

PROCEEDINGS OF GOVERNMENT OF KARNATAKA

Subject:- Implementation of New Defined Contributory Pension Scheme-
Procedure for accounting of Contributions by the employees and
matching contribution by Government – reg.

GOVERNMENT ORDER NO. FD 79 TAR 2006, BANGALORE,

DATED: 16th June 2007

READ:

1. G.O. No. FD (SPL) 04 PET 2005 dated 31st March 2006

PREAMBLE:

Government in G.O. read at (1) above has introduced a new Defined Contribution Pension Scheme replacing the existing system of Defined Benefit Pension Scheme. The scheme is mandatory to all new recruits to the State Government joining service on or after 1st April 2006. Till the regular Central Record Keeping Agency and Pension Fund Managers are appointed and accumulated balances under each individual account are transferred to them, the contributions made by the Government servants and the matching contribution made by the Government are to be kept in the Public Account of the State on which appropriate interest will also be given. This will be a purely temporary arrangement.

The guidelines and the accounting procedures are to be issued for implementation of the new pension scheme during the interim period and are to be followed by the Drawing & Disbursing Officers, the Treasuries and the Central Record Keeping Agency. Hence, the Order.

ORDER

Recoveries towards Tier-I contributions shall start from the salary of the month in case the Government servant has joined service on 1st of the month and salary for the full month is drawn. For example, for employees joining service on 1st April 2006, deduction towards Tier-I contribution shall start from the salary bill of April 2006. No deduction shall be made from salary of April 2006 in case the Government servant has joined service even on 2nd April 2006.

2. No deductions shall be made towards GPF contribution from the Government servants joining service on or after 01.04.2006 as the GPF scheme is not applicable to them.

3. Pending formation of a regular Central Record Keeping Agency, the Director, Karnataka Government Insurance Department shall function as the Central Record Keeping Agency for the above scheme. He shall maintain the records pertaining to this Scheme in both computerized database as well as hard copy. He shall ensure necessary computerisation for the same.

4. Immediately on joining Government service, the Government servant shall be required to provide particulars such as his name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship of the nominee etc., in the prescribed form (Annexure-I). The Drawing & Disbursing Officer concerned shall be responsible for obtaining this information from all Government servants covered under the new pension scheme. Annexure-I of all the officials coming under the new scheme shall be forwarded to the District KGID officer once in a month. A copy of the Annexure-I shall be retained by the Drawing & Disbursing Officer.

5. The District KGID officer shall consolidate the Annexures – I received from all the Drawing & Disbursing Officers in the district and shall forward the consolidated Annexures to the Central Record Keeping Agency before 10th of the following month.

6. The Central Record Keeping Agency based on Annexure-I shall allot a unique 14-digit permanent pension account number (PPAN). The first 2 digits of this number shall indicate the calendar year of joining Government service, the next 2 digits shall represent the Department code, the next 4 digits represent the DDO code and the last 6 digits shall be the running serial number of the individual employee.

Illustration: The first Government servant joining Karnataka Government Secretariat service in 2006 shall be allotted the PPAN as follows:

Year		Department & DDO Code						Employee Serial Number					
0	6	D	P	0	0	0	1	0	0	0	0	0	1

The employee serial number shall be generated through the system by the Central Record Keeping Agency and the full 14-digit code shall be the PPAN.

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7. The Central Record Keeping Agency, on allotting the PPAN shall send the Drawing & Disbursing Officer wise list of officials for whom unique PPAN has been generated to the District KGID officer in the prescribed format (Annexure – II) by the 15th of the following month. The district KGID officer shall arrange to distribute the Drawing & Disbursing Officer wise list to the respective Drawing & Disbursing Officers by 20th of the following month.
8. The Central Record Keeping Agency shall maintain an Index Register. Format of the Index Register is in Annexure – III.
9. Orders for revision of scales of pay and other related issues have been issued by Government in Order dated 16th May 2007 and the monetary benefit of the revised scales of pay shall be from 1st April 2006.
10. Recoveries towards Tier – I contribution from April 2006 shall be on the revised basic pay and dearness allowance admissible on revision of scales of pay in accordance with G.O. dated 16th May 2007.
11. Recovery towards Tier – I contribution shall commence from salary payable for the month of July 2007.
12. Recovery of arrears from April 2006 towards Tier – I contribution shall also commence from salary for July 2007 but the recovery of arrears shall be for one month along with recovery towards current month. i.e., recovery of contribution for April 2006 shall be with recovery for July 2007, May 2006 with recovery for August 2007, June 2006 with recovery for September 2007 and arrears from April 2006 to June 2007 shall be completely recovered by September 2008.
13. Recovery towards Tier – I contribution shall be 10% of basic pay and DA thereon of the employee. Recovery for Tier – I contribution shall be therefore on revised DA as and when sanctioned by Government and shall be from the date of effect of the revised DA.
14. The matching contribution by Government towards Tier – I shall also be on revised basic pay and DA effective from 1st April 2006 and the procedure for recovery of arrears of contribution from the employees shall be equally applicable for the arrears of matching contribution payable by Government.



15. Payment of matching contribution by Government shall be equally applicable on the revision of DA as and when sanctioned by Government and shall be from the date of effect of revised DA.
16. The Drawing & Disbursing Officer shall prepare a recovery schedule in duplicate in the prescribed form (Annexure-IV) for the contributions under Tier-I and attach them to the pay bills. The amount of contributions shall be tallied with the total amount of recoveries shown under the corresponding column in the pay bill.
17. On receipt of salary bills, the treasuries shall exercise usual checks, pass the bill and make the payments. After the payment is made, the treasuries shall detach one set of schedules relating to pension contribution from the bills and forward them to the respective district treasuries along with the monthly accounts and vouchers.
18. The district treasuries shall consolidate the Drawing & Disbursing Officer wise and official wise deductions, tally the total deduction and shall transfer the data for the month to the Central Record Keeping Agency.
19. The Central Record Keeping Agency shall consolidate the recoveries under Tier -- I for the entire State and shall arrange the employees' contributions to be maintained in the individual ledger account. Prescribed format for the ledger account is in Annexure-V.
20. The Central Record Keeping Agency shall prepare a bill for drawal of matching contributions to be paid and creditable to pension account. The expenditure shall be debited to the Head of Account "2071-01-117-0-01-State's Matching Contribution to Pension Scheme-251-Pension & Retirement Benefits". The bill for drawal of matching contribution shall also be supported by the schedule of recoveries in form (Annexure-VI).
21. The treasuries shall pass the bill for nil payment and transfer the Government's matching contribution by means of TTR to the Deposit Head in Public Account.
22. The Central Record Keeping Agency shall arrange for posting of matching Government contribution in the prescribed column of the individual ledger account.

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23. The recoveries of contribution from the individual and the Government's matching contribution are classifiable as credits in the books of the Drawing & Disbursing Officers and the Treasuries. The detailed classification, the 12-digit code relating to recovery of contribution and interest on the accumulations of the fund are given in Annexure-VII.
24. Whenever any Government servant coming under the new pension scheme is transferred from one office to another, the Drawing & Disbursing Officer shall clearly indicate in the LPC of the individual, PFAN and the month up to which the Government servant's contribution towards pension fund has been recovered.
25. No withdrawal of any amount shall be allowed during the interim arrangement. Provisions regarding terminal payments in the event of untimely death of an employee or in the event of his leaving the Government service during the interim period shall be notified in due course.
26. Detailed instructions on the interest payable on Tier-I balances shall be issued in due course.
27. The scheme of voluntary contributions under Tier-II shall not be made operative until further orders from Government and therefore no recoveries shall be made from the salaries of the employees on this account.
28. At the end of each financial year, the Central Record Keeping Agency shall prepare annual accounts statement for each employee showing the opening balance, details of monthly deductions and the Government's contribution, interest earned, if any, and the closing balance. The statements shall be sent to the concerned Drawing & Disbursing Officers who shall arrange issue of the statement of accounts to the employees under proper acknowledgement.
29. After the appointment of an independent Pension Fund Regulatory & Development Authority & Fund Managers, Government shall issue detailed instructions on transfer of balances.
30. The Central Record Keeping Agency shall ensure every month that there are no unposted credits coming under the new defined contributory pension scheme. Similarly, drawal and accountal of matching contribution of Government for the month in respect of all the employees who have contributed their share shall also be ensured.

31. Clarifications, if any, on the accounting procedure shall be sought from the Deputy Secretary to Government (Budget & Resources), Finance Department, Vidhana Soudha, Bangalore.

By Order and in the Name of
the Governor of Karnataka

DARPAN JAIN
Deputy Secretary to Government
Finance Department

To:

- 1 The Accountant General (A&E)/Principal Accountant General (Audit-I), Bangalore
- 2 The Chief Secretary to Government, Vidhana Soudha, Bangalore
- 3 The Additional Chief Secretary to Government, Vidhana Soudha, Bangalore
- 4 The ACS & Development Commissioner, Vidhana Soudha, Bangalore
- 5 All the Principal Secretaries/Secretaries to Government
- 6 All the Heads of Departments
- 7 All the Deputy Commissioners of Districts
- 8 All the Chief Executive Officers of Zilla Panchayats
- 9 Director of Treasury, Bangalore & District Treasury Officers
- 10 Principal Secretary, State Legislature, Bangalore
- 11 Secretary, Karnataka Public Service Commission, Bangalore
- 12 Registrar, Karnataka Lokayukta, Bangalore
- 13 Registrar, High Court of Karnataka, Bangalore
- 14 Registrar, Karnataka Administrative Tribunal, Bangalore

} with a covering
letter

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ANNEXURE-I

(Details to be furnished by the employee)

- 1. Name of the Company : *110 Locators Co. Ltd.*
- 2. Name of the employee (in Block Letters) :
- 3. Designation : *Cooperator*
- 4. Zone/Circle/Division : *9101/10-C.*
- 5. Scale of Pay : *4100*
- 6. Date of Birth :
- 7. Date of entry into Service :
- 8. Basic Pay :
- 9. Nominee for accumulations under the Pension Account :
- 10. Date of filling Nomination :

Sl.No.	Name of Nominee(s)	Date of Birth (dd/mm/yy)	Age	Percentage of Share payable	Relationship with the employee

Signature of Employee



Countersigned
Pay Disbursing officer.

ANNEXURE-II

Paydaravany Office

(Format in which Information is required to be sent by D.D.O. to Central Record Keeping Agency) *Winnough*

Ethics Corporate Offices

the Head of C.P.D. Office

Name of (D.D.O.) / Code No.:

Name of Office & Address:

Sl. No.	Name of the Officer/ Employee	Date of birth	Unique PPAN allotted by C.R.K.A.	Designation	Basic Pay	Date of joining service	Details of Nominee(s) for the accumulations			
							Name of Nominee(s)	Age/Date	Relationship with Officer/ Employee	% of Share

Name of D.D.O.



Office Seal

ANNEXURE -IV

**Format of Schedule of Employees Contributions towards Tier-1 of the New Pension Scheme
(to be sent along with the Cheque/DD)**

Name of Company

Corporate Office

Name of Zone/Circle/ Division : Location code

Unique PPAN No.to be allotted by Trusts	Name of the employee	Desig nation	Date of entry into service	Basic Pay	D.A.	Total	Employ ee Contrib ution	Compa ny's Contrib ution	Total	Remarks
1	2	3	4	5	6	(5+6)=7	8	9	(8+9)=10	11

(Rupees -----)

Signature of Pay Drawing Officer;

Date

Designation.

Office Seal

(Signature)

ANNEXURE-III

INDEX REGISTER (to be maintained by C.R.K.A.)

Unique PPAN	Name of Officer/ Employee	Designation	Name of office in which joined in service (D.D.O.)	Date of Birth	Date of joining Officer/ Employee into Service	Remarks
			Zone 100 D.D.O.			

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ANNEXURE-V

New Pension Scheme Ledger Folio (to be maintained by C.R.K.A.)

Name: Shri/Smt/Kum

Designation _____ Company/Zone/Circle/Division _____

Unique PPAN allotted by C.R.K.A.

Date of entry into Service _____

Date of Superannuation _____

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Month	Basic pay	DA	Employee's contribution under Tier-I	Government's contribution under Tier-I	Total Tier-I	Employee's contribution under Tier-I	Remarks	Tier-I Tier-II (Rs.) (Rs.)	
								Opening Balance as on _____	Withdrawals interest closing balance as on _____
April									
May									
June									
July									
August									
September									
October									
November									
December									
January									
February									
March									
Total (Rs.)								Posted by:	Checked by:
								Examined by:	

* No withdrawals allowed under Tier-I

(Signature)

Вопросы к экзамену по предмету «Экономика»

1. Что такое экономика?	Экономика – это наука о том, как общество использует ограниченные ресурсы для производства благ и услуг и их распределения между членами общества.
2. Какие основные функции экономики?	Основные функции экономики: производство, распределение, обмен и потребление благ и услуг.
3. Что такое рыночная экономика?	Рыночная экономика – это экономическая система, в которой решения о производстве, распределении и потреблении принимаются на основе взаимодействия спроса и предложения на свободном рынке.
4. Какие основные черты рыночной экономики?	Основные черты рыночной экономики: частная собственность на средства производства, свобода предпринимательства, конкуренция, свобода выбора, ценообразование на основе спроса и предложения.
5. Что такое государственная экономика?	Государственная экономика – это экономическая система, в которой основные средства производства принадлежат государству, а производство и распределение благ и услуг осуществляется государством.
6. Какие основные черты государственной экономики?	Основные черты государственной экономики: государственная собственность на средства производства, централизованное планирование, государственное распределение благ и услуг, отсутствие конкуренции.
7. Что такое смешанная экономика?	Смешанная экономика – это экономическая система, в которой сочетаются элементы рыночной и государственной экономик.
8. Какие основные черты смешанной экономики?	Основные черты смешанной экономики: частная собственность на средства производства, свобода предпринимательства, конкуренция, свобода выбора, ценообразование на основе спроса и предложения, государственное регулирование экономики.
9. Что такое социальная экономика?	Социальная экономика – это экономическая система, в которой основные средства производства принадлежат государству, а производство и распределение благ и услуг осуществляется государством, но с учетом интересов общества.
10. Какие основные черты социальной экономики?	Основные черты социальной экономики: государственная собственность на средства производства, централизованное планирование, государственное распределение благ и услуг, отсутствие конкуренции, социальная справедливость.
11. Что такое рыночная экономика с элементами государственного регулирования?	Рыночная экономика с элементами государственного регулирования – это экономическая система, в которой основные решения о производстве, распределении и потреблении принимаются на основе взаимодействия спроса и предложения на свободном рынке, но с учетом интересов общества.
12. Какие основные черты рыночной экономики с элементами государственного регулирования?	Основные черты рыночной экономики с элементами государственного регулирования: частная собственность на средства производства, свобода предпринимательства, конкуренция, свобода выбора, ценообразование на основе спроса и предложения, государственное регулирование экономики.
13. Что такое социальная экономика с элементами рыночного регулирования?	Социальная экономика с элементами рыночного регулирования – это экономическая система, в которой основные средства производства принадлежат государству, а производство и распределение благ и услуг осуществляется государством, но с учетом интересов общества.
14. Какие основные черты социальной экономики с элементами рыночного регулирования?	Основные черты социальной экономики с элементами рыночного регулирования: государственная собственность на средства производства, централизованное планирование, государственное распределение благ и услуг, отсутствие конкуренции, социальная справедливость, государственное регулирование экономики.

В. БИХАНОВА