TREASURY CIRCULAR NO. 20 of 2016
TREA/2902

From: Accountant-General

To: Supervising Officers of Ministries/Departments

Date: 14 September 2016

Passage Benefits – New system for processing of applications

As you are aware, the PRB has in its 2016 Report recommended that public officers should be allowed to cash their accumulated passage benefit at a discounted rate of 90% for any purpose other than travel and that the remaining 10% should not be forfeited but remain in the balance standing to their credit.

2. Following the above recommendation, there has been a fourfold increase in the number of applications received by the Treasury, resulting in a significant increase in processing time. On the basis of current applications, it is expected that the number of applications will increase further as most public officers would apply for encashment once their balance reach the required minimum of Rs 10,000.

3. In the light of the “new” 90% rule which does not require a strict control over applications by the Treasury in so far as “purpose of application” is concerned, and with a view to ensuring that payment of passage benefits to public officers is not unduly delayed due to bottlenecks, it has been decided to change the procedure for the processing of applications by moving from a centralized to a decentralized system. Both MOFED and MCSAR have been consulted and they are agreeable to the implementation of the decentralized system.

4. Accordingly, the following system will henceforth apply:-

(a) Applications for travel purposes

Applications for travel purposes (cost of air ticket and pocket money) will continue to be channelled to the Treasury. The objective is to maintain the present practice of the Treasury issuing “rebate certificates” to public officers where applicable and making consolidated payments to travel agents.

(b) Applications for purposes other than travel

Applications for purposes other than travel will henceforth be processed at the level of the Ministry or Department where the applicant is posted. This includes payment of SC/HSC examination fees, University fees, fees in connection with vocational training, refund of costs incurred on vacation at inland resorts/hotels, and applications which are subject to the new 90% rule.

It is to be noted that payment of accumulated passage benefits on retirement will continue to be processed at the level of the Treasury.
5. Presently, passage benefits are paid by the Treasury on the basis of:-

(a) particulars provided on application forms (Application for Passage Benefits- Appendix 4F); and

(b) computation of passage benefits earned provided on computation sheets (Computation of Passage Benefits - Appendix 4G),

both of which are duly certified by officers of the HR Section of the Ministry/Department where the applicant is posted.

For the operation of the decentralized system mentioned at paragraph 4(b) above:-

(a) Application forms and computation sheets (Appendix 4F and 4G, respectively) will now be forwarded for payment to the Finance Section of the Ministry/Department concerned;

(b) Departmental Warrants will be issued by the Treasury to Ministries/Departments upon request and on the basis of applications under process; and

(c) Self-Accounting Ministries/Departments will effect payments at their level while other Ministries/Departments will submit payment vouchers to the Treasury for payment in the usual manner.

6. The attention of Supervising Officers is drawn to paragraph 4.13.13(1) of the Human Resource Management Manual (HRMM) which states that “a Supervising Officer shall arrange for a passage benefits account to be kept in respect of any officer of his/her Ministry who is eligible for passage benefits”. Supervising Officers are therefore requested to ensure that the required account is maintained and is regularly updated in respect of:-

(a) passage benefit earned; and

(b) passage benefit utilised.

Note: for the purposes of para 6(b) above, the Treasury will provide Ministries/Departments data regarding amount utilised for travel i.e. payment in respect of air ticket and pocket money.

7. The new system will take effect as from 1st October 2016.

8. Supervising Officers are kindly requested to bring the contents of this Circular to the attention of the Officers-in-Charge of the HR and Finance Sections of their respective Ministry/Department. I rely on the full collaboration of one and all in the implementation of the new system which aims at offering a better service to customers.

(C. Romooah)
Accountant-General

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