22.	whether the advance taken as per the scheme shall be settled within 30 days of disbursal of advance	The advance taken under the scheme shall be settled on or before 31st March, 2021
23.	Whether the invoice can be in the name of spouse and / or any family member who are eligible for LTC.	The invoices of the goods and services purchased as per the scheme may be in the name of spouse or any family member who are eligible for LTC Fare.

ILLUSTRATION (1)

Claiming for family of 4 eligible for economy class air travel

Fare value: Rs 20000×4 = Rs 80000

Amount to be spent for full cash benefit= Rs 80000×3*= Rs 2,40,000

* 3 times of notional airfare (80,000 x 3=2,40,000)

Cash benefit = $\frac{\text{Amount Spent X deemed LTC (80,000 in this case)}}{\text{Amount to be spent for full cash benefit}}$

Thus, if an employee spends say Rs.2,40,000 or above, he will be allowed cash amount of Rs.80,000. However, if the employee spends less than Rs.2,40,000, say 1,80,000 then he may be allowed cash amount in the same proportion as illustrated above which comes out Rs.60,000 in this case.

$$\left[\frac{1,80,000 \times 80,000}{2,40,000} = 60,000 \right]$$

ILLUSTRATION (2)

Claiming for family of 4 eligible for train travel

Fare value: Rs 6,000×4 = Rs 24,000

Amount to be spent for full cash benefit= Rs 24,000×3*= Rs 72,000

* 3 times of notional airfare (24000 x 3=72,000)

Cash benefit = $\frac{\text{Amount Spent X deemed LTC (24,000 in this case)}}{\text{Amount to be spent for full cash benefit}}$

Thus, if an employee spends say Rs.72,000 or above, he will be allowed cash amount of Rs.24,000. However, if the employee spends less than Rs.72,000, say 48,000 then he may be allowed cash amount in the same proportion as illustrated above which comes out Rs.16,000 in this case.

$$\left[\frac{48,000 \times 24,000}{72,000} = 16,000 \right]$$