

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. Actuarial Valuation Report dated 14-12-2011 as at 31.03.2011 of M/s Armstrong International Employees Benefits Solution (AIEBS).
11. Order No. KEPGT/P7/2011-12 Bangalore dated 23.01.2012.
12. Order No. KEPGT/KCO123/P7/2011-12 Cys-29 dated 12.10.2012.
13. Actuarial Valuation Report dated 26-05-2013 as at 31.03.2012 of M/s Armstrong International Employees Benefits Solution (AIEBS).
14. Order No. KEPGT/KCO123/P7/2011-12/Cys 07 Bangalore dated 27.05.2013.
15. Actuarial Valuation Report dated 29-09-2014 as at 31.03.2013 of M/s Armstrong International Employees Benefits Solution (AIEBS).
16. Order No. KEPGT/KCO123/P7/2012-13/Cys-31 dated 11.11.2014.
17. Actuarial Valuation Report dated 19-12-2015 as at 31.03.2014 of M/s Armstrong International Consultants, Coimbatore.
18. Actuarial Valuation Report dated 19-12-2015 as at 31.03.2015 of M/s Armstrong International Consultants, Coimbatore.

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, 10, 13 & 15 above, KEPGT vide letter/orders read at 5, 6, 9, 11, 12, 14 & 16 above, intimated the following rates at which, the Pension and Gratuity contribution amount payable by KPTCL & ESCOMs, (after the same was 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	31.03.2005	19.06%	2.36%	P & G Trust's Internal calculation
3	01.04.2005	31.03.2008	21.00%	1.77%	Sri K.A. Pandith, Mumbai
4	01.04.2008	31.03.2010	26.13%	2.24%	M/s Mercer Consultancy (India) Pvt Ltd.
5	01.04.2010	31.03.2011	29.11%	3.34%	M/s Armstrong International Employees Benefit Solutions,
6	01.04.2011	31.03.2012	30.00%	6.01%	M/s Armstrong International Employees Benefit Solutions,
7	01.04.2012	31.03.2013	30.00%	6.01%	M/s Armstrong International Employees Benefit Solutions,

5. M/s Armstrong International Consultants, Coimbatore (Sri N.Srinivasan, Actuary) vide Actuarial Valuation reports dated 19th December 2015 presented the results of Actuarial Valuation of the KPTCL & ESCOMs' Pension and Gratuity as at 31st March 2014 & 31st March 2015 and also suggested to collect the Pension and Gratuity contribution amount from the same year for which the Actuarial Valuation has been carried out. The average(group) rate of pension and gratuity contribution amount payable by KPTCL and ESCOMs as per the said report are as under:-

i. w.e.f. 01.04.2013 to 31.03.2014:

Pension Contribution - 32.01% of Basic Pay + DP+ Dearness Allowance
Gratuity Contribution - 6.03% of Basic Pay + DP

ii. w.e.f. 01.04.2014 and onwards:

Pension Contribution - 33.02% of Basic Pay + DP + Dearness Allowance
Gratuity Contribution - 6.06% of Basic Pay + DP

6. The Board of Trustees of KEPGT in their 39th Meeting held on 04th February 2016, decided to accept with effect from 1st April 2013 to 31.03.2014 and 01.04.2014 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 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/KCO123/P7/2015-16/Cys-58

BANGALORE DATED

23 FEB 2016

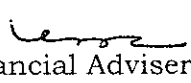
1. In the circumstances explained above, the Monthly Contribution rates towards Pension and Gratuity Contribution amount payable by KPTCL and ESCOMs in respect of all Employees recruited on or before 31.03.2006, is revised and fixed as below:-

Sl No	Contribution rates applicable for the period		Pension & Gratuity Contribution	
	From	To	Pension Contribution on Basic Pay + Dearness pay + Dearness Allowance	Gratuity Contribution on Basic pay + Dearness pay
1	01.04.2013	31.03.2014	32.01%	6.03%
2	01.04.2014 & onwards	Until further orders	33.02%	6.06%

2. Consequent to revision of rates of contribution towards Pension and Gratuity as stated above,

- a) KPTCL & ESCOMs are required to work out the Pension and Gratuity Contribution arrears for the period from 01.04.2013 to 31.01.2016 payable by them and remit the same to Pension and Gratuity Trust immediately so as to strengthen the financial position of KEPGT.
- b) Further, KPTCL and ESCOMs also required to contribute the Pension and Gratuity contribution from February 2016 as per the revised rates.

By Order,


Financial Adviser, 23/2/16

KPTCL & ESCOMs Pension and Gratuity Trust.

Copy for kind information to:

1. PS to Additional Chief Secretary, Energy Department, GOK, Vikasa Soudha, Bangalore.
2. PS to Managing Director, KPTCL, Kaveri Bhavan, Bangalore.
3. PS to Director (Finance), KPTCL and Chairperson, KPTCL & ESCOMs' Pension and Gratuity Trust, Kaveri Bhavan, Bangalore.
4. PS to Managing Director, BESCO/MESCO/HESCO/GESCO/CESC/PCKL.
5. PS to Deputy Secretary (B & R), Finance Department, GOK, Vidhana Soudha, Bangalore.
6. PS to Director (Admn. & HR), KPTCL, Kaveri Bhavan, Bangalore.
7. PS to Director & 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 AO.'s Association, A.R.Circle, Bangalore.
11. The General Secretary, KPTCL SC/ST Welfare Association, K.R.Circle, Bangalore.

Copy for needful action to:

1. The Director (Commercial), PCKL, Kaveri Bhavan, Bangalore.
 2. The Financial Adviser (A & R), KPTCL, Kaveri Bhavan, Bangalore.
 3. The Financial Adviser (I/A), KPTCL, Kaveri Bhavan, Bangalore.
 4. The Chief General Manager (F&C), BESCO, Bangalore.
 5. The Financial Adviser, MESCO/HESCO/GESCO/CESC.
 6. The Controller (Finance), KPTCL, Kaveri Bhavan, Bangalore.
 7. Manager (Cash & Accounts), KPTCL, Kaveri Bhavan, Bangalore.
 8. Manager (Est-1 & 2), KPTCL, Corporate Office, Bangalore.
- M/F.