



## **KERALA STATE ELECTRICITY BOARD LIMITED**

(Incorporated under the Indian Companies Act, 1956)

Registered Office: Vydyuthi Bhavanam, Pattom, Thiruvananthapuram-695004

**CIN-U40100KL2011SGC027424**

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No.NPS/GI/2015

NPS Cell

Office of the Chief Engineer(HRM)

Dated 10.06.2015

### **Circular**

Sub:-National Pension System-Deduction of Employees' contribution-reg.

- Ref:-
1. BO(FB) No.843/2013 (PRC/335/2013) Dtd 09.04.2013
  2. BO(FTD) No.648/2015 (EBPS17/02/2015/GI) Dtd16.03.2015
  3. BO(DB)No.1351/2015(NPS/GO/Adoption/2014-15)Dtd.03.06.2015
  - 4.Proceedings of the Financial Adviser Dated 03.06.2015

National Pension System (NPS) was implemented in Kerala State Electricity Board Limited vide BO referred 1<sup>st</sup> above. All employees appointed on or after 01.04.2013 come under the coverage of NPS. As per order under reference 2nd the Accounts Officer (Pension Sanction) was appointed as the State Nodal Officer (NPS). The State Government have issued various orders detailing the procedures to be followed in the implementation of NPS. Vide BO referred 3rd above, it was ordered to adopt Government Orders with regard to NPS having general applicability for its implementation in the Board and issue suitable Circulars. In pursuance to the above, the following directions are issued:

- i. The NPS would be mandatory for all appointments made on or after 01.04.2013.
- ii. The NPS will work on a defined contribution basis and will have two Tiers Viz. Tier I and Tier II. Contribution to Tier I will be mandatory for all employees appointed on or after 01.04.2013 whereas Tier II will be optional and at the discretion of the Board employee. The recovery of above contributions need to be effected from the employees who are actually in the service of the Board as on date.
- iii. The contribution to NPS under Tier I become due from the salary of the month, following the month in which the officer/employee has recruited/appointed into the service. (Eg:- If the date of joining of the employee is on 05.04.2013, the regular contribution of the subscriber will be commenced from 05/2013).
- iv. The following categories of employees will be exempted from the coverage of NPS:
  - a) Part Time Contingent Employees.
  - b) Employees who were appointed in substantive vacancies on regular basis on or before 31.03.2013 and who were in such posts on 31.03.2013 and to whom KSR Part III pension scheme applies and later appointed on another post in the Board on or after 01.04.2013.

- c) Employees who entered into Government Service/Aided Institutions/PSUs/Board/Corporations/Autonomous Bodies etc. which are governed as per Part III KSR before 01.04.2013 and reappointed on or after 01.04.2013 in PSUs/Boards/Corporations/Autonomous Bodies etc which are governed by Part III KSR.
- d) Employees who have been appointed upto 31.03.2013 and proceed/proceeded on LWA under Appendix XII A/B/C Part I, KSR before declaring probation.
- e) Employees who have been appointed into the service on or before 31.03.2013 and granted extension of joining time beyond 31.03.2013.
- f) Central Government employees who are governed by the CCS (Pension) Rules, 1972 later joined/joining the Board on or after 01.04.2013 would be allowed mobility to continue in KSR, Part III, subject to the condition that there shall not be any break in between the two services.
- g) The employee as mentioned in para iv (b), iv(c) & iv (f) shall submit an option in the prescribed format within three months of joining the Board (Appendix D). Those employees already joined the service shall submit the option within 3 months from the date of this Circular.
- h) In the case of employees as mentioned iv (c) & iv (f), the appointing authority shall issue an order allowing the employee to continue in KSR Part III, after verifying his/her prior service and conditions laid down in the applicable orders. The written request and option form in the prescribed format shall be obtained from the employee concerned and forward the same to the appointing authority along with the service records proving their prior service in other institutions. The service rendered by the above said employees in Government Service/PSUs will be considered for service benefits including pension subject to the rules in force in the Board.
- v. In Tier I, the Board employee shall make a contribution of 10% of (Basic Pay+Dearness Allowance) from his/her salary every month. Pay includes all pay as provided in Rule 12 (23) of Part I, KSR.
- vi. Tier II contribution will be kept in a separate account that will be made available at the option of the employee. Board will not make any contribution to Tier II account.
- vii. All employees come under the coverage of NPS shall register with the Central Record keeping Agency (NSDL) as subscribers. The procedure for the registration of subscribers for getting Permanent Retirement Account Number (PRAN) will be issued separately. Those employees already having PRAN shall provide such details to the ARU and they need not apply further for new PRAN.
- viii. Although the scheme came in effect from 01.04.2013, the recovery of employees' contribution was not commenced. In order to avoid further delay in deducting the employees' contribution under Tier I and accumulation of arrears, the regular monthly recovery of employees' contribution shall be

commenced from the salary of July, 2015 positively. The above deduction will be effected through HRIS.

- ix. Employees' contribution under Tier I may be effected from the pending salary bill/bills during the period from 05/13 to 06/15 also, if it remains unclaimed upto July 2015.
- x. In those cases where salary bills for the period from 01.04.2013 to 30.06.2015 are already claimed, the procedure for the recovery of backlog contribution due from the employees for the period from May,2013 upto June,2015 will be issued later.
- xi. All employees coming under the NPS shall be suitably informed by the head of ARU before effecting the recovery.
- xii. The accounting procedure of National Pension System is detailed below:

<b>(a) For booking the mandatory contribution of 10% of (Pay+DA) of employees under Tier I</b>		
<b>Account Code</b>	<b>Nomenclature</b>	<b>Remarks</b>
44.440	Recoveries of subscription of employees towards National Pension System	Already issued
<b>(b) for booking the contribution of KSEB Ltd under Tier I towards National Pension System</b>		
75.637	Contribution of KSEB Ltd towards National Pension System	Page No.135 of CAS manual
44.442	Liability of KSEB Ltd towards National Pension System	Page No.91 of CAS manual
<b>(c) For booking the voluntary contribution of employees, if any, under Tier II</b>		
44.443	Recovery of voluntary contribution of employees towards NPS, under Tier II	Page No. 91 of CAS manual
<b>(d)For booking the expenditure which are to be met by KSEB Ltd towards NPS under Tier I</b>		
76.143	Fee of CRA/Expenditure towards NPS	Page No. 137 of CAS manual
<b>(e) For remittance of recovery towards National Pension System</b>		
44.445	Remittance of subscription of employees towards National Pension System under Tier I	Page No. 91 of CAS manual
44.446	Remittance of KSEB Ltd contribution towards NPS	Page No. 91 of CAS manual
44.447	Remittance of voluntary contribution of employees towards NPS under Tier II	Page No. 91 of CAS manual

### **Accounting Procedure**

Recovery of the Tier-I and Tier-II of the pension scheme may be effected at the concerned ARU at which the employee drawing salary. On bill passing the amount may be credited to account code 44.440/44.443 respectively.

Fee for the permanent Account Opening Charge, Annual PRA Maintenance, Transaction Charge etc are to be booked at the office of the Chief Engineer (HRM) in the account code 76.143.

### **Remittance to National Pension System**

The Chief Engineer (HRM) is the sole authority to make remittance to National Pension System. On remitting the amount recovered from the employees of both Tier I & II pension scheme and company's contribution the same may be debited to account code 44.445, 44.447 and 44.446 respectively.

- xiii. All Heads of ARUs shall update the employment & personal details of all employees entered the service of the Board on or after 01.04.2013 immediately, in the HRIS.
- xiv. All Heads of ARUs shall strictly adhere to the directions issued as per BO dated 03.06.2015 and ensure the recovery of employees' contribution under Tier I from the month of July, 2015 itself.

Sd/-

R Rajasekharan Nair  
Secretary (Administration)

To

1. All Chief Engineers (Ele/Civil)
2. The Financial Advisor
3. The Chief Internal Auditor
4. All Deputy Chief Engineers (Ele/Civil)
5. All Executive Engineers (Ele/Civil)
6. TA to the Chairman & Managing Director
7. TA to the Director (Distribution & Safety)
8. TA to the Director (Transmission & System Operations)
9. TA to the Director (Corporate Planning & Supply Chain Management)
10. TA to the Director (Generation)
11. PA to the Director (Finance)
12. PA to the Secretary (Administration)
13. Fair Copy Section/Record Section/Library/Stock File

Forwarded/By Order

Sd/-  
Senior Superintendent

**Appendix I**

(Vide BO(DB) No.1351/2015(NPS/GO/Adoption/2014-15) Dtd.03.06.2015)

FORM OF OPTION

I, Sri/Smt..... joined the service of KSEB Ltd on.....as.....(Designation) hereby opt to continue in KSR, Part III pension scheme.

Station  
Date

Signature  
Name  
Designation  
Office  
Name of ARU

Countersigned by the Head of ARU

Signature  
Name