

F No.4-2/ 2015-PAP
Government of India
Ministry of Communications
Department of Posts
P.A.P Section/Establishment Division



Dak Bhawan, Sansad Marg
New Delhi – 110 001.
Date: 24 January, 2023

To

1. All Chief Postmaster General/Postmasters General
2. Chief General Manager, BD Directorate/Parcel Directorate/PLI Directorate
3. Director RAKNPA/GM CEPT/Director of All PTCs,
4. Addl. Director General, Army Postal Service, R.K. Puram, New Delhi
5. All General Managers (Finance)/DAP/DDAP

Sub: Compendium of instructions regarding grant of House Rent Allowance (HRA) to Central Government employees-reg.

Sir/Madam

I am directed to forward herewith the copy of Ministry of Finance Department of Expenditure OM No. 2/4/2022-E.II(B) dated 30th December, 2022 on the subject cited above, for kind information and further necessary action in this regard.

Encl : As above.


24.1.2023

(Sapna)

Assistant Director General (Estt.)

Phone No – 011-23096191

Copy to:

1. PPS to Secretary (Posts)/PS to Director General Postal Services
2. Addl. DG (Co-ordination)/Member(P)/Member(O)
3. Member (PLI)/Member (Banking)/Member (Tech)/Member (Plg &HRD)
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5. Sr. DDG (Vig) &CVO/ Sr. DDG (PAF)/Director General P&T (Audit)
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8. Budget Section/PA Wing/STT Section of Postal Directorate
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11. GM,CEPT for uploading the order on the India Post website
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No.2/4/2022-E.IIB
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi.
Dated the 30th December, 2022.

OFFICE MEMORANDUM

Subject: Compendium of Instructions regarding grant of House Rent Allowance to Central Government employees -regarding

The Department of Expenditure, Ministry of Finance has issued various instructions from time to time regarding grant of House Rent Allowance to Central Government employees. Such instructions were issued a long back. Therefore, the existing instructions have been reviewed and in supersession of all earlier instructions issued on the subject, a consolidated Master O.M. is hereby circulated for compliance by all Ministries/ Departments.

2. This is issued with the approval of Finance Secretary & Secretary (Expenditure).



(Nirmala Dev)
Director

To,

All Ministries and Departments of the Government of India as per standard distribution list.

Copy to: C&AG and U.P.S.C. etc. as per standard endorsement list.

**MINISTRY OF FINANCE
DEPARTMENT OF EXPENDITURE**

**COMPENDIUM
ON**

**Instructions regarding Grant of House
Rent Allowance to Central Government
employees.**

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A. Scope of Application :

These instructions will apply to all civilian employees of Central Government. The orders will also be applicable to the Civilian employees paid from the Defence Services Estimates. In respect of Armed Forces personnel and Railway employees, separate orders will be issued by the Ministry of Defence and the Ministry of Railways respectively. These orders are also applicable on persons serving in the Indian Audit and Accounts Department.

Note : Rules mentioned in this Order shall not apply to –

- (i) Government servants appointed on ad hoc or personal rates of pay unless the orders sanctioning their appointment specifically provide for the drawal of HRA in addition to pay.
- (ii) Staff paid out of contingencies (i.e., casual employees/ labour).

B. Revised and Updated Provisions :

The consolidated and updated guidelines on various aspects on grant of House Rent Allowance to Central Government Employees are as follows:

1. Definitions :

1.1. **Pay** : Pay for the purpose of calculating HRA means the pay drawn in the prescribed Level in the Pay Matrix as per 7th CPC recommendations accepted by the Government but does not include any other type of pay like special pay etc.

1.2. **"Family"** means a Government servant's wife/husband, children and other persons residing with and wholly dependent upon him/her. A husband/ wife /child/ parent having an independent source of income is not treated as a member belonging to the family of the Government servant except when such income including pension (inclusive of temporary increase in pension and pension equivalent of death- cum-retirement benefits) does not exceed Rs.9000 per month².

1.3. **"Same station"** means all places which are treated as contiguous to the qualified city/town in terms of Para. 3.2 and those dependent on the qualified city/ town in terms of Paras. 3.4 and also those places which are included in the Urban Agglomeration of a qualified city.

1.4. **"Urban Agglomeration(UA)"**: The term has been defined in the latest Census Report by the Registrar General & Census Commissioner of India, i.e. an UA is a continuous urban spread constituting a town and its adjoining outgrowths (OGs), or two or more physically contiguous towns together with or without outgrowths of such towns.



2. Classification of cities for the purpose of grant of HRA and rates of HRA:

2.1. Classification of cities for the purpose of HRA is based on the population of the area, as per the latest Census Report. On the basis of population, cities/towns have been classified for the purpose of grant of House Rent Allowance as under:

S. No.	Classification of Cities/Towns	Population Criteria	Rate of HRA as per 7 th CPC
1.	X	50 lakhs & above	24%
2.	Y	5 Lakhs to 50 Lakhs	16%
3.	Z	Below 5 Lakhs	8%

Note : The rates of HRA will be revised to 27%, 18%, 9% for X, Y & Z class cities respectively when Dearness Allowance(DA) crosses 25% and further revised to 30%, 20% & 10% when DA crosses 50%.

3. AREAS WHERE ADMISSIBLE:

3.1. HRA is admissible with reference to the 'place of duty' of the Government servant, irrespective of whether Government servant is residing at that place or any other place.

3.2. For deciding the classification of 'place of duty', the limits of the locality within which these orders apply, shall be those of the named municipality or corporation and shall include such of the suburban municipalities, notified areas or cantonments as are contiguous to the named municipality; or corporation or other areas as the Central Government may from time to time notify.

3.3. The instructions shall automatically apply/ cease to apply to areas which may be included within / excluded from the limits of the named UA or municipality or corporation by the State Government concerned, from the date of such inclusion/ exclusion.

3.4. Staff working in Central Government establishments within a distance of 8 kilometres from the periphery of the municipal limits of a qualified city will be allowed House Rent Allowance at the rates admissible in that city even though they may not be residing within those municipal limits, provided that-

- (i) A certificate in the prescribed format (as per Annexure-I) from the Collector/Deputy Commissioner having jurisdiction over the area, is obtained by the Administrative Ministry/Department concerned and referred to the Ministry of Finance, Department of Expenditure for initial sanction of HRA for a period of 3 years.



- (ii) Further extensions for grant of HRA beyond the initial period of 3 years may be allowed by the Administrative Ministries/ Departments in consultation with their Financial Advisers and by the C&AG, in respect of staff serving under him.
- (iii) Benefit of the concession of HRA may be extended to the employees working in a place which though a town panchayat is generally dependent for its essential supplies on a qualified city and is within the 8 kms. limit of the periphery of the qualified city.
- (iv) HRA will also be payable to the Central Government employees within the area of the Urban Agglomeration(UA) of classified city at the rates admissible in the classified city. The existing provisions for the payment of House Rent Allowance under Paras.3.4 above, will, however, continue to be applicable only at places which are within 8 kilometres of *municipal limits of classified cities*, but which are not included within UA of any city, subject to fulfilment of usual conditions laid down and subject to issue of specific sanctions therefore as before.
- (v) The certificate of Dependency may be obtained from the Collector in all cases where the grant of HRA under Para. 3.4 is proposed. In all cases where the Collector certified that the area in question depends for its essential supplies on the qualifying city even though there may be another municipal area within the 8 kms. radius, Government would consider on merits whether grant of House Rent Allowance in such cases would be justified.

4. ADMISSIBILITY OF HRA :

HRA shall be admissible subject to the following conditions:-

- 4.1. The allowance shall not be admissible to those who occupy General Pool Residential accommodation provided by the Government.
- 4.2. Where Government quarters are available for the staff of specified Departments or for specified categories of staff, the procedure for applying for accommodation for payment for HRA will be regulated under the rules of the Ministry/Department concerned for allotment of the accommodation.
- 4.3. HRA drawn by a Government servant, who accepts allotment of Government accommodation, shall be stopped from the date of actual handing-over of accommodation in immediate habitable condition to the Government servant. In case of refusal of allotment of Government accommodation, HRA shall cease to be admissible from the date of allotment of Government accommodation. In case of surrender of Government accommodation, the House Rent Allowance, if otherwise admissible, will be payable from the date of such surrender.
- 4.4. A Government servant debarred from allotment of Government accommodation due to unauthorized sub-letting, or for other breaches of rules, but excluding those covered by 4.3 above will be eligible for HRA during the period of such debarment.



4.5. Female Government servants residing in the Western House Hostel and the Working Girls' Hostel, Delhi, or elsewhere in Government-run hostels are not entitled to House Rent Allowance. Government servants living in hostels run by Autonomous and semi-Government Organizations, which are not run on commercial lines (i.e., Central Government employees allotted hostel accommodation are not charged market rent, but a subsidized rent), would not be entitled to HRA.

4.6. A Government servant, who, on transfer, has been permitted to retain Government accommodation at the old station on payment of normal rent or penal rent or retains Government accommodation unauthorizedly on payment of market rent, etc., will be entitled to HRA at the new station for the period upto 8 months from the date of his transfer.

4.7. A Government servant who was not in occupation of Government accommodation at his old station and who, on transfer, leaves his family behind at the old station because he has not rented a house or has not been allotted Government accommodation at the new station, will be eligible for House Rent Allowance for a period of six months from the date of his assumption of charge at the new station till Government accommodation allotted to him at the new station. HRA in such cases shall be regulated as per the place of duty from the date of assumption of charge.

Note: HRA shall be admissible at the rate at which it was being drawn by him/her at the previous place of posting till the end of current academic of his/her child(ren).

4.8. In either case, the grant of HRA under these provisions shall not be admissible beyond the date on which Government accommodation allotted to him/her at the new station.

4.9. During the period of transfer not exceeding 90 days, a Government servant shall draw HRA at the same rates at which he was entitled at the time of transfer. For periods of transfer exceeding 90 days, the rate of HRA shall be regulated with reference to the new place of posting. If a transfer, initially made for a period not exceeding 90 days, is later extended, rate of HRA shall be regulated with reference to new place of posting from the date of issue of orders extending the transfer beyond 90 days.

5. CONDITIONS FOR DRAWAL OF HOUSE RENT ALLOWANCE

5.1. A Government servant shall not be entitled to HRA, if-

(i) he/she shares Government accommodation allotted to another Government servant; or

(ii) he/she resides in accommodation allotted to his/her parents, spouse, son/daughter, wife, Central Government, State Government, an Autonomous Public Undertaking or semi-Government Organization such as a Municipality, Port Trust, Nationalized Banks, Life Insurance Corporation of India, etc; or



- (iii) his/her spouse has been allotted accommodation at the same station by the Central Government/State Government/ Autonomous Public Undertaking/ Semi-Government Organization such as Municipality, Port Trust, etc., whether he/she resides in that accommodation or he/she resides separately in accommodation rented by him/her.

5.2 Government servants other than a Government servant who is living in a house owned by him shall be eligible for HRA even if they share Government accommodation allotted to other Government servants [excluding those mentioned in (5.1) above] or private accommodation of other Government servants [including those mentioned in 5.1.(i) & (iii) above] subject to the condition that they pay rent or contribute towards rent or house or property tax but without reference to the amount actually paid or contributed.

5.3 In cases where husband / wife/ parents / children, two or more of them being Central Government servants or employees of State Governments, Autonomous Public Undertakings or semi- Government Organizations like Municipality, Port Trust, Nationalized Banks, Life Insurance Corporation of India, etc., share accommodation allotted to another Government servant, HRA will be admissible to only one of them, at their choice.

NOTE. The term "accommodation" includes the accommodation allotted to the employees of State Governments, Autonomous Public Undertakings, semi-Government Organizations such as Municipality, Port Trust, etc.

5.4. Drawal of HRA by husband and wife when both of them happen to be Government servants and are living in hired/ owned accommodation- HRA would be admissible to both as per their entitlement.

5.5. Reimbursement of rent to Government servants during their temporary stay in State Bhavans /Guest Houses/Departmental Guest Houses run by Central Government/State Governments/ Autonomous Organizations, etc.- The officials on their posting to the Centre and the Central Government officials on their transfer/posting to a new station, necessitating change of residence if they temporarily stay in State Bhavans/ Guest Houses/Departmental Guest Houses run by Central Government/ State Governments / Autonomous Organizations, etc. may be reimbursed the amount of rent paid subject to fulfilment of the following conditions:-

- (i) The official has applied for accommodation of his entitlement, but has not been allotted residential accommodation by the Government.
- (ii) The concerned Guest House should be located at the place of posting of the official.
- (iii) The official must have stayed in State Bhavans / Guest Houses/Departmental Guest Houses run by Central Government/ State Government / Autonomous Organizations etc. and submit rent receipts in support of payment of rent.
- (iv) Reimbursement of rent shall be admissible upto a maximum period of six months.
- (v) No HRA shall be admissible during this period.



6. REGULATION OF HRA IN DIFFERENT CIRCUMSTANCES

The drawal of House Rent Allowance in the following circumstances shall be regulated as under:

6.1 During Leave :

6.1.1. A Government servant will be entitled to draw HRA during leave at the same rates at which he was drawing these allowances before he proceeded on leave. For this purpose, leave means total leave of all kinds, as per CCS(Leave) Rules (including child care leave, extraordinary leave etc.) not exceeding 180 days and the first 180 days of the leave if the actual duration of the leave exceeds that period; but does not include terminal leave, whether running concurrently with the notice period or not. When vacation or holidays are combined with leave, the entire period of vacation or holidays and leave should be taken as one spell of leave. HRA will be admissible during Leave Preparatory to Retirement(LPR) subject to submission of certificate that the employee concerned and/ or his family continues to reside at the same place/ same station.

6.1.2. In the case of Government servants who are originally granted leave on medical certificate exceeding 180 days and have ultimately to retire from Government service on grounds of invalidity, the entire leave thus becoming leave preparatory to retirement, recovery of HRA already drawn need not be effected. Central Government servants who are originally granted leave on medical grounds or otherwise but do not join duty after expiry of such leave owing to death / invalidation during such leave may also be regulated in the same manner.

6.1.3. The drawal of HRA during periods of vacation or holidays whether combined with leave or not shall be regulated in the same way as during leave.

6.1.4. In cases, where a Government servant who is sanctioned leave, whether on medical grounds or otherwise, does not join duty after availing himself of such leave, and resigns, he shall not be eligible for HRA for the entire period of such leave. The Administrative Authority concerned shall ensure that the entire amount drawn on this account is recovered before resignation, etc., is accepted.

6.1.5. Drawal of HRA during the period of leave in excess of first 180 days availed of on grounds other than medical grounds mentioned in sub-para. (6.1.6) below shall be subject to furnishing of the certificate prescribed in **Annexure-III**.

6.1.6. The limit of 180 days shall be extended to 8 months for the purpose of the grant of these allowances in the case of Government servants suffering from TB, Cancer or other ailments during the period of their leave taken on medical certificates when such certificates are in the forms prescribed. It is immaterial whether the leave is on medical certificate from the very commencement or is in continuation of other leave as defined in (i) above. In the case of employees suffering from TB, Cancer or other ailments, who remain on leave for a period exceeding 8 months, the grant of HRA for the period of leave beyond 8 months, may be decided by the respective Controlling Authorities irrespective of the period of leave involved so long as the medical certificate in the prescribed form is available.