

PROCEEDINGS OF KPTCL & ESCOMs' PENSION AND GRATUITY TRUST

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

- Read: 1. KPTCL order No. KPTCL/B7/1078/2000-01 dated 22-09-2000.
2. GoK Notification No. DE 14PSR 2002 dated 31-05-2002(Karnataka Electricity Reform (Transfer of Undertakings of KPTCL and its Personnel to Electricity Distribution and Retail Supply Companies) Rules, 2002.(Second Transfer Scheme).
3. G.O. No. DE 15 PSR 2002 dated 19-12-2002.
4. Actuarial Valuation Report at 27-01-2003 of M/s Thanawala Consultancy Services.
5. Letter No.CA (P&G T)/227-32 dated 5.04.2004.
6. Order No. KPTCL & ESCOMs' P & G Trust/SA-1/198-212 dated 11.06.2007.
7. Actuarial Valuation Report of Sri K.A.Pandit (of Mumbai).
8. Actuarial Valuation Report dated 09-09-2009 of M/s Mercer Consultancy (India) Private Limited.
9. Order No. P & G Trust/SA-1/18/2002-03/1687-1709 dated 15.02.2010.
10. Order No: KPTCL/B16/23050/2011-12 dt.09.09.2011 and KPTCL/B16/23051/2011-12 dt.09.09.2011.
11. Actuarial Valuation Report dated 14-12-2011 of M/s Armstrong International Employees Benefits Solution (AIEBS).
12. Proceedings of the 25th meeting of the Board of Trustees of KEPGT, held on 30.12.2011.

PREAMBLE

1. KPTCL Pension and Gratuity Trusts formed vide KPTCL order read at one (1) above were functioning from 12.01.2001.
2. In the context of unbundling of KPTCL and formation of ESCOMs from 01.06.2002, Government of Karnataka published the Second Transfer Scheme Rules vide Notification read at (2) above. As per the said Rules, Government of Karnataka shall make arrangements for funding of the Pension fund and due payment of all terminal benefits in respect of the services rendered by the specified personnel of KEB and KPTCL and also of the pensioners as on the effective date of the Second Transfer.
3. In place of building up of the corpus, based on the terminal benefit fund liabilities assessed as on the date of 31.05.2002 as per Actuarial Valuation, Government decided to adopt "Pay-as-you-go". Accordingly, Government of Karnataka vide order read at (3) above, accorded approval for the following.
 - (a) To follow the "Pay-As-You-Go" option for settlement of terminal benefits of KPTCL/ESCOMs' employees.
 - (b) To re-designate and rename the existing KPTCL Pension and Gratuity Trust as "KPTCL & ESCOMs' Pension and Gratuity Trust" (KEPGT) to monitor manage and administer the Pension and Gratuity fund to the extent of funding by the State Government and of the contributions to be made by KPTCL and ESCOMs with effect from 01.06.2002 towards the terminal benefits of its employees transferred under the Second Transfer scheme.
4. As per the Actuarial Valuation Report read at 4, 7 & 8 above, KEPGT vide letter/orders read at 5, 6 & 9 above, intimated the following rates at which, the Pension and Gratuity contribution amount payable by KPTCL & ESCOMs, (after the same approved in the respective Meeting of the Board of Trustees of KEPGT).

Sl No	Contribution rates applicable for the period		P&G Contribution		Pension & Gratuity Contribution rates based on the Actuarial Valuation Reports of
	From	To	Pension Contribution on Basic Pay/ Dearness pay + Dearness Allowance	Gratuity Contribution on Basic pay/ Dearness pay	
1	01.06.2002	31.03.2004	15.05%	1.86%	M/s Thanawala Consultancy Services
2	01.04.2004	31.03.2006	19.06%	2.36%	P & G Trust's Internal calculation
3	01.04.2006	31.03.2009	21.00%	1.77%	Sri K.A. Pandith, Mumbai
4	01.04.2009	31.03.2011	26.13%	2.24%	M/s Mercer Consultancy (India) Pvt Ltd.

5. M/s Armstrong International Employees Benefits Solution (Sri N.Srinivasan, Actuary) vide Actuarial Valuation report dated 14th December 2011 presented the results of Actuarial Valuation of the KPTCL & ESCOMs' Pension and Gratuity as of 31st March 2011. The average(group) rate of pension and gratuity contribution amount payable by KPTCL and ESCOMs as per the said report read at (11) above are as under:-

Pension Contribution - 29.11% of Basic Pay, D.P + Dearness Allowance
Gratuity Contribution - 3.34% of Basic Pay, Dearness pay

6. The Board of Trustees of KEPGT in their 25th Meeting held on 30th December 2011, decided to accept with effect from 1st April 2011 and onwards the above average rates of Pension and Gratuity Contribution amount payable by KPTCL and ESCOMs as per the Actuarial Valuation Report. Further, the Board of Trustees decided that Pension and Gratuity Contribution arrears with reference to KPTCL orders read at 9 above also be paid by KPTCL and ESCOMs. Hence this order to intimate the above to KPTCL and ESCOMs, in terms of G.O. dated 19.12.2002.

ORDER No. KEPGT/P7/2011-12
BANGALORE DATED 23rd JANANUARY 2012

1. In the circumstances explained above, the Monthly Contribution rates towards Pension and Gratuity Contribution amount payable by KPTCL and ESCOMs in respect of all concerned Employees as at the end of 31.03.2006, is revised and fixed as below, with effect from 01.04.2011 onwards and until further orders.
- a) Pension Contribution - 29.11% of Basic Pay, D.P + Dearness Allowance
b) Gratuity Contribution - 3.34% of Basic Pay, Dearness pay
2. Pursuant to the above and considering KPTCL's revised pay scale orders dated 09.09.2011, the Pension and Gratuity Contribution arrears for the period from 01.04.2010 to 31.01.2012 also be paid by KPTCL and ESCOMs to KEPGT in February-2012.

By Order,



Controller & Managing Trustee.

KPTCL & ESCOMs Pension and Gratuity Trust.

Copy for kind information to:

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

3. The Managing Director, BESCO/MESCO/HESCO/GESCO/CESC/PCKL.
4. The Deputy Secretary(B & R), Finance Department, GOK, Vidhana Soudha, Bangalore.
5. The Director (Finance), KPTCL and Chairperson, KPTCL & ESCOMs' Pension and Gratuity Trust, Kaveri Bhavan, 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), BESCO, Bangalore.
5. The Financial Advisor, MESCO/HESCO/GESCO/CESC.
6. The Controller(Finance), KPTCL, Kaveri Bhavan, Bangalore.
7. Manager(Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.

M/F.