



**Telephones**  
Office : 0612-2209117  
Fax : 0612-2209118  
President : 0612-2209115 (O)  
0612-2267513 (R)  
Genl. Secy.: 0612-2209116 (O)  
0612-2665508 (R)

स्टेट बैंक ऑफ इण्डिया ऑफिसर्स एसोसियेशन  
**State Bank of India Officers' Association (Patna Circle)**

All Letters to be  
Addressed to the  
General Secretary

Regd. No. 1872 of 1975  
(REGISTERED UNDER TRADE UNION ACT - 1926)

State Bank Building  
West Gandhi Maidan  
Patna - 800 001

CIRCULAR NO. **17** /2016

DATE : 20.07.2016

TO,  
ALL MEMBERS

**MONETIZATION OF LFC SCHEME**

We reproduce hereunder the text of the **AISBOF Circular No. 96** dated 20.07.2016, contents of which are self-explicit.

*With warm greetings,*

(Ghanshyam Pd. Srivastava)  
**GENERAL SECRETARY**

OUR UNITY : ZINDABAD-ZINDABAD  
S.B.I.O.A. : ZINDABAD-ZINDABAD

TEXT

**MONETIZATION OF LFC SCHEME**

We have today sent a communication to the Management on the captioned subject. A copy of the same is enclosed for information.

2. All our members/affiliates are requested to await further developments in this regard.

With greetings,

(Y.SUDARSHAN)  
**GENERAL SECRETARY**



**ALL INDIA STATE BANK OFFICERS' FEDERATION**  
(Registered under the Trade Unions Act 1926, Registration No: 727/MDS)  
State Bank Buildings, St. Mark's Road, Bangalore – 560 001



**No.6545/70/16**

**DATE: 20.07.2016**

To,  
**The Chairman**  
State Bank of India,  
Corporate Centre,  
Madame Cama Road,  
**MUMBAI - 400 021.**

Madam,

**MONETIZATION OF LFC SCHEME**

As you are aware, there is a need to have a relook into the LFC Scheme. We are now in era where our officers frequently travel abroad to meet their children, who have by and large, settled outside the country on account of employment. The boundaries and barriers for travel between countries are now obscure. Travel abroad for rest and recuperation also widens the horizon and enriches the outlook of our officers, especially as they come across the various technological and economic developments that have taken place in other countries. Travel across the globe is no more a luxury, as one need to keep abreast of times.

2. The existing LFC Scheme provides for travel by circuitous route. Foreign travel is permitted in the Reserve Bank of India. Based on our observations, we are herewith presenting three options, which may be looked into, which will provide flexibility to our officers in availing the LFC in a manner they want and to places they desire to travel. This will also greatly take care of the hassles of Income tax burden.

3. We request you to please look into the schemes and revisit the scheme of LFC to make it more flexible and friendly. Hope this will be looked into and a positive response received at an early date. We hereunder present the three options:

**1. HOME TRAVEL CONCESSION:**

Existing provisions for undertaking journey under HTC to continue.

**2. LTC/LFC SCHEME:**

**Option –I:**

[Existing Scheme to continue as it is with the following modifications

- a) To provide for Foreign Travel under LFC. Taxes if any on account of travel to foreign land to be borne by the Employer

**Option-II:**

**MONETIZATION OF LFC SCHEME:**

Under the scheme an Officer may avail the LFC as per his entitlement or exercise his option of availing the amount equivalent to his entitlement on declaration basis. The two options under the scheme is given in detail hereunder.

**SCHEME NO 1- ON ACTUAL TRAVEL BASIS:**

- a) An Officer in Junior Management Grade is entitled to travel by First Class or AC II Tier Sleeper by train. He may travel by Air within the notional amount stipulated as per his eligibility.
- b) An Officer in Middle Management grade is entitled to travel by First Class/ AC-II Tier sleeper by train or by Air if the total distance travelled is more than 1000 Kms.
- c) An Officer in the Senior Management or Top Executive is entitled to travel by AC First
- d) Class by Train or by Air Economy Class.

**ENTITLEMENT UNDER THE SCHEME PROPOSED:**

- A) **Monetary ceiling** : The notional monetary ceiling of entitlement for different grades are as under

<b>Grade of the Officer</b>	<b>Notional Monetary Ceiling</b>
<b>(Per Individual For quadrennial Block)</b>	
<b>JMGS I</b>	<b>Rs. 50,000.00</b>
<b>MMGS II &amp; III</b>	<b>Rs. 1,10,000.00</b>
<b>SMGS IV TO TEGS VII</b>	<b>Rs. 1,30,000.00</b>

**OTHER CHANGES PROPOSED:**

- i) **Officiating Positions-** An Officer permanently officiating in the higher grade will be entitled as per the grade in which officiates.

**ii) Where the Spouses employed in the same Bank:**

If both the spouses are employed in the same Bank, they will be eligible for LFC separately as independent Officers. However they cannot claim LFC in respect of the same journey.

**FOR OFFICERS UNDER SUSPENSION:**

Officers under suspension are not eligible for LFC for self & Family.

But if the Officer is permitted to resume duty after treating the suspension period as duty period, he/she should be entitled to all benefits which he / she could not avail. LFC should be allowed to be carried forward subject to availing the same within the reasonable period.

**All other conditions including the facility of encashment of leave on account of LFC and definition of family will continue as per understandings in force.**

**OTHER CONDITIONS:**

- Within the overall entitlement, the Officer can visit any place in India or abroad by undertaking journey by Air/Rail/ Road, provided major part of the claim (minimum 50 %) is for travel by Rail/Air as per his/her entitlement.
- Incidental expenses to a reasonable extent, upto 25 % (for the purpose of meeting conveyance for local sightseeing & charges from/ to Railway Station /Airport/ Bus stand at and Headquarters, toll etc may be permitted within the entitlement on certificate/declaration basis/ without production of documentary evidence.
- The remaining part of the entitlement may be used for travelling to various places which could be around 25 % of the entitlement and this will be reimbursed on declaration basis without production of Rail/Bus Tickets, Taxi Receipts etc. However, the Officer has to preserve the Original bills/tickets to be produced to the Income Tax Authorities/ Bank if required for the purpose of

verification in connection with Income Tax Assessment as the amount claimed under this head is exempt from Income Tax.

- Eligible Officers may be allowed to use their entitlement for travel to longer distance by lower class or shorter distance by higher class. The Officer may also visit places abroad. The Officer may travel by any mode in India or abroad provided major part of the claim (50 % or more, in India or abroad) by Air.
- Within the ceiling of entitlement to Air fare, it will be permissible for an eligible Officer to perform the journey by shorter/ longer route, by higher/ lower class and /or by different modes of transport by availing of the apex/ concession/ discounted Air fare facilities offered by the Airlines concerned.

#### **JOURNEY UNDERTAKEN BY PACKAGE TOURS:**

- i. Reimbursement of Cost of package tour under LFC to be permitted, if travelled by reputed tour operators.
- ii. The Condition of Travel by Air though, that a major part of the entitlement (50 % or more) should be spent on travel by Air, **will not be applicable under package tours.**
- iii. Actual expenditure incurred or travel from residence to Airport/Railway Station/ Bus stand and back, actual costs of Visa charges, Medical Insurance premium, Airport Taxes if any may also be reimbursed within the employees overall entertainment.
- iv. Incidental expenses to a reasonable extent, upto 25 % may be permitted even in case of journey under package tours within the total entitlement.
- v. If the package tour starts from / ends at a place other than Headquarters of the Officers, the actual cost incurred for travelling between the HQ and the starting/ ending point of the package tours should also be reimbursed over and above the cost of package tour, within the entitlement.
- vi. Similarly if the dependent members of the family are staying at a place other than the Headquarters /Starting point of the Package tour, the actual expenses incurred for reaching the starting point as also the actual expenses of travelling back to the residence from the ending point of the package tour, should be reimbursed over and above the cost of the package tour, within the entitlement.

#### **LOAN FOR INCIDENTAL EXPENSES DURING LFC IN LINE WITH FESTIVAL ADVANCE:**

In order to meet certain incidental expenses during LFC, especially during travel abroad, (Forex requirements) the following short term loan may be given free of interest , to be repaid within 12 months.

<b>GRADE OF OFFICER</b>	<b>LOAN AMOUNT</b>
<b>JMGS I</b>	<b>Rs. 50,000.00</b>
<b>MMMGS II &amp; III</b>	<b>Rs. 75,000.00</b>
<b>SMGS IV TO TEGS VII</b>	<b>RS. 1,25,000.00</b>

**SCHEME NO 2: - DECLARATION BASIS:**  
**ALTERNATELY , AN OFFICER MAY BE PERMITTED TO AVAIL THE**  
**MONETIZATION OF LFC ON DECLARATION BASIS AS UNDER:**

An employee may be permitted to avail the Monetary entitlement as per the agreed monetary ceiling once in a block of 4 years on declaration basis and will be governed by the provisions of Income Tax as applicable.

An employee availing this facility shall be required to avail the same the family members at the same time and shall not be eligible to claim LFC partly under reimbursement and partly under declaration scheme.

The Officer availing the facility under this scheme shall not be required to produce the tickets/other evidences but has to avail minimum leave of one week.

4. Please look into the above suggestions favourably in order to implement an officer friendly and flexible LFC Scheme.

Thanking you,

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Y. Sudarshan', written in a cursive style with a long horizontal stroke extending to the right.

**(Y.SUDARSHAN)**  
**GENERAL SECRETARY**