

WELCOME

NATIONAL (*NEW*) PENSION SCHEME -
AN OVERVIEW.

MINISTRY OF FINANCE (DEPARTMENT OF ECONOMIC AFFAIRS) (ECB & PR DIVISION) RESOLUTION NEW DELHI, THE 10TH OCTOBER, 2003

- ✘ F. No. 5/7/2003-ECB & PR.
- ✘ The Government approved on 23rd August, 2003 the proposal to implement the budget announcement of 2003—04 relating to **introducing a new restructured defined contribution pension system for new entrants to Central Government service**, except to Armed Forces, in the first stage, replacing the existing system of defined benefit pension system.
- ✘ The new system will also be available, on a voluntary basis, to all persons including self employed professionals and others in the un-organised sector.
- ✘ However, mandatory programmes under the Employee Provident Fund Organisation (EPFO) and other special provident funds would - continue to operate as per the existing system under the Employee Provident Fund and Miscellaneous Provisions Act, 1952 and other special Acts governing these funds

NATIONAL PENSION SCHEME* – APPLICABILITY

- ✘ Based on defined Contributions.
- ✘ Applicable to all new entrants to Central Government Service-
- ✘ Joining on or after 01 January 2004.
- ✘ Armed forces..?
- ✘ GPF contribution ..?
- ✘ Casual Labourers on regularisation against Gr.D posts on or after 01 Jan.2004..?***

- ✘ **The Pension Fund Regulatory and Development Authority Act, 2013**

- ✘ *Fin.Min. OM. 1(7)(2)/2003/TA/11 dt 07 Jan. 2004, & OM.1(7) (2003)/TA/67-74 dated 04 March 2004.

- ✘ ** DoPT. OM 49014/1/2004-Estt(C) dated 26 April 2004

CONTRIBUTION

- ✘ Compulsory / Tier 1 : Monthly basis –
- ✘ Rate- 10% of Basic Pay+ DA + [NPA,DP if any].
- ✘ Employee shall contribute – on duty – on foreign service.*
- ✘ During Suspension..?
- ✘ On Exoneration..
- ✘ Shall be on emoluments on first day on return to duty.
- ✘ Tier 2 -Voluntary- No monetary limit-

✘ [*Fin.Min.OM 1(2)/E.V/2008 dt 19 Jan.2009]

CONTRIBUTION.....

- ✘ During Half Pay Leave...
- ✘ Contribution restricted to that proportionate to Leave Salary
- ✘ During EOL
- ✘ No contribution by the employee or the Govt.

CONDITIONS

- ✘ Tier-1 – No withdrawal till superannuation or exit.
- ✘ Tier-1- Matching contribution from Govt.
- ✘ Linked with pension
- ✘ A central Record Keeping Agency and Pension fund managers- manage the scheme
- ✘ Three schemes – A, B, C.- based on ratio of investment of funds in Fixed income and Equities.

EXIT- TIER 1

- ✘ Employee- normally exit from tier 1 at or after age 60.
- ✘ Normal exit- 40% of Pension wealth – used to provide an annuity- Pension for the life of the employee / dependent parents /spouse.
- ✘ Exit before the age of 60..?
- ✘ 80% of pension wealth utilised for purchase of annuity.

ANY OTHER BENEFITS..?

Benefits allowed , on provisional basis, as per DP&PW OM 38/41/06 P&PW dated 05 May 2009 & FinMin.OM 1(7)/DCPS(NPS)/2009/TA/221 dated 02 July 2009.

1	In case of retirement on Invalidation not attributable to Govt. duty	Invalid Pension, Retirement gratuity*
2	In case of death in Service not attributable to Govt. duty	Family Pension (including enhanced family pension), Death Gratuity*
3	In case of discharge from Service due to disease/injury attributable to Govt. duty	Disability Pension, Retirement Gratuity*
4	In case of death in Service attributable to Govt. duty	Extra Ordinary Family Pension, Death Gratuity*

** Employees covered under NPS- entitled to Retirement Gratuity, Death Gratuity, under CCS(Pension) Rules 1972, in terms of DP&PW OM 7/5/2012-P&PW(F)/B dt. 26 August 2016*

PRAN

- ✘ “Permanent Retirement Account Number ” –
- ✘ a unique identification number allotted to each subscriber by the Central Record keeping Agency;

RECALL

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Thanks