



**KARNATAKA POWER TRANSMISSION
CORPORATION LIMITED**

Office of the Financial Adviser (A&R),
6th Floor, Kaveri Bhavan,
Bangalore – 560 009

No. FA (A&R)C(AP&A)/DC(A&C)/AAO.I/CYS:

Dated: **July, 2007**

All the Chief Engineers,
All the Controllers,
All the Superintending Engineers,
All the Deputy Controllers,
All the Executive Engineers,
All the Accounts Officers,
K.P.T.C.L.

Sirs,

Sub: Implementation of new defined Contributory Pension Scheme w.e.f. 1-4-2006 for new entrants of KPTCL/ESCOMs Services

Ref: Corporate Office Order No KPTCL/B 16/B.14/4977/2005-06, Bangalore dated 5-7-2007.

Government of Karnataka vide Order No. FD(SPL) 04 PET 2005 dated 31-3-2006 has implemented new defined Contributory Pension Scheme w.e.f. 1-4-2006 for new entrants to civil service. On same lines, KPTCL is also implementing new defined Contributory Pension Scheme w.e.f. 1-4-2006 for new entrants to KPTCL/ ESCOMs service vide order under reference. According to new defined Contributory Pension Scheme, the new pension scheme is mandatory to all new recruits to KPTCL / ESCOMs service joining on or after 1-4-2006. The monthly contribution shall be 10% of the Basic Pay & Dearness Allowance thereon to be paid by the employee and matched by KPTCL / ESCOMs in equal proportion. It is also stated in the KPTCL order dated 5-7-2007 that separate orders will be issued for appointing the Central Record Keeping Agency and Pension Fund Managers

(Handwritten signature/initials)

Pending finalization of new defined contributory pension scheme, the specified contribution shall be collected from the month of July 2007 and onwards along with the arrears of contribution from 1-4-2006 to 30-6-2007 in 15 equal instalments. The amount of employees contribution collected along with matching contribution of KPTCL shall be sent to Manager(Estb-II) through Credit A.T. supported by Employee-wise statement.

Manager(Estb-II) shall consolidate and organise to issue a single cheque from KPTCL to KPTCL & Escoms Pension and Gratuity Trusts along with employee wise statement as per Annexure II.

During the recovery of the first instalment, the required information shall be obtained by the establishment accounting units as specified in the Annexure I from the employees concerned. Manager(Estb-II) shall consolidate the information and send the same to the Pension and Gratuity Trusts.

To ensure proper accounting of recovery and payment of Employee / Employer's portion of Contribution to new defined Contributory Pension Scheme with effect from 1-4-2006, following Accounting entries are to be passed.

I. For Accounting KPTCL portion of matching contribution to new defined Contributory Pension Scheme w.e.f. 1-4-2006

| | | | |
|-----------------|--|----|----|
| 75.831 (ANC) | Terminal Benefits -- KPTCL Contribution to Contributory Pension Scheme with effect from 1-4-2006 | XX | |
| To | | | |
| 44.150 (ANC) | Provision for KPTCL Contribution to Contributory Pension Scheme with effect from 1-4-2006. | | XX |

II. For effecting recovery from the salary of employees recruited on or after 1-4-2006

Credit Account Code 46.952 on recovery from employees salary bill

Debit Account Codes 44.150 & 46.952 on payment of amount of Employers and Employees portion of Contribution.

Yours faithfully,

Sd/-
Financial Adviser (A&R)

