An F.S.O. arrives in Canada April 2, 1960, to take home leave. As of March 31, 1960, he has accumulated an annual leave credit of:

> 16 days carried over from 1958/59 20 days earned in 1959/60

However, on April 1, 1960, he becomes eligible for his 1960/61 annual leave. On arrival in Canada he has, therefore, two full years' credit of annual leave available and the 16 days carried over from 1958/59 which become "unused" leave, lapse.

If he uses the full two years' credit before proceeding to his next post, he has no annual leave credit on which to draw at the post until the commencement of the 1961/62 fiscal year.

Note: The same principle is applied to F.S.E.'s.