

PROCEEDINGS OF KPTCL & ESCOMs' PENSION AND GRATUITY TRUST

Sub: Revision in the rates of Pension and Gratuity contribution payable by KPTCL & ESCOMs - Reg.

Read:

1. KEPGT order No. KPTCL & ESCOMs' P & G Trust/SA-1/198-212 dated 11.06.2007.
2. KEPGT order No. P & G Trust/SA-1/18/2002-03/1687-1709 dated 15.02.2010.
3. KEPGT order No. KEPGT/P7/2011-12, dated 23.01.2012.
4. Letter dated 16.07.2012 of Sri. Srinivasan, Actuary, M/s Armstrong International Employees Benefits Solutions.
5. KEPGT Ltr No. KEPGT/P7/2012-13/830-35, dated 24.07.2012.
6. Proceedings of KEPGT Board of Trustees Meeting held on 9.8.2012.
7. Note No. B/45/33410/2012-13 dated 1.10.2012 of the Manager (Establishment-2), KPTCL Corporate office.

Preamble:

1. As per the policy in vogue in general and Accounting Policy of KPTCL and ESCOMs' Pension & Gratuity Trust (KEPGT) in particular, the Actuarial Valuation done as at 31st March of a particular year has to be made applicable for that financial year. But KEPGT vide orders read at Sl No. 1, 2 & 3 above has inadvertently given the effect of "Revision of Pension & Gratuity Contribution indicated in the Actuarial Valuation Report" from the next financial year. This has resulted not only in postponing the actuarial valuation rates recommended in the Actuarial Valuation Reports but also in not collecting the Pension & Gratuity Contribution for the year in which the same was due.
2. The Actuary of M/s. Armstrong International Employees Benefits Solution vide letter read at Sl No. 4 above has suggested to collect the Pension & Gratuity Contribution amount from the same year for which the Actuarial Valuation has been carried out.
3. Accordingly, KEPGT vide letter read at 5 above, revised the effect of Pension & Gratuity rates as at Column (4) & (5) below for FY 2005-06, 2008-09 & 2010-11 in place of column (2) & (3) and requested KPTCL & ESCOMs to rework the amount of Pension & Gratuity contribution to be given to P & G Trust at the Revised Percentage and provide for the same in 2011-12 Accounts and arrange for payment of the same at the earliest through RTGS to P & G Trust.

Year	Prevailing Percentage		Revised Percentage to be adopted as per Actuarial Valuation Report	
	Pension	Gratuity	Pension	Gratuity
(1)	(2)	(3)	(4)	(5)
2005-06	19.06	2.36	21.00	1.77
2008-09	21.00	1.77	26.13	2.24
2010-11	26.13	2.24	29.11	3.34

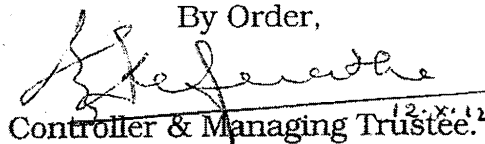
4. After a detailed discussion/review on para-1, 2 & 3 above, KEPGT Board of Trustees in their meeting held on 8.9.2012 have ratified the action taken by KEPGT vide letter read at 5 above and also directed the Trust to collect the arrears for the above 3 years as agreed by the Financial Advisers/representatives of KPTCL/ESCOMs in the meeting of Board of Trustees' held on 9.8.2012 and as recorded in the proceedings of the said meeting read at 6 above.
5. Accordingly, KPTCL & all ESCOMs have taken action in the matter. But, in note read at 7 above, the Manager (Establishment-2) of KPTCL has requested the Trust to issue an order too in addition to the existing letter read at 5 above, as the same is required for them to claim the Pension & Gratuity contribution at revised rates for FY 2005-06, 2008-09 & 2010-11 in respect of the officials/employees on deputation. Hence, this order

ORDER NO : KEPGT/KCO-123/P7/2011-12/Cys-29 DATED 12-10-2012

1. In the circumstances explained above, the monthly contribution rates towards Pension & Gratuity contribution amount payable by KPTCL & ESCOMs in respect of the concerned employees recruited on or before 31.03.2006 as indicated in KEPGT orders dated 11.06.2007, 15.02.2010 & 23.01.2012 shall also apply for FY 2005-06, 2008-09 & 2010-11 respectively.
2. Since KPTCL Corporate office, Establishment-2 section has claimed the P & G contribution from foreign employers at the rates indicated in KEPGT orders dated 11.6.2007, 15.02.2010 & 23.01.2012, the revised rates shall apply for FY 2005-06, 2008-09 & 2010-11 in respect of employees on deputation too.
3. Consequent to the above, the revised Pension & Gratuity contribution percentages rates are as under:-

Contribution rates applicable for the period		Contribution payable by KPTCL/ESCOM	
From	To	Pension	Gratuity
1.6.2002	31.3.2004	15.05%	1.86%
1.4.2004	31.3.2005	19.06%	2.36%
1.4.2005	31.3.2008	21.00%	1.77%
1.4.2008	31.3.2010	26.13%	2.24%
1.4.2010	Until further orders	29.11%	3.34%

By Order,


Controller & Managing Trustee.

KPTCL & ESCOMs Pension and Gratuity Trust.

Copy for kind information to:

1. The Principal Secretary, Energy Department, GOK, Vikasa Soudha, Bangalore.
2. The Managing Director, KPTCL, Kaveri Bhavan, Bangalore.

3. The Director (Finance), KPTCL and Chairperson, KPTCL & ESCOMs' Pension and Gratuity Trust, Kaveri Bhavan, Bangalore.
4. The Managing Director, BESCOM/MESCOM/HESCOM/GESCOM/CESC/PCKL.
5. The Deputy Secretary(B & R), Finance Department, GOK, Vidhana Soudha, Bangalore.
6. Director (Admn. & HR), KPTCL, Kaveri Bhavan, Bangalore.
7. The Company Secretary, KPTCL, Kaveri Bhavan, Bangalore.
8. The General Secretary, KPTCL Employees Union, A.R.Circle, Bangalore.
9. The General Secretary, KPTCL Engineers Association, A.R.Circle, Bangalore.
10. The General Secretary, KPTCL A.O.'s Association, A.R.Circle, Bangalore.
11. The General Secretary, KPTCL SC/ST Welfare Association, K.R.Circle, Bangalore.

Copy for kind information and needful action to:

1. The Director (Commercial), PCKL, Kaveri Bhavan, Bangalore.
 2. The Financial Advisor (A & R), KPTCL, Kaveri Bhavan, Bangalore.
 3. The Financial Advisor (I/A), KPTCL, Kaveri Bhavan, Bangalore.
 4. The Chief General Manager (F&C), BESCOM, Bangalore.
 5. The Financial Advisor, MESCOM/HESCOM/GESCOM/CESC.
 6. The Controller (Finance), KPTCL, Kaveri Bhavan, Bangalore.
 7. The Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
 8. The Manager (Est-2) KPTCL Corporate office, Bangalore.
- M/F.