



# KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Indian Companies Act, 1956)

Reg. Office: Vidyuthi Bhavanam, Pattom, Thiruvananthapuram - 695 004, Kerala

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NPS/GL/Acc.Code/20-21

Dated: 21.07.2020

## CIRCULAR

Sub:- National Pension System in KSEB Limited – General Accounting Procedures to be followed for disbursement of terminal benefits of the NPS employees - Revised Guidelines Issued- reg

- Ref :-
1. Board Circular No NPS3/Fin Asst/2018 dated 01.11.2018
  2. Board Circular No NPS3/Exit/Retirement/2019-20 dated 21.12.2019
  3. Order No Annual Accounts/AA4/Account Code-26/2018-19 dated 03.09.2018 of the Financial Adviser, KSEBL.
  4. Letter No. Master Trust/Account Code/2020-21/18.06.2020 of the Treasurer of the Trustee, KSEBL Employees Master Pension & Gratuity Trust.

Detailed guidelines on the procedure to be followed for sanctioning the terminal benefits of NPS employees on Premature Exit/ superannuation/Death of NPS employees were issued in the Circulars referred above.

On Exit of employees from NPS on attaining the age of superannuation or on Voluntary exit (Pre mature Exit), Board is bound to pay only Gratuity as per Payment of Gratuity Act 1972. On death of the employee, in addition to Gratuity, the dependents are eligible for Financial Assistance @30 % of the last pay drawn by the deceased employee.

The Financial Adviser vide reference 3<sup>rd</sup> and 4<sup>th</sup> cited has issued the accounting procedure for payment of the terminal claims of employees under NPS.

*The expenditure on account of Financial Assistance is chargeable to the Account code 75.830 and the journal entry for the same will be*

**75.830- (Employee Costs-Terminal benefits-Financial Assistance**

**to the dependants of deceased NPS employees) a/c .....Dr.**

**To 44.130 – (Staff Related Liabilities & Provision-**

**Terminal Benefits- NPS Pensioners)a/c**

The Gratuity and Terminal Earned Leave Surrender of the employees covered under NPS may have to be paid either by **KSEBL Master Pension and Gratuity Trust** or by **KSEB Ltd**. As per the transfer scheme, the Gratuity and Terminal Earned Leave Surrender of those NPS employees who joined KSEBL during the period from 01.04.2013 to 31.10.2013 shall be paid from the **KSEBL Master Pension and Gratuity Trust** as noted below.

The expenditure on account of Gratuity is chargeable to the Account code 75.836 and the journal entry for the same will be

75.836 (Employee Costs – Terminal Benefits-Gratuity to  
NPS employees) a/c-----Dr

To 44.111- (Staff Related Liabilities & Provision-  
Gratuity to NPS employees ) a/c

The expenditure on account of Terminal Leave Surrender is chargeable to the Account code 75.834 and the journal entry for the same will be

75.834 (Employee Costs– Other Staff Costs-Terminal Benefits-

E/L Surrender(Pensioners) a/c -----Dr

To 44.341 – (Staff Related Liabilities & Provision-

Terminal Earned Leave surrender to - NPS Pensioners)a/c

In the case of NPS employees who joined KSEBL after 31.10.2013, the Gratuity and Terminal Earned Leave surrender may have to be paid by the company treating as employee cost as detailed below.

The expenditure on account of Gratuity is chargeable to the Account code 75.836 and the journal entry for the same will be

75.836 (Employee Costs – Terminal Benefits- Gratuity to  
NPS employees) a/c-----Dr

To 44.130- (Staff Related Liabilities & Provision-

Terminal Benefits- NPS Pensioners) a/c

The expenditure on account of Terminal Leave Surrender is chargeable to the Account code 75.835 and the journal entry for the same will be

75.835 (Employee Costs – Other Staff Costs- a/c

Terminal Benefits-E/L Surrender(Pensioners)-----Dr

To 44.130 – (Staff Related Liabilities & Provision- Terminal Benefits-

NPS Pensioners)a/c

The above benefits to be paid by the company to the NPS pensioners may be done through the Pension Day Book module available in the Saras Software.

The Heads of ARUs shall effect the payment of the terminal claims of NPS employees as per the above directions and shall maintain separate accounts for NPS Payments.

In case of any queries in this regard, kindly contact the State Nodal Officer (NPS) on Tel No 0471 2514368 or Senior Superintendent, NPS Cell on Tel No 0471 2514442.

  
~~SECRETARY (ADMINISTRATION)~~

To

All ARU Heads.

Copy to

- 1.The CE (HRM).
- 2.The Financial Adviser.
- 3.The Chief Internal Auditor.
- 4.TA to the Chairman & Managing Director.
- 5.PA to the Secretary (Administration)
- 6.Fair Copy Section/Record Section/Library/Stock File