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Government of India
Ministry of Railways
(Railway Board)

PCPO

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MC No. 17
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No. E(W)2019/ED-2/1

New Delhi, dated: 25.08.2019

DLW

The General Manager(P),
All Indian Railways &
Production Units

Sub: Master Circular on Children Education Allowance & Hostel Subsidy

Reference Board's letter No. E(W)2000/ED1/ Master Circular/17 dated 25.06.2001 vide which MC No.17 on 'Assistance to Railway employees for education of their children' was issued containing the salient features and subsequent instructions on the subject issued by the Board from time to time.

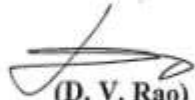
2. Pursuant to the recommendations of the Seventh Central Pay Commission, the Ministry of Personnel, Public Grievances & Pensions, Department of Personnel & Training (DoPT) vide their OM No. A-27012/02/2017-Estt.(AL) dated 16/17.07.2018 issued consolidated instructions in supersession of all earlier instructions on the subject of Children Education Allowance (CEA) and Hostel Subsidy to the Government Servants. These instructions have since been adopted *mutatis mutandis* for Railway servants vide Board's letter No.E(W)2017/ED-2/3 dated 13.08.2018 (RBE No. 114/2018).
3. Therefore, it has now been decided to issue a Master Circular on this subject for information and guidance of all concerned. These instructions have already come into effect from 01.07.2017.
 - a) The reimbursement of CEA/Hostel subsidy can be claimed only for the two eldest surviving children with the exception that in case the second child birth results in twins/multiple birth. In case of failure of sterilization operation, the CEA/Hostel Subsidy would be admissible in respect of children born out of the first instance of such failure beyond the usual two children norm.
 - b) The amount for reimbursement of CEA will be ₹ 2,250/- per month (fixed) per child. This amount of ₹ 2,250/- is fixed irrespective of the actual expenses incurred by the Govt. Servant. In order to claim reimbursement of CEA, the Govt. servant should produce a certificate issued by the Head of the Institution for the period/year for which claim has been preferred. The certificate should confirm that the child studied in the school during the previous academic year. In case such certificate can not be obtained, self-attested copy of the report card or self attested fee receipt(s) {including e-receipt(s)} confirming/indicating that the fee deposited for the entire academic year can be produced as a supporting document to claim CEA. The period/year means academic year i.e. twelve months of complete academic session.
 - c) The amount of ceiling of hostel subsidy is ₹ 6,750/- pm. In order to claim reimbursement of Hostel Subsidy for an academic year, a similar certificate from the

Head of Institution confirming that the child studied in the school will suffice, with additional requirement that the certificate should mention the amount of expenditure incurred by the Government servant towards lodging and boarding in the residential complex. In case such certificate cannot be obtained, self- attested copy of the report card and original fee receipt(s)/e-receipt(s) which should indicate the amount of expenditure incurred by the Government servant towards lodging and boarding in the residential complex can be produced for claiming Hostel Subsidy. The expenditure on boarding and lodging or the ceiling of ₹6,750/- as mentioned above, whichever is lower, shall be paid to the employee as Hostel Subsidy. The period/year will mean the same as explained above in clause (b) of this para.

- d) The reimbursement of CEA for Divyaang children of Railway servants shall be payable at double the normal rates of CEA prescribed above in clause (b) i.e. ₹4,500/- per month (fixed).
- e) The above rates/ceiling would be automatically raised by 25% every time the Dearness Allowance on the revised pay structure goes up by 50%.
- f) The Hostel Subsidy and CEA can be claimed concurrently.
- g) In case both the spouses are Government servants, only one of them can avail reimbursement under CEA and Hostel Subsidy.
- h) The reimbursement of CEA and Hostel Subsidy will be done just once in a financial year after completion of the financial year.
- i) Hostel subsidy is applicable only in respect of the child studying in a residential educational institution located at least 50 kilometers from the residence of the Government servant.
- j) The reimbursement of CEA and Hostel Subsidy shall have no nexus with the performance of the child in his/her class. In other words, even if a child fails in a particular class, the reimbursement of CEA/Hostel Subsidy shall not be stopped. However, if the child is admitted in the same class in another school, although the child has passed out of the same class in previous school or in the mid-session, CEA shall not be reimbursable.
- k) If a Government servant dies while in service, the CEA or hostel subsidy shall be admissible in respect of his/her children subject to observance of other conditions for its grant provided the wife/husband of the deceased is not employed in service of the Central Govt., State Government, Autonomous body, PSU, Semi Government Organization such as Municipality, Port Trust Authority or any other organization partly or fully funded by the Central Govt./State Governments. In such cases the CEA/Hostel Subsidy shall be payable to the children till such time the employee would have actually received the same, subject to the condition that other terms and conditions are fulfilled. The payment shall be made by the office in which the Government servant was working prior to his death and will be regulated by the other conditions, laid down in this OM.
- l) In case of retirement, discharge, dismissal or removal from service, CEA/Hostel Subsidy shall be admissible till the end of the academic year in which the Government servant ceases to be in service due to retirement, discharge, dismissal or removal from service in the course of an academic year. The payment shall be made by the office in which the government servant worked prior to these events and will be regulated by the other conditions laid down in this OM.

- m) The upper age limit for Divyaang children has been set at 22 years. In the case of other children the age limit will be 20 years or till the time of passing 12th class whichever is earlier. There shall be no minimum age.
- n) Reimbursement of CEA and Hostel Subsidy shall be applicable for children from class nursery to twelfth, including classes eleventh and twelfth held by Junior Colleges or schools affiliated to Universities or Boards of Education.
- o) CEA is allowed in case of children studying through "Correspondence or Distance Learning" subject to other conditions laid down herein.
- p) The CEA and Hostel Subsidy is admissible in respect of children studying from two classes before class one to 12th standard and also for the initial two years of a diploma/certificate course from Polytechnic/ITI/Engineering College, if the child pursues the course after passing 10th standard and the Government servant has not been granted CEA/Hostel Subsidy in respect of the child for studies in 11th and 12th standards.
- q) In respect of schools/institutions at nursery, primary and middle level not affiliated to any Board of education, the reimbursement under the Scheme may be allowed for the children studying in a recognized school/institution. Recognized school/institution in this regard means a Government school or any education institution whether in receipt of Govt. Aid or not, recognized by the Central or State Government or Union Territory Administration or by University or a recognized educational authority having jurisdiction over the area where the institution/school is situated.
- r) In case of a Divyaang child studying in an institution i.e. aided or approved by the Central/State Govt. or UT Administration or whose fees are approved by any of these authorities, the Children Education Allowance paid by the Govt. servant shall be reimbursed irrespective of whether the institution is 'recognized' or not. In such cases the benefits will be admissible till the child attains the age of 22 years.
- s) The CEA is payable for the children of all Central Government employees including citizens of Nepal and Bhutan, who are employees of Government of India, and whose children are studying in the native place. However, a certificate may be obtained from the concerned Indian Mission that the school is recognized by the educational authority having jurisdiction over the area where the institution is situated.
- t) The CEA or hostel subsidy shall be admissible to a Govt. servant while he/she is on duty or is under suspension or is on leave (including extra ordinary leave). Provided that during any period which is treated as 'dies non' the Govt. servant shall not be eligible for the CEA/Hostel subsidy for that period.

(Authority: DoPT's OM No. A-27012/02/2017-Estt.(AL) dated 16/17.07.2018)


(D. V. Rao)
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Railway Board