

Employees cannot refuse official accommodation to claim HRA : Mumbai HC

Source : Economic Times

The HC has ruled that house rent allowance (HRA) is not a right. A division bench of Justice B P Dharmadhikari and Justice A P Bhangale ruled that a government employee not staying in the quarters despite its availability can be disentitled from claiming the special allowance.

The Nagpur has surplus government accommodation. It is one of the few cities where the central government employee, who lives in his own house has to submit a "non-availability certificate" before he can ask for HRA.

"HRA is not a matter of right, it is a compensatory allowance given by an employer towards the rental accommodation expenses when the government is unable to provide suitable accommodation to its employee," said the judges. "The employee, if he resides in his own property, may not be entitled to claim the HRA, because it is paid to central government employees to compensate them partly for the especially higher rents which they have to pay for hired or rented residential accommodation in big cities, but not as a source of profit," they added.

The court quashed an order of the central administrative tribunal asking the government to pay HRA to employees who had were residing in their own houses.

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