GOVERNMENT OF KERALA

Abstract

Introduction of ETSB System for disbursement of pay and allowances of all Government employees—Fixing interest rate for ETSB accounts and frequency of interest payment—Modified Orders -- Issued.

FINANCE (STREAMLINING) DEPARTMENT

G.O(P)No.94/2019/Fin Dated, Thiruvananthapuram, 20.07.2019

Read: 1. GO(P) No.67/2019/Fin. Dated 13/06/2019.

ORDER

As per the Government Order read first paper above, a new system of ETSB was introduced for the disbursement of pay and allowances of Govt Employees. Then as per the Circular read as second paper above, detailed instructions to DDOs, Treasury Officers and Employees were issued for the smooth implementation of the new system. Then vide GO read third paper above, orders were issued to permit higher interest rate of 6% per year for the minimum balance retained in the ETSB account for a period of 1st to 15th of a month.

Now, the Director of Treasuries has submitted a modified proposal regarding the interest calculation methodology of ETSB accounts. As per the existing direction, the interest bearing balance should be the minimum balance available in the account between 1st and 15th day of the month. But salary of employees coming under 2nd and 3rd day of the existing payment schedule will not get the benefit of the new interest casting pattern since the IBB sanctioned by Government is from 1st day of the month. Hence it is proposed to credit the 6% interest on monthly basis and to calculate the interest for the minimum balance in the ETSB account for 15 days from 4th to 18th of every month as salary disbursement schedule will complete by first three days of a month only.

In the above circumstances, Government are now pleased to issue the orders that, for ETSB accounts, interest @ 6% will be calculated on monthly basis for the minimum balance maintained in the account up to 18th of a month.

Necessary amendments in the codes will be issued subsequently.

(BY ORDER OF THE GOVERNOR)

MANOJ JOSHI,
Additional Chief Secretary (Finance)