

## APPENDIX

### Additional Emoluments (Compulsory Deposit) Ordinance, 1974—Procedure for deduction and maintenance of Accounts

#### OFFICIAL MEMORANDUM

No. FD 172 PSA 74, BANGALORE, DATED THE 5TH AUGUST, 1974.

Under the Additional Emoluments (Compulsory Deposit) Ordinance, 1974 promulgated by the President of India on 6th July 1974, 100 per cent of additional wages for a period of one year and 50 per cent of additional Dearness Allowance for a period of two years are required to be deducted from the wage bills of State Government Employees and kept in separate deposit accounts. Pending formal notification of the Schemes under the said Ordinance, the Government of India, Ministry of Finance (Department of Economic Affairs) *vide* their letter No. F4 (1) CD/74 dated 23rd July 1974, have prescribed the following procedure to be followed for making deduction of the additional emoluments and maintenance of related accounts :—

(a) *Manner of deduction* :—The deductions would be made from pay bills and will be credited to the following heads of accounts—

Major Head : 858—Suspense Accounts—

- (i) Additional Wages Deposit Suspense Account.
- (ii) Additional Dearness Allowance Deposit Suspense Account.

(b) *Procedure for remitting the amount of deductions to Reserve Bank* :—The Accountant General, Karnataka, will advise the Reserve Bank to reduce the Government's cash balance by debit to the Suspense Accounts in the Government Accounts on the basis of the credit to the Suspense Accounts indicated in the pay bills and as compiled in the monthly accounts. Separate accounts will be opened in the Reserve Bank of India in the name of the Accountant General, Karnataka, for the Additional Wages and Additional Dearness Allowance funds. Where the payment of bills are made in treasuries, the Treasury Officer will adjust the amounts of deductions by transfer credit to the Additional Wages and Additional Dearness Allowance Suspense Accounts as in the case of Income Tax and house rent deductions. The Treasury Officers are also required to send to the Accountant General concerned a monthly schedule in support of the credits appearing in the Suspense Accounts.

(c) *Maintenance of Individual Ledger Accounts* :—The individual account of deductions made from the pay bill of each employee will be maintained by the following authorities :—

- (i) In respect of employees who do not draw their own pay bills. ... The Drawing and Disbursing Officer concerned.
- (ii) In respect of employees who draw their own pay bills. .... The Drawing and Disbursing Officer of the Office in which the employees are working.
- (iii) In respect of employees of departments with separated Pay and Accounts Office. .... The Pay and Accounts Officer or the Drawing and Disbursing Officers as may be decided by the Departments.

(2) The authorities who keep Individual Ledger accounts, will make the monthly postings with reference to the deductions for additional Wages and additional Dearness Allowance from the pay bills as and when the bills are encashed. The heads of offices who keep the individual accounts should obtain a deduction certificate from the Treasury Officer every month in respect of all bills, including bills of Gazetted Officers attached to his office, which are encashed at the Treasury and from which deductions are made. The monthly postings in Individual Ledger accounts should be agreed with the total shown in the deduction certificate received from the Treasury Officer and a separate Check Register for this purpose should be maintained. When an employee is transferred to or from an office during the course of the year, the office from which the employee is transferred should forward to the office to which he is transferred a statement showing complete particulars of deductions and obtain the acknowledgement of the latter office for the receipt of the statement. These should also be suitably noted in the Individual Ledger accounts. The office which receives such a statement will open an account for the employee in its Ledger and the amounts transferred as shown in the statement should be posted in the Ledger account opened for the employee.

(3) The authority who maintains the individual accounts will calculate the interest on the basis of interest rates prescribed by Government from time to time. Such authority shall also furnish to each employee an annual statement of balance separately for additional Wages and additional Dearness Allowance.

(4) The Secretaries to Government and the Heads of Departments are requested to comply with these directions and to issue suitable instructions to their subordinate officers in this regard.

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Exd.—I.D.N.

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