



KERALA STATE ELECTRICITY BOARD LIMITED

(Incorporated under the Companies Act, 1956)

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

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Abstract

Establishment - Reckoning of past service rendered by KSEB Employees in Central/State Govt. Organization - Method of calculation of Pro - rata pension liability - Revised - Orders issued.

CORPORATE OFFICE (ADMINISTRATION)

B.O (FTD) No.968/2022(Estt.IV/4698/2018) Dated, Thiruvananthapuram, 21.12.2022.

- Read:-
1. B.O. (FB) No.399/2008 (Estt.IV/3436/2007) dated 12.02.2008.
 2. B.O. (FB) No1313/2011 (PS1/Gratuity/Tvpm/2006) dated 24.05.2011.
 3. B.O.(FB) No.1152/2012(PS1/Gratuity/Tvpm/2006) dated 05.06.2012.
 4. Note No. LAS IV/Legal Opinion/2022 (Estt.IV/4698/2018) dated 07.11.2022 of the Senior Law Officer I/C of LA & DEO.
 5. Note No.PS1/1059/Reckoning of prior service dated 18.11.2022 of the Chief Personnel Officer.
 6. Note No. Estt.IV/4698/2018 dated 06.12.2022 of the Secretary (Administration) to the Full Time Directors (Agenda No.22/12/2022.

ORDER

The methodology of calculation of pro rata pension liability in respect of the employees for reckoning prior service for pensionary benefits in Kerala State Electricity Board Limited was made applicable in accordance with the B.O. read as 1st above.

As per the B.O. the pro rata calculation involves 3 components namely service gratuity, DCRG & Pension depending upon the period of qualifying service for reckoning as detailed below.

Qualifying Service	Payment of pro rata pension liability by the former employer
Below 5 years	Service Gratuity only
5 years and above but below 10 years	Service Gratuity & DCRG
10 years or more	DCRG and Pension

Payment of Gratuity Act 1972 was implemented in Kerala State Electricity Board Limited with effect from 24.05.1994 vide as per B.O.s 2nd & 3rd above. It was ordered that the service rendered in Kerala State Electricity Board alone be treated as continuous service eligible for reckoning gratuity as per payment of Gratuity Act 1972 and to continue with the existing pension scheme as per Kerala Service Rules, except payment of DCRG and gratuity. Gratuity to be paid as per the Payment of

Gratuity Act on condition that DCRG as per Kerala Service Rules will not be claimed in lieu of the gratuity at any point of time. Due to implementation of Gratuity Act 1972, eligible prior service has been reckoned along with Kerala State Electricity Board for pension only despite the fact that DCRG portion is also remitted by the former employer in continuation of the method of calculation as envisaged in the Board Order till date.

Now dispute was raised by certain retired employees and they had filed Gratuity cases before the Deputy Labour Commissioner with a prayer to reckon their prior service for Gratuity also since the DCRG portion has been remitted by their former employer. The Chief Engineer (HRM) has brought the matter to the notice of the Board and requested to revise the methodology of calculation of pro rata pension liability by excluding the portion of pro rata pension liability meant for DCRG consequent to implementation of Gratuity Act 1972.

As per the legal opinion read as 4th above, the Senior Law Officer i/c of LA & DEO has opined that since Kerala State Electricity Board Limited follows the Payment of Gratuity Act 1972, calculation and demand of pro rata pension contribution amount for reckoning of prior service for pension in Kerala State Electricity Board Limited along with DCRG portion is not proper and advised to modify the methodology of calculation of pro-rata amount.

The Chief Personal Officer as per his Note read as 5th above has reiterated that since Kerala State Electricity Board Limited follows payment of Gratuity Act 1972 eligible prior service considered along with Kerala State Electricity Board service, only for pensionary benefits. Hence contribution towards DCRG need not be collected from the former employer. The need to revise the methodology of calculation of pro rata pension liability is reiterated by the Chief Personnel Officer.

The Chairman and Managing Director has directed to place the matter before the Full Time Directors and in the meeting held on 13.12.2022 resolved to revise the methodology for calculation of pro-rata pension in Kerala State Electricity Board Limited as per the Board Order dated 12.02.2008 excluding the contribution towards DCRG from former employer. Further resolved to refund the amount already collected towards DCRG portion in past cases to the former employer and to inform the Labour Commissioner.

Orders are issued accordingly.

By Order of the Full Time Directors
Sd/-
LEKHA.G
COMPANY SECRETARY

To

The Chief Engineer (HRM), Vyyduthi Bhavanam, Thiruvananthapuram – she is directed to refund the amount already collected towards DCRG portion in past cases to the former employer and to inform the Labour Commissioner.

NILAVAR ELECTRICITY BOARD LIMITED

Copy to:-

- 1. The Chief Personnel Officer
- 2. The Accounts Officer (Pension Authorisation)
- 3. The Company Secretary
- 4. The TA to Chairman & Managing Director
- 5. The PA to Director (Finance)
- 6. The TA to Director (REES, SOURA, NILAAVU, Sports & Welfare)/
(Generation – Civil)/ (Generation-Electrical & HRM)/ (Distribution, SCM & IT)/ (Transmission, System Operation, Planning & Safety)
- 7. The Senior CA to Secretary (Administration)
- 8. File/ Stock file.

Forwarded / By Order



Senior Superintendent

