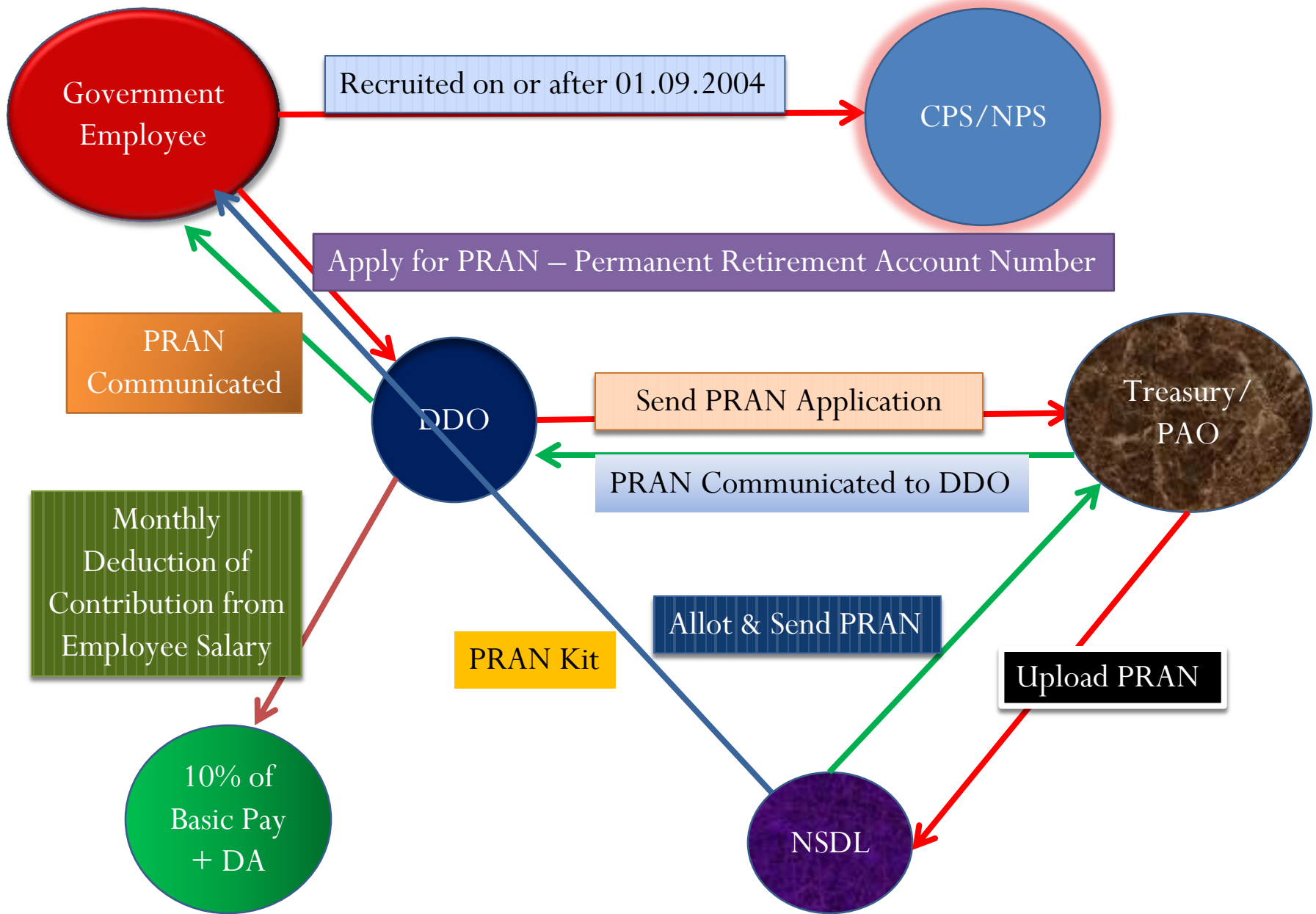


# National Pension System - 2004/2014

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OASIS [Committee for Old Age Social and Income Security] Committee 1998 recommended for Contributory Pension Scheme



Introduce DCS (Defined Contribution Scheme) in place of present DBS [Defined Benefit Scheme] keeping in view of the Long-Term Fiscal Interests

Union Budget 2001-02



New Pension Scheme based on Defined Contribution from 01.10.2001

BK Bhattacharya, IAS (Retd) High Level Experts Group



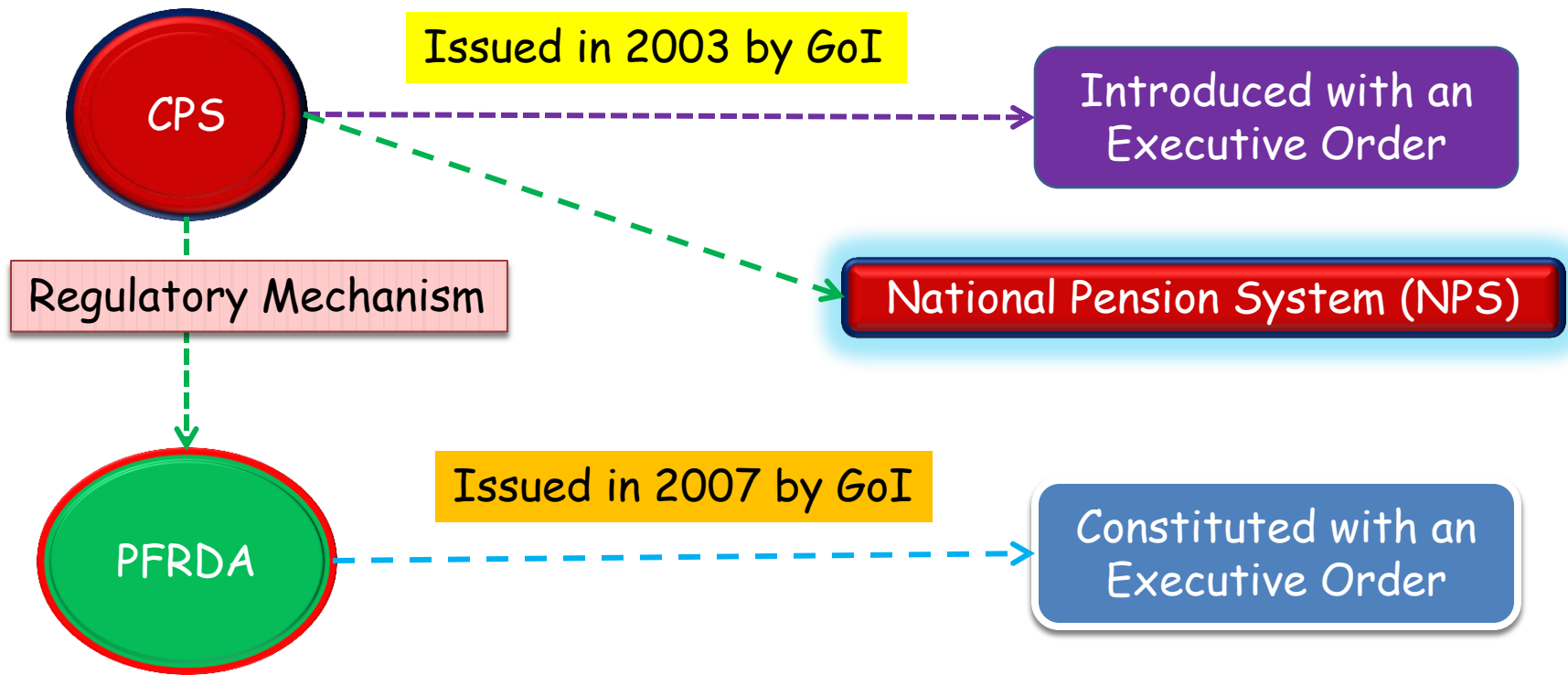
Pension Reforms including Contributory Pension Scheme



Long-Term Fiscal Interest of the State/Nation, CPS should be introduced

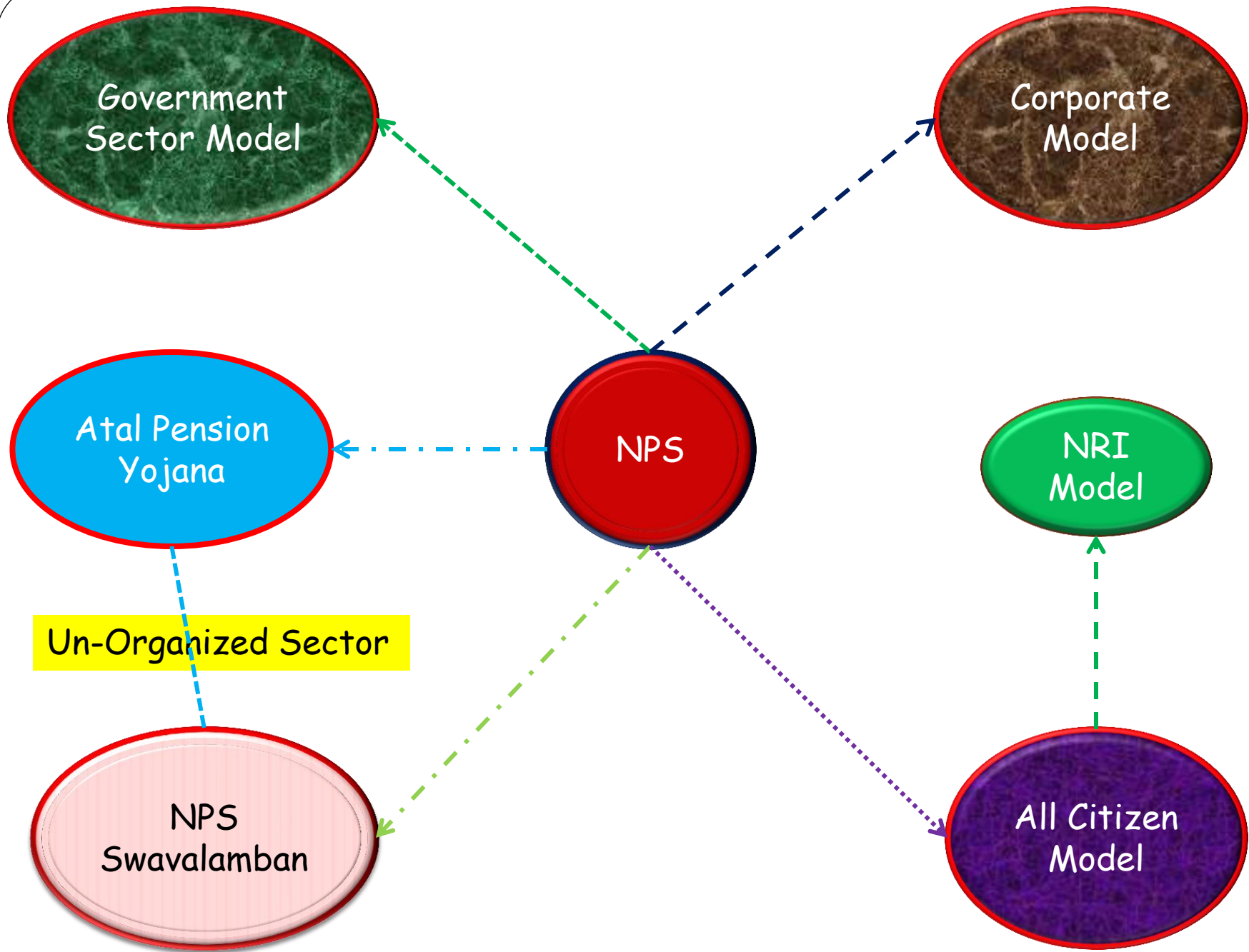
Contributory Pension Scheme for Central Govt Employees from 01.01.2004

OM No 1(13)/EV/2001 Department of Expenditure, Ministry of Finance, GoI dated 13.11.2003



After 10 years of Intensive Debate and Discussion over the Pension Reforms





Government Sector Model

Corporate Model

Atal Pension Yojana

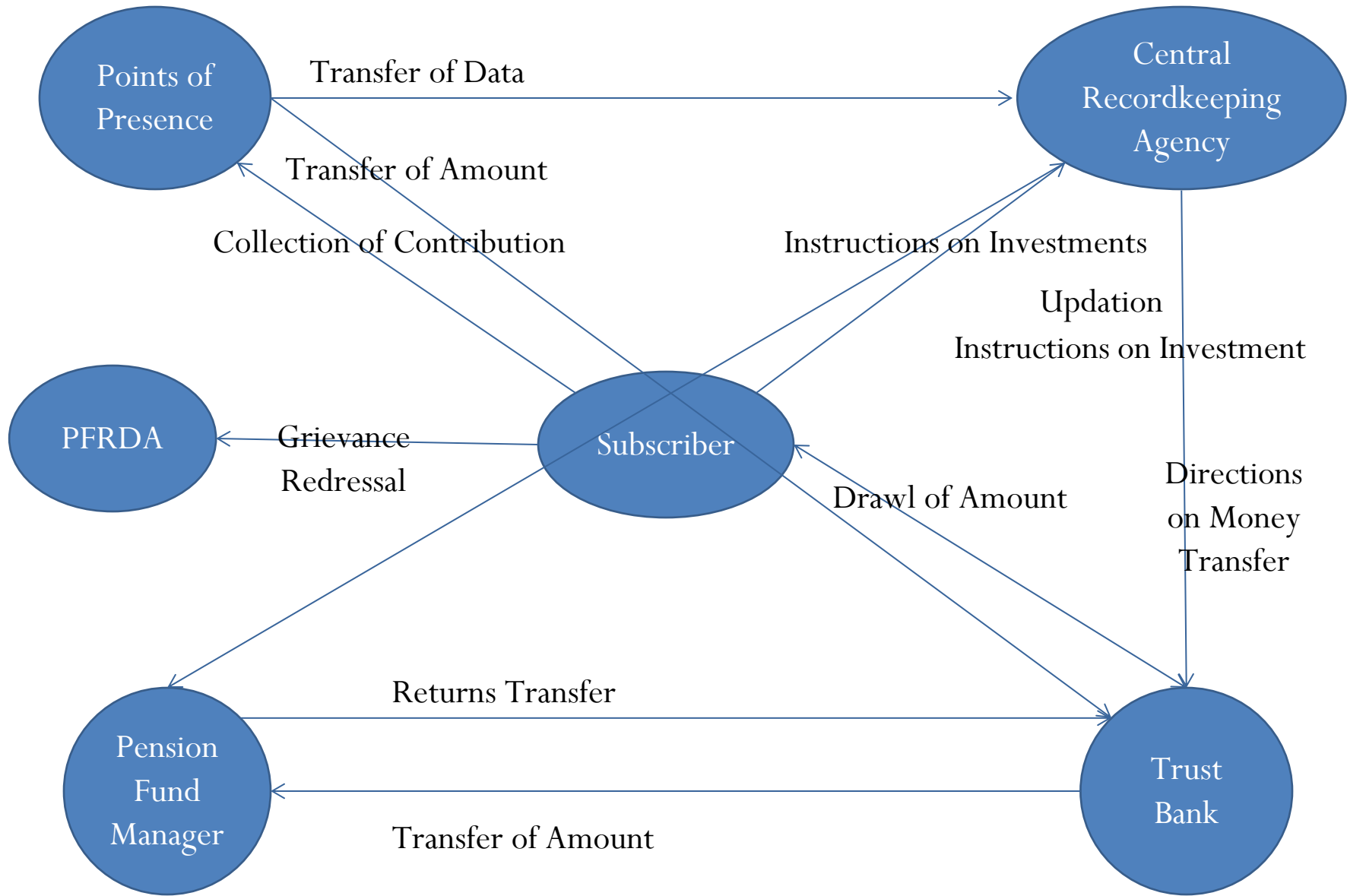
NPS

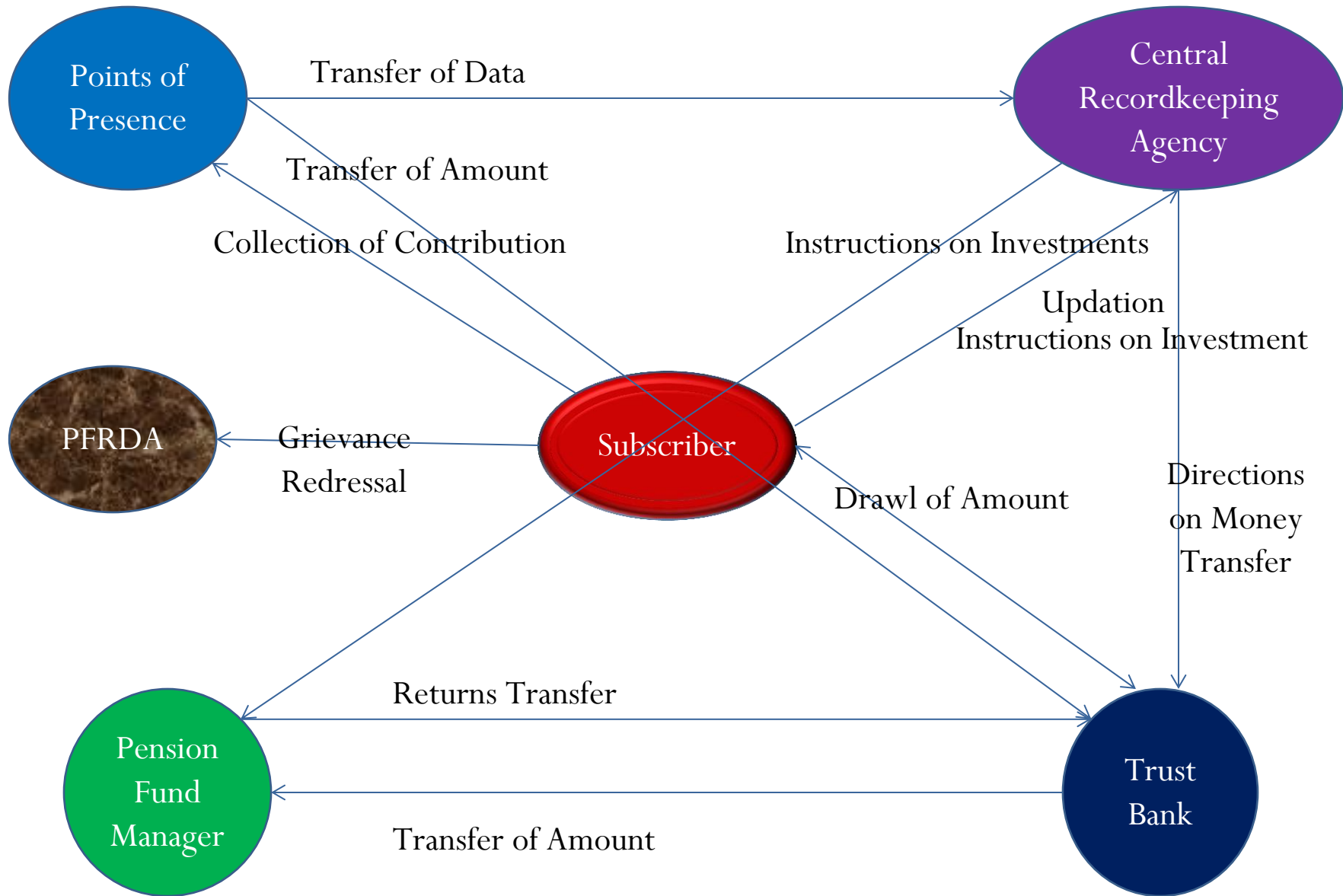
NRI Model

Un-Organized Sector

NPS Swavalamban

All Citizen Model





Subscriber

Government Employee

PoP

Nodal Officers

DDO - Drawing & Disbursing Officers

Treasury/PAO Officers

Points of Presence

CRA - Central Recordkeeping Agency

NSDL (National Securities Depository Limited) Mumbai

Tr B - Trust Bank

Axis Bank

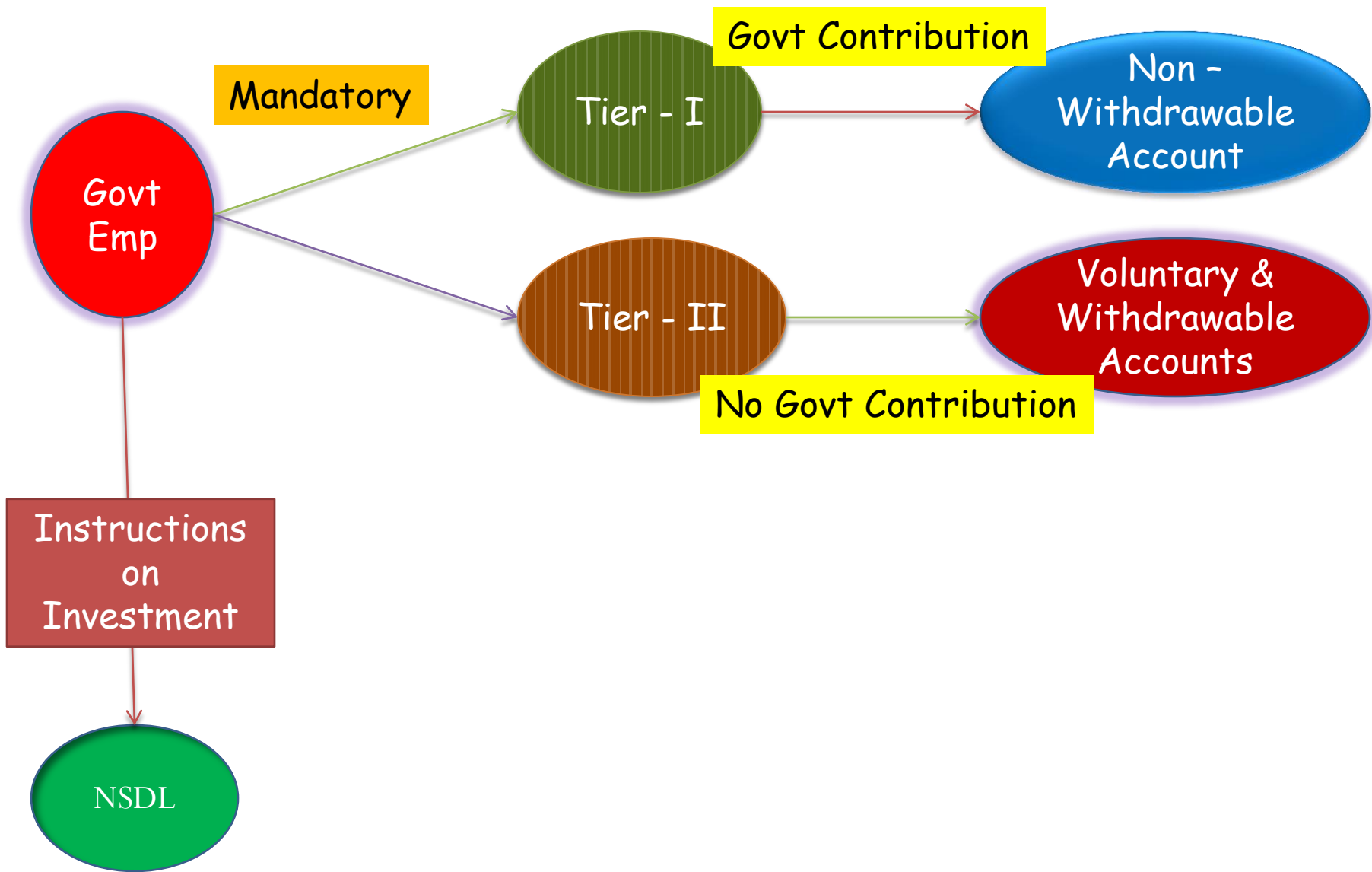
PF/PFM - Pension Fund Managers

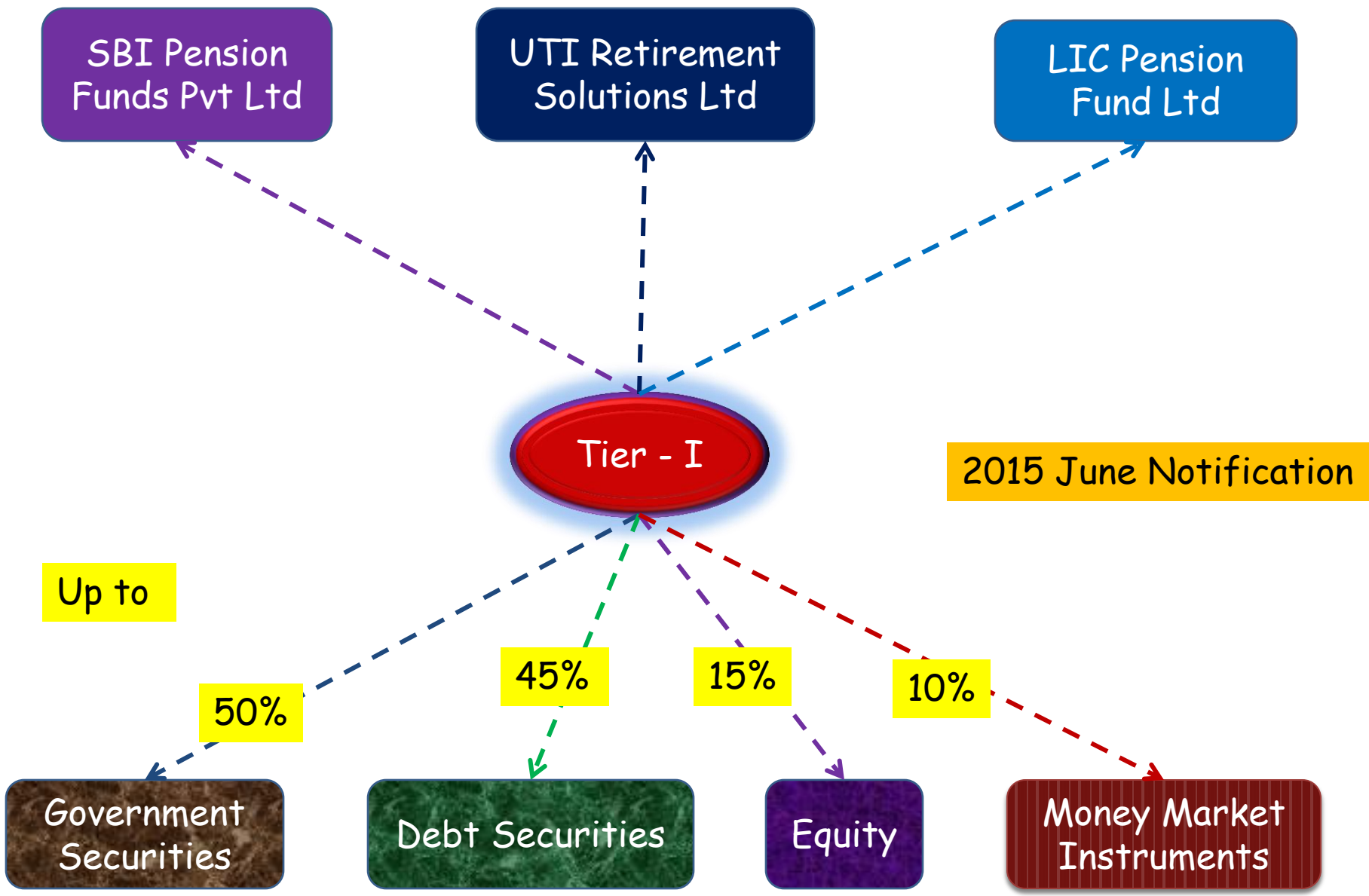
LIC Pension Fund Limited  
SBI Pension Fund Private Limited  
UTI Retirement Solutions Private Limited

Regulatory Mechanism

PFRDA - Pension Fund Regulatory Development Authority







## Tier - II

Subscribed can invest in the Pension Funds which are notified by the Government/PFRDA

1. Life Insurance Corporation of India
2. State Bank of India Life Insurance Company Limited
3. ICICI Prudential Life Insurance Company Limited
4. HDFC Standard Life Insurance Company Limited
5. Bajaj Allianz Life Insurance Company Limited
6. Reliance Life Insurance Company Limited
7. Star union Dai-chi Life Insurance Company Limited

Categories of Investment

E - Equity

C - Corporate Bonds

G - Government Bonds

ECG

```
graph LR; A[Categories of Investment] -.-> B[E - Equity]; A -.-> C[C - Corporate Bonds]; A -.-> D[G - Government Bonds]; ECG[ECG]
```

## Tier - II

E - Equities

Risk High - Profits High

C - Corporate Bonds

Credit Risk - Moderate Profits

G - Government Bonds

Risk Low - Profits Low

Active Choice

Investment among ECG as per choice of the Subscriber without link to his age

Auto Choice

Investment among ECG as per age of the Subscriber without link to his choice

Age between 18-36 years

E - 50%, C - 30%, G - 20%

Age between 37-55 years

E & C are reduced to 10%

G is increased to 80%

Change of Choice - Yearly

## Withdrawals from Tier - I Account

Education

Marriage

Construction  
of House

Health - 14 Types

Subscriber above 10 years

Withdrawal not more than 25% of subscriber part

3 times withdrawal in entire career of Government Servant  
with an exception of Chronic Health Conditions

Minimum 5 years between each withdrawal with  
an exception to Chronic Health Conditions

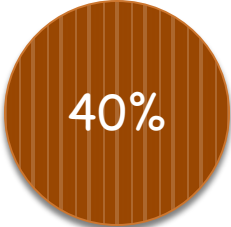
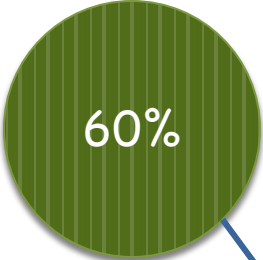
Money from Tier - II Accounts may be  
withdrawn as per choice of the Subscriber

# EXIT POLICY

Death while  
in Service



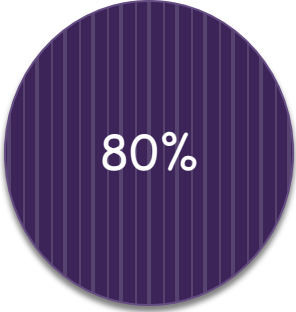
Exit on  
Superannuation



Deferred Payment



Pre-Mature  
Exit



# National Pension System - 7<sup>th</sup> Central Pay Commission

Conduct awareness programmes on investment options

Mixed investment options in Public and Private Sectors

Plenty of opportunities

Easy to understand

Committee to be appointed to finalise subscription amount

Timely & proper collection of subscription amount and intimation to Employee

Solve the issues in Legacy Data (2004-11) within a time frame

Opening of Tier - II Accounts as early as possible

# National Pension System - 7<sup>th</sup> Central pay Commission

Use Technology by PFRDA for Transparency

Update information and inform the Government Employee accordingly through Mobile & e-mail

Convening frequent meetings, seminars with the subscribers for awareness and problem-solving

Finance (Expenditure), DoPT and DAR&PG Secretaries Committee to supervise the NPS for Central Government Employees

Appoint Independent Ombudsman to solve the subscribed problems

Extension of Tax Exemptions to NPS on par with Old Pension Scheme (OPS)