

DEFINED CONTRIBUTION PENSION SCHEME

Study Material

for

Junior Accounts Officer(Civil) Examination

Conducted By

CONTROLLER GENERAL OF ACCOUNTS

No.1(13)/EV/2001
Government of India
Ministry of Finance
Department of Expenditure

New Delhi, the 13th November, 2003.

OFFICE MEMORANDUM

Subject: Applicability of New Pension Scheme to the employees of Autonomous Bodies/PSUs under various Central Ministries/Departments.

The undersigned is directed to say that the Government have decided to introduce a New Pension Scheme based on defined contributions for new entrants recruited in Central Government service on or after 1.1.2004. The existing pension scheme will not, therefore, be applicable to such employees.

2. A Resolution has already been issued vide letter No.5(7)/2003-ECB & PR, on 10th October, 2003 to operationalise the decision of the Government to introduce a new pension scheme based on defined contributions. An interim Pension Fund Regulatory And Development Authority (PFRDA) is also being constituted.

3. In line with this decision, it has been further decided that new entrants in all Autonomous Bodies under various Central Ministries/Departments recruited on or after 1.1.2004 will also be governed by the new scheme and not by the existing pension scheme in these organizations.

4. It is accordingly requested that all Autonomous Bodies/PSUs under the administrative control of your Ministry/Department may be suitably informed so that they can take up the matter with Department of Economic Affairs (ECB & Pension Reforms Division) who are administratively concerned with formulation, processing and operationalisation of the new pension scheme, for detailed information in this regard.

-52-

(Sushama Nath)
Joint Secretary (Personnel)

To

All Secretaries

Copy to:

- ✓ 1. All Financial Advisers (As Per Standard List).
2. JS(CM), Department of Economic Affairs with the suggestion that State Governments may also be informed accordingly.

(Sushama Nath)
Joint Secretary (Personnel)

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS
ECB & PR DIVISION

North Block, New Delhi, dated December 22, 2003

NOTIFICATION

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.

- (i) The system would be mandatory for all new recruits to the central Government service from 1st of January 2004 (except the armed forces in the first stage). The monthly contribution would be 10 percent of the salary and DA to be paid by the employee and matched by the Central Government. However, there will be no contribution from the Government in respect of individuals who are not Government employees. The contributions and investment returns would be deposited in a non-withdrawable pension tier-I account. The existing provisions of defined benefit pension and GPF would not be available to the new recruits in the central Government service.
- (ii) In addition to the above pension account, each individual may also have a voluntary tier-II withdrawable account at his option. This option is given as GPF will be withdrawn for new recruits in Central Government service. Government will make no contribution into this account. These assets would be managed through exactly the above procedures. However, the employee would be free to withdraw part or all of the 'second tier' of his money anytime. This withdrawable account does not constitute pension investment, and would attract no special tax treatment.
- (iii) Individuals can normally exit at or after age 60 years for tier -I of the pension system. At exit the individual would be mandatorily required to invest 40 percent of pension wealth to purchase an annuity (from an IRDA-regulated life insurance company). In case of Government employees the annuity should provide for pension for the lifetime of the employee and his dependent parents and his spouse at the time of retirement. The individual would receive a lump-sum of the remaining pension wealth, which he would be free to utilise in any manner. Individuals would have the flexibility to leave the pension system prior to age 60. However, in this case the mandatory annuitisation would be 80% of the pension wealth.

Architecture of the New Pension System

- (iv) It will have a central record keeping and accounting (CRA) infrastructure, several pension fund managers (PFMs) to offer three categories of schemes viz. option A, B and C.
 - (v) The participating entities (PFMs and CRA) would give out easily understood information about past performance, so that the individual would be able to make informed choices about which scheme to choose.
2. The effective date for operationalisation of the new pension system shall be from 1st of January, 2004.

U.K. Sinha
(U. K. Sinha)

Joint Secretary to the Government of India

The Manager,
Government of India Press,
Maya Puri,
New Delhi - 110 064

No. 1(7)(2)/2003/TA/ 616
Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan market
New Delhi .

Dated 29.12.2003

OFFICE MEMORANDUM

Sub : Introduction of New Pension Scheme for those appointed on or after 1.1.2004.

In pursuance of the Budget announcement of 2003-04, a New pension scheme has been approved by the Union cabinet on 23rd August 2003, 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 Pension Scheme has been notified by the Ministry of Finance Department of Economic Affairs (ECB & PR Division) vide their Notification dt 22.12.2003 . A copy of the same is enclosed

The salient features of the scheme are as under :

1. The proposed New Pension Scheme will have two tiers – Tier-I & II. Tier I is mandatory for all the Government servants who join the government service on or after 1.1.2004 and Tier II is optional for them. In the first tier, Government servants will have to make a contribution at 10% of the salary plus DA and a

matching contribution will be made by the Government. The Contributions and the investment returns would be deposited in a non-withdrawable pension tier I account. The existing provisions of Defined Benefit Pension and GPF would not be available to new Government servants joining Government service with effect from 1.1.2004.

2. In addition to above, each Government servant may also have a voluntary scheme under Tier-II which is withdrawable at his option. However Govt. will not make any contributions into this account.
3. A government servant can exit at or after the age of 60 years from the Tier-I of the scheme. At exit, it would be mandatory for him to invest 40 percent of pension wealth to purchase an annuity (from an IRDA regulated Life insurance Company) which will provide for pension for the life time of the employee and his dependent parents/spouse. In the case of government servants who leave the Scheme before attaining the age of 60, the mandatory annuitisation would be 80% of the pension wealth.
4. In order to implement the Scheme there will be a Central Record Keeping Agency and several Pension Fund Managers to offer three categories of Schemes to Government servants viz. options A, B and C based on the ratio of investment in fixed income instruments and equities. An independent Pension Fund Regulatory and Development Authority (PFRDA) will regulate and develop the pension market.

Ministry of Personnel, Public Grievances and Pensions would notify appropriate amendments to all the recruitment and pension rules. In the meanwhile all Chief Controllers of Accounts/Controllers of Accounts/Deputy Controllers of Accounts are required to ensure that the offer of appointment that is being sent to the new

recruits who are to be appointed in the accounting organization contains a clear provision that on their appointment to service on or after 1.1.2004, they would be covered under the Defined Contribution Pension Scheme. It should be clearly mentioned that the existing system of defined benefit pension and GPF will not be available to the new entrants .

Detailed instructions with regard to drawal of bills, recovery of contribution from Government servants, payment of Government contribution and the accounting procedure etc to be followed by the PAOs/DDOs will be issued shortly.



(S.M.Kumar)
Joint Controller General of Accounts

All Chief Controllers of Accounts/Controllers of Accounts/ Dy. Controllers of Accounts.

F.No. 1(7)(2)/2003/TA/ II
Government of India
Ministry of Finance
Department of expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan market
New Delhi

Dated 07-01-2004

OFFICE MEMORANDUM

Sub : - Introduction of New Pension Scheme

Government of India have introduced a new Defined Contribution Pension Scheme replacing the existing system of Defined Benefit Pension System vide Government of India, Ministry of Finance, Dept. of Economic Affairs Notification dated 22nd December, 2003 (copy enclosed). The new Pension Scheme comes into operation with effect from 1.1.2004 and is applicable to all new entrants to Central Govt. service, except to Armed Forces, joining Government service on or after 1.1.2004.

The salient features of the New Pension Scheme are as follows:

1. The New Pension Scheme will work on defined contribution basis and will have two tiers –Tier-I and II. Contribution to Tier I is mandatory for all government servants joining government service on or after 1.1.2004, whereas Tier II will be optional and at the discretion of Government servants.
2. In Tier I, Government servants will have to make a contribution of 10% of his basic pay plus DA, which will be deducted from his salary bill every month by the PAO concerned. The Government will make an equal matching contribution.
3. Tier I contributions (and the investment returns) will be kept in a non-withdrawable Pension Tier I Account. Tier II contributions will be kept in a

separate account that will be withdrawable at the option of the government servant. Government will not make any contribution to Tier II account.

4. The existing provisions, of Defined Benefit Pension and GPF would not be available to new government servants joining Government service on or after 1.1.2004.
5. In order to implement the Scheme, there will be a Central Record Keeping Agency and several Pension Fund Managers to offer three categories of Schemes to Government servants viz. options A, B and C based on the ratio of investment in fixed income instruments and equities. An independent Pension Fund Regulatory and Development Authority (PFRDA) will regulate and develop the pension market.
6. As an interim arrangement, till such time the Statutory PFRDA is set up, an interim PFRDA has been appointed by issuing an executive order by M/o Finance (DEA).
7. Till the regular Central record Keeping Agency and Pension fund Managers are appointed and the accumulated balances under each individual account are transferred to them, it has been decided that such amounts representing the contributions made by the Government servants and the matching contribution made by the Government will be kept in the Public Account of India. This will be purely a temporary arrangement as announced by the Government.
8. It has also been decided that Tier II will not be made operative during the interim period.
9. A government servant can exit at or after the age of 60 years from the Tier I of the scheme. At exit, it would be mandatory for him to invest 40 percent of pension wealth to purchase an annuity (from an IRDA regulated Life insurance Company), which will provide for pension for the lifetime of the employee and his dependent parents/spouse. In the case of government servants who leave the Scheme before attaining the age of 60, the mandatory annuitisation would be 80% of the pension wealth.

10. The following guidelines are issued for the implementation of the New Pension Scheme during the interim arrangement for the guidance of the PAOs/DDOs:

- (a) The new pension scheme becomes operational with effect from 1.1.2004.
- (b) Contributions payable by the Govt. servants towards the Scheme under Tier I, i.e. 10 % of the (basic pay + DA), will be recovered from the salary bills every month.
- (c) **The scheme of voluntary contributions under Tier –II will not be made operative during the period of interim arrangement and therefore no recoveries will be made from the salaries of the employees on this account.**
- (d) **Recoveries towards Tier I contribution will start from the salary of the month following the month in which the Government servant has joined service. Therefore, no recovery will be effected for the month of joining.** For example, for employees joining service in the month of January 2004, deductions towards Tier I contribution will start from the salary bill of February 2004. No deduction will be made for his salary earned in January 2004. Similarly, deductions for those joining service in the month of February 2004 will start from the salary bill of March 2004 and so on.
- (e) **No deductions will be made towards GPF contribution from the Government servants joining the service on or after 1.1.2004 as the GPF scheme is not applicable to them.**
- (f) It has been decided that pending formation of a regular Central Record Keeping Agency, Central Pension Accounting Office will function as the Central Record Keeping agency for the above scheme.
- (g) Immediately on joining government service, the government servant will be required to provide particulars such as his name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship of the nominee etc. in the prescribed form (Annexure I). The DDO concerned will be responsible for obtaining this information from all government servants covered under the new Pension scheme. Consolidated information for all

those who have joined service during the month shall be submitted by the DDO concerned in the prescribed format (Annexure II) to his Pay & Accounts Officer by 7th of the following month. Annexure I will be retained by DDOs.

- (h) On receipt of Annexure II from the DDOs, PAO will allot a unique 15 digit Permanent Pension Account Number (PPAN). The first four digits of this number will indicate the calendar year of joining government service, the next digit indicates whether it is a Civil or a Non-Civil ministry (for all Civil Ministries this digit will be "1"), the next six digits would represent the PAO code (which is used for the purpose of compiling monthly accounts), the last four digits will be the running serial number of the individual government servant which will be allotted by the PAO concerned. PAO will allot the serial number pertaining to individual Government servant from '0001' running from January to December of a calendar year. The following illustration may be followed :

The first Govt. servant joining service under Ministry of Civil Aviation under the accounting control of PAO (Sectt), New Delhi in 2004, shall be allotted the following PPAN:

Calendar Year				Civil Min	PAO Code						Serial Number			
2	0	0	4	1	0	4	0	8	6	6	0	0	0	1

- (j) The Pay & Accounts Officer will maintain an Index Register for the purpose of allotment of PPAN to new entrants to Government service. Format of the index register is given in Annexure - VII.
- (k) The PAO will return to the DDO concerned, a copy of the statement duly indicating therein the Account numbers allotted to each individual by 10th instant. DDO in turn will intimate the account number to the individuals concerned and also note in the Pay Bill Register.

(l) The particulars of the government servants received from the various DDOs will be consolidated by the PAO in the format (Annexure II-A) and sent to the Principal Accounts Office by the 12th of every month.

(m) The Principal Accounts Office in turn will consolidate the particulars in the prescribed format (Annexure II-B) and forward the same to Central Pension Accounting Office by 15th instant. The CPAO will feed this information in their computer database.

(n) **The DDOs/CDDOs will prepare separate Pay Bill Registers in respect of the govt. servants joining Govt. service on or after 1.1.2004.** The DDOs/CDDOs will have to prepare separate pay bills in respect of these govt. Servants and will send the same with all the schedules to the PAO on or before 20th of the month to which the bills relate. **Cheque Drawing DDOs may note that hereafter in respect of government servants joining service on or 1-1-2004 they will only prepare pay bills and not make payment. Such bills will be sent by them to the Pay & Accounts Offices for pre-check and payment.**

(o) The DDO/CDDO will prepare a recovery schedule in duplicate in the prescribed form (Annexure III) for the contributions under Tier-I and attach them with the pay bills. The amount of the Contributions under Tier I should tally with the total amount of recoveries shown under the corresponding column in the pay bill.

(p) The accounting procedure for these deductions is being finalized and shall be notified shortly.

(q) **It may be noted that along-with the salary bill for the Government servants who join service on or after 1.1.2004, the**

DDO/CDDO shall also prepare a separate bill for drawal of matching contributions to be paid by the Government and creditable to Pension account.

- (r) The bill for drawal of matching contribution should also be supported by schedules of recoveries in form (Annexure IV).
- (s) On receipt of the salary bills in respect of government servants joining service after 1.1.2004, PAO will exercise usual checks and pass the bill and make the payments. After the payment is made and posting done in the Detailed Posting Register, one set of schedules relating to Pension contributions will be detached from the bills as done in the case of other schedules such as GPF, Long-term advances. The schedules will then be utilized for posting the credits of contributions in the Detailed ledger Account of the individual.
- (t) The employee's contributions under Tier I and Tier II, and government's contribution should be posted in different columns of the individual ledger account (to be maintained in the format in Annexure V) and Broadsheet and tallied with the accounts figures as being done in the case of GPF.
- (u) These accounts should not be mixed with GPF accounts and these records/ledger accounts should be independent of GPF accounts maintained in the case of pre-1-1-2004 entrants to government service.
- (v) The PAO will consolidate the information available in the New Scheme schedules received from the various DDOs and forward the same in a floppy in the prescribed form (Annexure VI) to Principal Accounts Office by 12th of the month following the month to which the credit pertains. Principal Accounts Office in turn will consolidate the information and send the same in electronic form to the Central Pension Accounting Office by 15th.

- (w) CPAO on receipt of this information from all the Pr. AOs (including the Non-Civil Ministries) will update its database and generate exception reports for missing credits, mismatches etc. which will be sent back to the PAOs concerned through the Pr.AOs for further action.
- (x) Whenever any Govt. servant is transferred from one office to another either within the same accounting circle or to another accounting circle, **balances will not be transferred by the PAO to the other Accounts Office.** However, the Drawing and Disbursing Officer should clearly indicate in the LPC of the individual the unique account number, the month upto which government servant's contribution & government's contribution have been transferred to the Pension Fund.
- (y) **No withdrawal of any amount will be allowed during the interim arrangement.** Provisions regarding terminal payments in the event of untimely death of an employee or in the event of his leaving the Government service during the interim period shall be notified in due course.
- (z) Detailed instructions on the interest payable on Tier I balances shall be issued in due course.
- (aa) At the end of each financial year the CPAO will prepare annual account statements for each employee showing the opening balance, details of monthly deductions and government's matching contributions, interest earned, if any, and the closing balance. CPAO will send these statements to the Pr. A.O. for onward transmission to the DDO through the PAO.
- (bb) After the close of each financial year CPAO will have to report the details of the balances (PAO-wise) to each Principal Accounts offices, who will forward the information to each PAO for the purpose of reconciliation. The PAO will reconcile the figures of contributions posted in the ledger account of the individuals as per their ledger with figures as per the books of CPAO.
- (cc) After the appointment of CRA & Fund Managers, this office will issue detailed instructions on transfer of balances to CRA.

All Chief Controller of Accounts/ Controller of Accounts are requested to circulate the above guidelines to all the PAOs /DDOs /CDDOs of their ministry.



(Rajesh Kumar)

Asst. Controller General of Accounts

All Pr.CCA/CCAs/CAs/DyCAs

Copy forwarded for information and taking necessary action in their respective organizations :

1. Comptroller and Auditor General of India. (5 copies)
2. PAO, Lok Sabha/Rajya Sabha/President's Secretariat
3. Director of Accounts, Cabinet Sect. East Block IV R.K. Puram, New Delhi
4. PAO, Govt. Link Cell, Office of CGA, Ministry of Finance(Exp.), 1st Floor, New Secretariat Building, Opp. VCA Ground, Civil Lines, Nagpur.
5. Director of Accounts and Budget, A & N Admn, Port Blair.
6. Secretary (Pay and Accounts), Union Territory Administration of Lakshadweep, Kavaratti.
7. Director of Accounts, Union Territory Administration of Daman & Diu. Moti Daman, 396220.
8. PAO(CGA) Office of CGA

(Details to be furnished by the Government servant)

1. Name of the Govt. servant :
(in Block letters)
2. Designation :
3. Name of Ministry/Deptt./organisation :
4. Scale of Pay :
5. Date of Birth :
6. Date of joining Govt. service :
7. Basic pay :
8. Nominee for accumulations under the :
Pension Account

Sl. No.	Name of nominee (s)	Age	Percentage of share payable	Relationship with the government servant
1				
2				
3				

Format in which information is required to be sent by DDO to PAO

Name of Office & Address :

[illegible]

ANNEXURE -II A

Format in which information is required to be sent by Pay & Accounts Office to Principal Accounts Office

Name of Pay & Accounts Office and
Code no. of Pay &Accounts Office:

Sl. No	Name of the Government servant	Designation	Name of Office & Address	Basic Pay	Date of Birth	Unique Pension A/C No. in 15 digits (allotted by PAO)	Date of joining service	Details of accumulations under Account			for the Pension	Remarks
								Name of nominee (s)	age	Relation ship with government servant	%age of share	

Signature of PAO with seal

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Code no. of Principal Accounts Officer: .

[illegible]

ANNEXURE -III

Format of schedule of Government servant's contributions towards Tier I and Tier II of the New Pension Scheme

(to be attached with the Pay bill)

Name of DDO/Code No.

Unique Pension Account no. in 15 digits allotted by PAO	Name of the Government servant	Designation	Basic Pay Rs	DA Rs	Contribution Under Tier-I Rs	Contribution Under Tier-II * Rs	Total Rs	Remarks

(Rupees-----)

*This column is not to be used during the interim period

Date and Signature of Drawing Officer

Designation

ANNEXURE -IV

Format of schedule of Government's contribution towards Tier I of New Pension Scheme

(to be attached with the bill for drawal of Government's contribution)

Name of DDO/Code No.

Unique pension Account in 15 digits allotted by PAO	Name of the Government servant	Designation	Basic Pay	DA	Government's Contribution	Remarks
			Rs	Rs	Rs	

(Rupees-----)

Date and Signature of Drawing Officer

Designation

ANNEXURE -V

New Pension Scheme Ledger Folio

Name : Sh/Smt/Km
Designation

Deptt.

Unique Pension Account no. allotted by PAO

Date of joining government service

Date of Superannuation

Month	Basic pay	DA	Employee's Contribution Under Tier -I	Government's Contribution Under Tier -I	Total Tier I	Employee's Contribution Under Tier-II	Remarks	Tier-I Rs	Tier-II Rs
April			Rs	Rs	Rs	Rs			
May									
June									
July									
August									
September									
October									
November									
December									
January									
February									
March									
Total (Rs)									
								Opening Balance as on	
								Deposits	
								Withdrawals *	
								Interest	
								Closing balance as on	
								Posted by	
								Checked by	
								Examined by	
								* No withdrawals allowed below Tier II	

ANNEXURE -VI

Format in which information on contributions is required to be sent by PAO to Central Pension Accounting Office through Principal Accounts office
Deductions for the month of

Sl No	PAO Code	Name of the Government servant	Unique Account no. in 15 digits allotted by PAO.	Basic Pay Rs	Amount of Contribution Under Tier-I Rs	Government's Contribution Under Tier -I Rs	Government Servant's Contribution Under Tier -II Rs *	Total Rs.	Remarks

* This column is not be used during the interim period

INDEX REGISTER

Unique Pension Account no.	Name of Government servant	Designation	Name of Office in which joined service	Date of birth	Date of joining govt. service	Signature of JAO/AAO

F.No. 1(7)(2)/2003/TA/ 19
Government of India
Ministry of Finance
Department of expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan-market
New Delhi

Dated 14-01-2004

OFFICE MEMORANDUM

Sub : - Introduction of New Pension Scheme

Government of India have introduced a new Defined Contribution Pension Scheme replacing the existing system of Defined Benefit Pension System vide Government of India, Ministry of Finance, Dept. of Economic Affairs Notification dated 22nd December, 2003 (copy enclosed). The new Pension Scheme comes into operation with effect from 1.1.2004 and is applicable to all new entrants to Central Govt. service, except to Armed Forces, joining Government service on or after 1.1.2004.

The salient features of the New Pension Scheme are as follows:

1. The New Pension Scheme will work on defined contribution basis and will have two tiers –Tier-I and II. Contribution to Tier I is mandatory for all government servants joining government service on or after 1.1.2004, whereas Tier II will be optional and at the discretion of Government servants.
2. In Tier I, Government servants will have to make a contribution of 10% of his basic pay plus DA, which will be deducted from his salary bill every month by the PAO concerned. The Government will make an equal matching contribution.
3. Tier I contributions (and the investment returns) will be kept in a non-withdrawable Pension Tier I Account. Tier II contributions will be kept in a

separate account that will be withdrawable at the option of the government servant. Government will not make any contribution to Tier II account.

4. The existing provisions of Defined Benefit Pension and GPF would not be available to new government servants joining Government service on or after 1.1.2004.
5. In order to implement the Scheme, there will be a Central Record Keeping Agency and several Pension Fund Managers to offer three categories of Schemes to Government servants viz. options A, B, and C based on the ratio of investment in fixed income instruments and equities. An independent Pension Fund Regulatory and Development Authority (PFRDA) will regulate and develop the pension market.
6. As an interim arrangement, till such time the Statutory PFRDA is set up, an interim PFRDA has been appointed by issuing an executive order by M/o Finance (DEA).
7. Till the regular Central record Keeping Agency and Pension fund Managers are appointed and the accumulated balances under each individual account are transferred to them, it has been decided that such amounts representing the contributions made by the Government servants and the matching contribution made by the Government will be kept in the Public Account of India. This will be purely a temporary arrangement as announced by the Government.
8. It has also been decided that Tier II will not be made operative during the interim period.
9. A government servant can exit at or after the age of 60 years from the Tier I of the scheme. At exit, it would be mandatory for him to invest 40 percent of pension wealth to purchase an annuity (from an IRDA regulated Life insurance Company), which will provide for pension for the lifetime of the employee and his dependent parents/spouse. In the case of government servants who leave the Scheme before attaining the age of 60, the mandatory annuitisation would be 80% of the pension wealth.

10. The following guidelines are issued for the implementation of the New Pension Scheme during the interim arrangement for the guidance of the PAOs/DDOs:

- (a) The new pension scheme becomes operational with effect from 1.1.2004.
- (b) Contributions payable by the Govt. servants towards the Scheme under Tier I, i.e. 10 % of the (basic pay + DA), will be recovered from the salary bills every month.

(c) **The scheme of voluntary contributions under Tier –II will not be made operative during the period of interim arrangement and therefore no recoveries will be made from the salaries of the employees on this account.**

(d) Recoveries towards Tier I contribution will start from the salary of the month following the month in which the Government servant has joined service. Therefore, no recovery will be effected for the month of joining. For example, for employees joining service in the month of January 2004, deductions towards Tier I contribution will start from the salary bill of February 2004. No deduction will be made for his salary earned in January 2004. Similarly, deductions for those joining service in the month of February 2004 will start from the salary bill of March 2004 and so on.

(e) **No deductions will be made towards GPF contribution from the Government servants joining the service on or after 1.1.2004 as the GPF scheme is not applicable to them.**

(f) It has been decided that pending formation of a regular Central Record Keeping Agency, Central Pension Accounting Office will function as the Central Record Keeping agency for the above scheme.

(g) Immediately on joining government service, the government servant will be required to provide particulars such as his name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship of the nominee etc. in the prescribed form (Annexure I). The DDO concerned will be responsible for obtaining this information from all government servants covered under the new Pension scheme.

- (h) The PAO concerned will allot a unique 15 digit Permanent Pension Account Number (PPAN). The first four digits of this number will indicate the calendar year of joining government service, the next digit indicates whether it is a Civil or a Non-Civil ministry (for all Civil Ministries this digit will be "1", for CGDA it will be "2", for Posts it will be "3", for Telecom it will be "4" and for Railways it will be "5"), the next six digits would represent the PAO code (which is used for the purpose of compiling monthly accounts), the last four digits will be the running serial number of the Individual government servant which will be allotted by the PAO concerned. PAO will allot the serial number pertaining to individual Government servant from '0001' running from January to December of a calendar year. The following illustration may be followed :

The first Govt. servant joining service under Ministry of Civil Aviation under the accounting control of PAO (Sectt), New Delhi in 2004, shall be allotted the following PPAN:

Calendar Year				Mjn/Dept.	PAO Code*						Serial Number			
2	0	0	4	1	0	4	0	8	6	6	0	0	0	1

***PAO Code will be allotted by the CPAO on receipt list of PAO from each of the Non-Civil Ministries/Departments.**

- (i) For the flow of information from Non Civil Ministries/Departments to the CPAO, each of them will nominate a Nodal office, which will be responsible for forwarding the consolidated information/particulars in respect of their Ministry/Department and for correspondence with CPAO.
- (j) The particulars of the government servants received from the various DDOs will be consolidated by the Nodal office identified in each Ministry/Department/Office and sent to the CPAO in the format (Annexure

II) by 15th instant. The CPAO will feed this information in their computer database.

- (k) The accounting heads involved in the operation of the new pension scheme will be intimated in due course.
- (l) After the salary bill is passed for payment by the PAO along with the bill for matching contribution of the government, the consolidated information on contributions in electronic form (Annexure III) should be sent by the Nodal office of the Ministry/Department/Office concerned to the Central Pension Accounting Office by 15th of the following month.
- (m) CPAO on receipt of this information will update its database and generate exception reports for missing credits, mismatches etc. which will be sent back to the Nodal office concerned for further action.
- (n) Whenever any Govt. servant is transferred from one office to another either within the same accounting circle or to another accounting circle, **balances will not be transferred by the PAO to the other Accounts Office.** However, the Drawing and Disbursing Officer should clearly indicate in the LPC of the individual the unique account number, the month upto which government servant's contribution & government's contribution have been transferred to the Pension Fund.
- (o) **No withdrawal of any amount will be allowed during the interim arrangement.** Provisions regarding terminal payments in the event of untimely death of an employee or in the event of his leaving the Government service during the interim period shall be notified in due course.
- (p) Detailed instructions on the interest payable on Tier I balances shall be issued in due course.
- (q) At the end of each financial year the CPAO will prepare annual account statements for each employee showing the opening balance, details of monthly deductions and government's matching contributions, interest

earned, if any, and the closing balance. CPAO will send these statements to the Nodal Office concerned.

(r) After the close of each financial year CPAO will have to report the details of the balances (PAO-wise) to each Nodal Office, who will forward the information to each PAO for the purpose of reconciliation. The PAO will reconcile the figures of contributions with figures as per the books of CPAO.

(s) After the appointment of CRA & Fund Managers, this office will issue detailed instructions on transfer of balances to CRA.

All Non-Civil Ministries/Departments are hereby requested to issue suitable instructions to their filed offices for implementation of the new pension scheme and are also requested to intimate to this office and the CPAO the detailed name, address, telephone no., fax no., email address of the Nodal Office and the details of the officer in charge.



(Rajesh Kumar)

Asst. Controller General of Accounts

Copy forwarded for information and taking necessary action in their respective organizations :

1. Comptroller and Auditor General of India.
2. Controller General of Defence Accounts, Ministry of Defence, R.K.Puram, New Delhi.
3. Director, Ministry of Railways, Railway Board, Rail Bhawan, New Delhi.
4. Dy. Director General (PAF). Department of Posts, Dak Bhawan, New Delhi.
5. Dy. Director General, Department of Telecommunications, Sanchar Bhawan, New Delhi.

ANNEXURE I

(Details to be furnished by the Government servant)

1. Name of the Govt. servant :
(in Block letters)
2. Designation :
3. Name of Ministry/Deptt./organisation :
4. Scale of Pay :
5. Date of Birth :
6. Date of joining Govt. service :
7. Basic pay :
8. Nominee for accumulations under the :
Pension Account

Sl. No.	Name of nominee (s)	Age	Percentage of share payable	Relationship with the government servant
1				
2				
3				

Signature of the govt. servant

DDO

ANNEXURE –II

Format in which information is required to be sent by Nodal Office to Central Pension Accounting Office

Sl. No	Name of the Government servant	Designation	Name of Office & Address	Basic Pay	Date of Birth	Unique Pension A/C No. in 15 digits (allotted by PAO)	Date of joining service	Details of accumulations under Account			Rem arks
								Name of nominee (s)	age	Relation ship with govern ment servant	
										%age of share	

Name of the Ministry /Department

ANNEXURE -III

Format in which information on contributions is required to be sent by Nodal offices to
Central Pension Accounting Office
Deductions for the month of

Sl No	PAO Code	Name of the Government servant	Unique Account no. in 15 digits allotted by PAO.	Basic Pay Rs	Amount of Contribution Under Tier-I Rs	Government's Contribution Under Tier -I Rs	Government Servant's Contribution Under Tier -II Rs *	Total Rs.	Remarks





* This column is not be used during the interim period

at, Name of the Ministry Department

F.No 1(7)(2)/2003/TA/ 67-74
Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan Market
New Delhi.

OFFICE MEMORANDUM

Attention is invited to this office OM NO 1(7)(2)/2003/TA/11 dt 7.1.2004 containing the guidelines for the implementation of the Defined Contribution Pension Scheme (New Pension Scheme). Para 10 (h) of the above OM contains the detailed instructions for allotting the Permanent Pension Account Number (PPAN) to each of the government servant joining service on or after 1.1.2004.

			
Calendar Year	Civil / Defence/ Posts/ Railways/ Telecom	PAO code	Serial Number

All Chief Controller of Accounts/Controller of Accounts are requested to bring the above change to the notice of all Pay and Accounts Offices and Principal Accounts Offices immediately for compliance. Necessary changes may be made in the formats also, wherever necessary.



(Rajesh Kumar)

Dy. Controller General of accounts

All Pr.CCAs/CCAs/CAs/Dy.CAs

Copy forwarded to :

1. Comptroller and Auditor General of India
2. PAO, Lok Sabha/Rajya Sabha/president's Secretariat
3. Director of Accounts, Cabinet Sect, East Block IV R.K.Puram, New Delhi
4. PAO, Govt. Link Cell, Office of CGA, Ministry of Finance (Exp), 1st floor, new Secretariat Building, Opp. VCA ground, Civil Lines, Nagpur.
5. Director of Accounts and Budget A & N Admn, Port Blair.
6. Secretary (Pay and Accounts), Union Territory Administration of Lakshadweep, Kavaratti.
7. Director of Accounts, Union territory Administration of Daman & Diu, Moti Daman, 396220.
8. PAO (CGA) office of CGA.

No. 1(7)/2/2003/TA/128
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhavan, Khan Market
New Delhi-110003.

Dated 24-2-2004

Office Memorandum

Sub:- Implementation of Defined Contribution Pension Scheme-Instructions on the accountal of the contributions reg-

Attention is invited to this office O.M. No. 1(7)/2003/TA/11 dated 7-1-2004 wherein detailed guidelines were issued by this office on the Defined Contribution Pension Scheme which has come into operation with effect from 1-1-2004.

2. The proposal for opening the required heads of accounts is under correspondence with Budget Division. Pending final decision in this matter, the following instructions with regard to the accountal of contributions are issued by this office.

3. As already stated in the O.M. dated 7-1-2004, the contributions payable by the government servants may be recovered from their salaries. The matching contributions payable by the government may be drawn by booking the expenditure initially under the minor head "502-Expenditure Awaiting Transfer to Other heads/departments" to be opened below the relevant functional major head of the ministry / department. The contributions recovered from the government servants and those made by the government are to be retained by the government under the Public Account of India. These amounts may be credited to the head

Major head-8342-Other Deposits

Minor head 120-Misc. Deposits

Sub head-Defined Contribution Pension Scheme

Detailed head-Employee's contributions under Tier -I

Detailed head Govt's contributions under Tier- I

4. On receipt of government's instructions for allowing interest on the accumulation of the fund, the amount of interest may be debited to

Major head-2049-Interest Payments

Sub-major head -60-Interest on Other Obligations

Minor head -101-Interest on Deposits

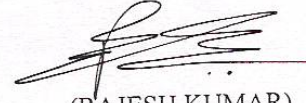
Sub-head-Interest on Defined Contribution Pension Scheme

Detailed head- Interest on Contributions under Tier -I

Object head-Interest

*Standards
modified*

5. The numeric codes, serial codes and SCCD codes relating to the above heads have been given in the annexure attached.
6. All Pr. CCAs/ CAs are requested that the above instructions may please be brought to the notice of all the Pay & Accounts Offices and the DDOs of their ministry / department for compliance The receipt of this may please be acknowledged.



(RAJESH KUMAR)

Dy. Controller General of Accounts

To All Pr. CCAs/ CCAs/ CAs

Numeric Code	Description	Serial Code	SCCD
8342	Other Deposits		
120	Miscellaneous Deposits		
20	Defined Contribution Pension Scheme	83420048	
20.01	Employee's contributions under Tier-I	83420049	312
20.02	Govt's contributions under Tier-I	83420050	314
20.03	Interest on contributions under Tier-I	83420051	313

2049	Interest Payments		
60	Interest on Other Obligations		
101	Interest on Deposits		
29	Interest on Defined Contribution Pension Scheme	20490438	
29.01	Interest on contributions under Tier-I	20490439	
29.01.45	Interest	20490440	126

F.No 1(7)(2)/2003/TA/ 245
Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan Market
New Delhi.

Dated 20.4.2004
21

OFFICE MEMORANDUM

The field offices while implementing the New Pension Scheme have raised a number of queries and sought clarifications on various issues. These queries have been examined and the comments of this office are given below:-

Sl No	Queries	Replies/comments
1.	Whether individual is 'entitled for leave encashment after retirement.	The benefit of encashment of leave salary is not a part of the retirement benefits admissible under Central Civil Services (Pension) Rules, 1972. It is payable in terms of <u>CCS (Leave) Rules</u> which will continue to be applicable to the government servants who join the government service on after 1-1-2004. Therefore, the benefit of encashment of leave salary payable to the governments / to their families on account of retirement / death will be admissible.
2.	Whether retirement gratuity is available to the new entrants.	The matter has been taken up with the Ministry of Finance, Department of Economic Affairs.. Reply is awaited..
3.	At exit i.e after age 60 years why 40% of pension wealth to purchase the annuity is mandatory.	This provision is a part of the New Pension Scheme. This provision has been made with an intention that the retired government servant should get regular monthly income during their retired life.
4.	What benefits will he/she get in the event of death in service	The matter has been referred to Min of Fin, DEA. Their clarification is still awaited.
5.	Whether any minimum age or minimum service is required to quit from Tier-I	Exit from Tier-I can only take place when an individual leaves government service.
6.	Whether Dearness Pay is counted as basic pay for recovery of 10% for Tier -I.	As per the scheme the total Dearness Allowance is to be taken into account for working out the contributions. Subsequently, a part of the "Dearness Allowance" has been treated as Dearness Pay. Therefore, this should also be reckoned for the purpose of contributions.
7.	When individual is on long leave/HPL/EOL, how the contributions are to be recovered.	This has already been referred to Min of Finance, Department of Economic Affairs. Their reply is awaited.
8.	Whether contribution towards	The matter has been referred to Ministry of

	tier -I is taken as income for the purpose of calculation of income Tax or it will be exempted.	Finance, Department of Economic Affairs
9.	Whether contribution towards Tier-I from arrears of DA is to be deducted.	Yes, since the contribution is to be worked out at 10% of Pay+ DP+ DA it needs to be revised whenever there is any change in these elements.
10.	Whether any budget provision is to be made for booking the Government contribution under the Functional Major head.	At present the Govt. matching contributions are booked under the minor head '502-EAT' which is a transitory head. No budget provision is required. Before the accounts are closed, the balances under this head should be transferred to the final head. No balance should remain under this head. After the accounting heads are finalized the amount of government contribution should be debited to a functional major head for which there should be provision of funds.
11.	Can any individual continue to contribute under tier -I even after the age of 60 years.	The matter has been referred to DEA for clarification.
12.	What will be the formula for rounding off when 10% of (basic+ DA) will be recovered from the salary of the Government servant.	The contributions payable by the government servants and those paid by the government should be rounded off to the nearest rupee in terms of the instructions contained in Appendix II of Central Government Accounts (Receipt & Payment) Rules, 1983.
13.	It is presumed that the bill pertaining to the matching contribution would be a 'NIL' bill.	It is confirmed that the bill for drawal of matching contribution by government will be a "NIL" bill. The amount of government's contributions will be transferred by debit to "502-Expenditure Awaiting Transfer to Other Heads / Department" for credit to the head "8342-Other Deposits" No amount will be paid on this bill.
14.	For the purpose of simplification basic pay plus D.A. may be taken as fixed for the entire year. This would obviate the need for calculation of D.A. arrears twice in a year and increment once and consequent preparation of supplementary bills.	The issue was examined by this office and it was not agreed to. It has been decided that whenever there is any increase or decrease in emoluments of a government servant during the middle of a month, the change in the rate of contribution (both government servant and government) will be given effect only from the first of the following month.
15.	Who will calculate the interest- PAO or Central Pension Accounting Office?	The PAO should calculate the interest. <i>C PAO will work out interest</i>
16.	Since Cheque drawing DDOs are having the budget with them how the PAO will pass the bill and give payment without budget?	The PAOs should be aware of the progressive expenditure in respect of CDDOs. Moreover, they may obtain a certificate with regard to availability of funds on each bill itself.
17.	Instead of preparing a separate bill for the matching contribution the feasibility of incorporating a separate column regarding	Since the contributions payable by the government servants and the matching contributions paid by the government are debitable to different heads, these two items cannot be drawn in the same bill.

	Government's contribution in the same bill may be explored.	
18.	Whether the New Pension Scheme is applicable for the officials initially appointed on daily wages and later on conferred 'temporary status' and contributing towards GPF and whose services are regularized on or after 1-1-2004.	The matter is being referred to DOPT.
19.	What happens if an employee gets transferred during the month? Which office will make deduction of contributions?	As in the case of other recoveries, the recovery of contributions towards NPS for the full month (both individual and government) will be made by the office who will draw salary for the maximum period.
20.	Whether the non-practicing allowance (NPA) payable to medical officers will count towards 'pay' for the purpose of working out contributions to NPS?	Yes. Ministry of Health & Family Welfare has clarified vide their O.M. no. A45012/11/97-CHS.V dated 7-4-98 that the Non-practising Allowance shall count as 'pay' for all service benefits. Therefore, this will be taken into account for working out the contributions towards the New Pension Scheme.
21.	Whether a government servant who was already in service prior to 1-1-2004, if appointed in a different post under the government of India will be governed by the CCS (P) Rules or New Pension Scheme.	In cases where government servants apply for posts in the same or other departments and on selection they are asked to render technical resignation the past services are counted towards pension under CCS (Pension) Rules, 1972. Since the government servant had originally joined government service prior to 1-1-2004, he should be covered under the CCS (Pension) Rules, 1972.

The Pr.CCAs/CCAs/CAs/DCAs are requested to circulate the above clarifications to the PAOs/DDOs/CDDOs under their Ministry/Department/Offices.



(Rajesh Kumar)
Dy. Controller General of Accounts

All Pr.CCAs/CCAs/CAs/DCAs

No.49014/1/2004-Estt. (C)
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training

New Delhi-110001 dated the 26th April, 2004

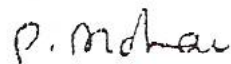
OFFICE MEMORANDUM

Subject:- Introduction of New Pension Scheme -Modification of scheme
for grant of temporary status.

The undersigned is directed to say that the scheme for grant of temporary status and regularization of casual workers in Central Govt. Offices formulated in pursuance of the judgement dated 16-2-90 of the Central Administrative Tribunal Principal Bench in the case of Raj Kamal & Others vs. Union of India has been reviewed in the light of introduction of New Pension Scheme in respect of persons appointed to the Central Govt. service on or after 1-1-2004 and it has been decided to modify the scheme as under:-

- (i) As the new pension scheme is based on defined contributions, the length of qualifying service for the purpose of retirement benefits has lost its relevance, no credit of casual service, as specified in para 5(v), shall be available to the casual labourers on their regularisation against Group 'D' posts on or after 1-1-2004.
- (ii) As there is no provision of General Provident Fund in the new pension scheme, it will not serve any useful purpose to continue deductions towards GPF from the existing casual employees, in terms of para 5 (vi) of the scheme for grant of temporary status. It is, therefore, requested that no further deductions towards General Provident Fund shall be effected from the casual labourers w.e.f. 1-1-2004 onwards and the amount lying in their General Provident Fund accounts, including deductions made after 1-1-2004, shall be paid to them.

2. The existing Guidelines contained in this Department's OM No. 49014/2/86-Estt(C) dated 7-6-88 may continue to be followed in the matter of engagement of casual workers in the Central Government Offices.


(Smt. Pratibha Mohan)
Director

To

All Ministries/Departments of Govt. of India and their Attached and Subordinate Offices.

Department of Personnel & Training
Estt.(C) Setion

.....

Reference preceding note.

Since the grant of temporary status to the casual employees is without reference to the availability of regular Group 'D' post, the casual employees on grant of temporary status do not hold any post under the Government. The New Pension Scheme is applicable in respect of persons appointed to Government service on or after 1st January 2004. In the instant case, the individuals have been regularised after the introduction of New Pensions Scheme and hence will be governed y the same.

Sd/-
(K.D.Sharma)
Under Secretary
5.5.2004

Sd/-
Director (E-II)
6.5.2004

Controller General of Accounts, Lok Nayak Bhawan, Khan Market.
DOP & T U.O. No.203/04 – Estt(C) dated 6.5.2004.

No.49014/1/2004-Estt. (C)
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Personnel & Training

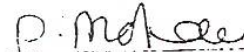
New Delhi-110001 dated the 23rd July, 2004

OFFICE MEMORANDUM

Subject:- Introduction of New Pension Scheme -Modification of scheme
for grant of temporary status.

The undersigned is directed to refer to this Department's OM of even number dated 26th April, 2004 vide which the provisions of Casual Labourers (Grant of Temporary Status & Regularisation) Scheme of Govt. of India, 1993 was reviewed and modified on introduction of New Pension Scheme w. e. f. 1st January, 2004. The references have been received in this Department seeking clarification as up to what date interest on the GPF accumulations of the casual labourers has to be allowed. The matter has been considered in consultation with Department of Pension & Pensioners' Welfare and Ministry of Finance (Department of Expenditure) and it has been decided that interest up to 30th April, 2004 may be allowed on the GPF accumulations of the casual labourers who have been bestowed with temporary status.

2. This issues in concurrence with Department of Expenditure vide their UO.
No. 442/EV/2004 dated 15.7.2004



(Smt. Pratibha Mohan)
Director

To

All Ministries/Departments of Govt. of India and their Attached and Subordinate Offices.

Copy to:

1. Comptroller and Auditor General of India, New Delhi
2. Union Public Service Commission, New Delhi
3. Central Vigilance Commission, New Delhi
4. Central Bureau of Investigation, New Delhi
5. All Union Territory Administrations
6. Lok Sabha/ Rajya Sabha Secretariat
7. Secretary, Staff Side National Council (JCM), Feroze Shah Road, New Delhi


(Smt. Pratibha Mohan)
Director

No.F.5(1)-PD/2003
Government of India
Ministry of Finance
Department of Economic Affairs

New Delhi, the April 21, 2005.

RESOLUTION

It is announced for general information that accumulations at the credit of the subscribers to the New Pension System (Defined Contribution Pension Scheme) for all new recruits to the Central Government service with effect from January 1, 2004 (except the armed forces in the first stage) announced vide Ministry of Finance, Department of Economic Affairs Notification F.No.5/7/2003-ECB&PR, dated December 22, 2003, shall carry interest at the rate of 8% (eight per cent) per annum for the period January 01, 2004 to March 31, 2004 as announced vide Resolution of even number dated March 12, 2003.

2. For the financial year 2004-2005, accumulations at the credit of subscribers to the said subscribers shall carry interest at the rate of 8% (eight per cent) per annum as announced vide Resolution of even number dated July 22, 2004.

3. Ordered that the Resolution be published in the Gazette of India.

V.S. Chauhan

(V.S. Chauhan)
Deputy Secretary (Budget)

To

The Assistant Manager, (Technical Branch),
Government of India Press, Faridabad.

F.No.5(1)-PD/2003

Copy forwarded to all Ministries/Departments of Government of India, President's Secretariat, Vice President's Secretariat, Prime Minister's Office, Lok Sabha Secretariat, Rajya Sabha Secretariat, Cabinet Secretariat, Union Public Service Commission, Supreme Court, Election Commission and Planning Commission.

Copy also forwarded to:-

1. Comptroller and Auditor General of India and all offices under his control.
2. Pension Fund Regulatory and Development Authority
3. Controller General of Accounts (10 copies).
4. Ministry of Personnel Public Grievances and Pension (Pension Unit/All India Services Division).
5. Financial Advisers of Ministries/Departments (6 copies).
6. Chief Controllers/Controllers of Ministries/Departments
7. Controller General of Defence Accounts
8. Finance Secretaries of all State Governments and Union Territories
9. Secretaries to Governors/Lt. Governors of all States/UTs.
10. Secretary Staff Side, National Council of JCM.
11. All members of Staff Side, National Council of JCM.

(भारत के राजपत्र के भाग- I , खण्ड- I में प्रकाशनार्थ)

संख्या एफ. 5(1) पी.डी./2003

भारत सरकार

वित्त मंत्रालय

आर्थिक कार्य विभाग

नई दिल्ली, दिनांक 21 अप्रैल, 2005

संकल्प

आम जानकारी के लिए यह घोषित किया जाता है कि 1 जनवरी, 2004 से केन्द्रीय सरकार की सेवा में भर्ती किए गए सभी नए कर्मचारियों (प्रथम चरण में सशस्त्र बलों को छोड़कर) के लिए वित्त मंत्रालय, आर्थिक कार्य विभाग की अधिसूचना सं.-एफ.5/7/2003-ईसीबी एण्ड पीआर दिनांक 22 दिसम्बर, 2003 के अधीन घोषित नई पेंशन योजना (परिभाषित अंशदान पेंशन योजना) के अभिदाताओं के खाते में जमा कुल राशियों पर दिनांक 12 मार्च, 2003 के समसंख्यक संकल्प के अधीन की गई घोषणा के अनुसार 1 जनवरी, 2004 से 31 मार्च, 2004 तक की अवधि के लिए 8 प्रतिशत (आठ प्रतिशत) की वार्षिक दर पर ब्याज देय होगा।

2. दिनांक 22 जुलाई, 2004 के समसंख्यक संकल्प के द्वारा की गई घोषणा के अनुसार उक्त योजना के अभिदाताओं के खाते में जमा कुल राशियों पर वित्तीय वर्ष 2004-05 में 8 प्रतिशत (आठ प्रतिशत) की वार्षिक दर पर ब्याज देय होगा।

3. आदेश दिया जाता है कि यह संकल्प भारत के राजपत्र में प्रकाशित किया जाए।

वी० एस० चौहान

(वी० एस० चौहान)

उप-सचिव (बजट)

सेवा में,

सहायक प्रबंधक (तकनीकी शाखा)

भारत सरकार मुद्रणालय,

फरीदाबाद।

F.No 1(7)(2)/2003/TA } 380-1/24
Government of India
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan market
New Delhi.

Office Memorandum

Dated -05-2005
10-

Sub :-Implementation of Defined Contribution Pension Scheme - clarifications regarding .

Attention is invited to this office OM No 1(7)(2)/2003/TA /245 dt 24.2.2004 wherein instructions were issued on the classification of the contributions to Defined Contribution Pension Scheme. Pending finalisation of the heads of accounts it was instructed that the matching contribution payable by the Government towards New Pension Scheme should be booked under the minor head '502- Expenditure Awaiting Transfer to Other heads' below the relevant functional Major Head of the ministry/ department. It has now been finally decided in consultation with the Budget Division and O/o Comptroller & Auditor General of India that the amounts of Government's contribution under the scheme shall be debited to the following head:

Major Head: 2071- Pensions and other Retirement Benefits

01 Civil (Sub-Major Head)

117- Government Contribution for Defined Contribution Pension Scheme (Minor Head)

01- Government Contribution (Sub-Head)

00.04 Pensionary Charges (Object Head)

2. Government Servant's and Government's contributions under the Defined Contribution Pension Scheme should be credited to the Major Head:

Major Head: 8342- Other Deposits

117- Defined Contribution Pension Scheme for Government Employees

(opened vide Correction Slip No. 556 to List of Major and Minor Heads of Accounts) under the following sub heads respectively:

01 Government Servants' contribution under Tier I

02 Government contribution under Tier I

The numeric codes, serial code number in respect of the above said heads have been furnished in the annexure enclosed.

3. All Principal Chief Controller of Accounts/ Chief Controller of Accounts/ Controller of Accounts may kindly ensure that the amounts of Govt. contribution

already booked under the intermediary head of account '502- Expenditure Awaiting Transfer' be transferred to the head of accounts mentioned in para (1) above in the accounts for the year 2004-05.

4. Receipt of this Office Memorandum may please be acknowledged.



(Dr. J. K. Mishra)
Dy. Controller General of Accounts

To

All Principal Chief Controller of Accounts/ Chief Controller of Accounts/ Controller of Accounts .

Copy forwarded for information and necessary action with regard to the units under their administrative control to:

1. Comptroller and Auditor General of India.
2. PAO., Lok Sabha/Rajya Sabha/President's Secretariat.
3. Director of Accounts, Cabinet Secretariat, East Block IV R.K. Puram, N. Delhi.
4. Director of Accounts Budget A&N Admn, Port Blair.
5. Secretary (Pay & Accounts) Union Territory Administration of Lakshadweep, Kavaratti.
6. Director of Accounts, Union territory Administration of Daman & Diu, Moti Daman, 396220
7. PAO(CGA) office of CGA.
8. PAO, Govt. Link Cell, office of CGA, Min. of Finance(Exp) 1st floor, Sect. Building, opp. VCA ground, Civil Lines, Nagpur

Copy forwarded for information and necessary action to:

1. Dy. Controller General of Accounts (Finance Accounts & Appropriation Accounts)
2. Dy. Controller General of Accounts (Monthly Accounts)

The numeric codes serial code numbers in respect of the newly opened Heads of Account for the financial year 2004-05

Grant No.	Numeric No.	Description	Serial Code	Charged Plan Payment	Voted Plan Payment	Charged Non-Plan Payment	Voted Non-Plan. Payment.
40	2071	Pension & Other Retirement Benefits (Major Head)					
	01	Civil (Sub Major Head)					
	117	Govt. Contribution for Defined Contribution Pension Scheme (Minor Head)	20710182				
	01	Govt. Contribution (Sub Head)	20710183				
	00.04	Pensionary Charges(Object Head)	20710184	186	195	122	139
				Receipt		Payment	
800	8342	Other Deposits					
	117	Defined Contribution Pension Scheme for Government Employees	83420053				
	01	Government Servants' contribution under Tier I	83420054	310		329	
	02	Government contribution under Tier I	83420055	317		322	

1(7)(2)/2003/TA/Vol III | 438-441
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhawan, Khan market
New Delhi.

Dated: ²⁶5-2005

OFFICE MEMORANDUM

Sub: Implementation of Defined Contribution Pension Scheme – Instructions on accounting of contribution – reg.

A reference is invited to this office OM No.1(7)(2)/2003/TA/19 dated 14-1-2004 on the subject mentioned above. The heads of accounts required for the operation of New Pension Scheme have since been decided in consultation with Budget Division and office of the Comptroller & Auditor General of India..

2. In the books of Railways, Defence, Posts and Telecommunications the Government contribution to the New Pension Scheme will be booked to the following heads of account :

(I) RAILWAYS :

3002 – Indian Railways Commercial Lines – Working Expenses
Sub Major Head: 14 – Govt. Contribution for Defined Contribution Pension Scheme

Minor Head: 101-Government Contribution for Defined Contribution Pension Scheme

(Vide Correction Slip No.559 to List of Major & Minor Heads)

3003 – Indian Railways – Strategic Lines - Working Expenses
Sub Major Head 14 – Government Contribution for Defined Contribution Pension Scheme

Minor head - 101 Government Contribution for Defined Contribution Pension Scheme

(Vide Correction Slip No.560 to List of Major & Minor Heads)

(II) POSTS

3201- Postal Services

Sub Major Head: 07-Pension

Minor Head: 110- Government Contribution for Defined Contribution Pension Scheme

(Vide Correction Slip No.555 to List of Major & Minor Heads)

(III) TELECOMMUNICATIONS AND DEFENCE

2071- Pension & Other Retirement Benefits

Sub Major Head 01 - Civil

Minor Head : 117- Government Contribution for Defined Contribution Pension Scheme

3. As already decided by the Government, during the interim period the Government Servant's and the Government Contribution under Defined Contribution Pension Scheme are to be retained in the Public Account of India. The same will be credited to the following head:

Major Head: 8342 - Other Deposits

Minor Head: 117 - Defined Contribution Pension Scheme for Government Employees.
(opened vide Correction slip No.556 to List of Major & Minor Heads)

01- Government Servant's Contribution under Tier- I (sub-head)

02- Government's Contribution under Tier -I (sub-head)

4. Ministry of Railways, Defence and Departments of Posts and Telecommunications may please ensure that the amounts of Contributions are accounted for under the relevant final heads in the accounts of year 2004-05.



(Dr. J. K. Mishra)

Dy. Controller General of Accounts

To .

1. Sh. J. Srinivas, Director (Finance), Ministry of Railways, Rail Bhawan, New Delhi
- ✓ 2. Ms. Udit Chandra Kumar, Director, Deptt. of Post, Dak Bhawan, New Delhi
3. Sh. K.S. Bariar, Director(Accounts), Deptt. of Telecommunication, Room No.904, Sanchar Bhawan, Ashoka Road, New Delhi- 110 001.
4. Sh. Anoop Shrivastava, Deputy Controller General Defence Accounts, (Pension), West Block-V, R.K. Puram, New Delhi.

F.No. 5(31)/2005-ECB&PR
Government of India
Ministry of Finance
Department of Economic Affairs
ECB & PR Division

48, North Block, New Delhi
Dated: 30.9.2005

To,

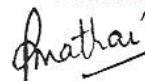
Shri Arun Sharma,
Joint Controller General of Accounts,
Office of Controller General of Accounts,
Ministry of finance
Department of Expenditure,
Lok Nayak Bhawan,
New Delhi.

Subject: Clarification regarding method of calculation of interest on NPS accumulations.

Dear Sir,

I am directed to refer to your D.O.Letter No. 1(7)(2)/2005/main File /TA/652 dated 18-08-2005, on the above mentioned subject and to say that the Department of Expenditure (EV Division), has drawn attention to the notification dated 21.4.2005 issued by the Budget Division (copy enclosed) wherein it was stated that accumulations at the credit of subscribers to the New Pension System shall carry interest @ 8% p.a.. The Department of Expenditure has stated that the idea clearly was to maintain parity with interest @ 8% p.a. on the GPF accumulations under the GPF cum pension system. They have advised that GPF Rules stipulate calculation of interest on subscriptions on monthly basis and as such the same may need to be adopted to accumulations under NPS.

Yours faithfully



(Arun P. Mathai)

Deputy Director (PR)

Tel.No.23092682/23092465

Fax No: 23092271

No.1(7)(2)/2005 /TA/Main File/ 525
Ministry of Finance
Department of Expenditure
Controller General of Accounts
Lok Nayak Bhaan, Khan Market
New Delhi.

Dated:14.7.05

Office Memorandum

Subject:- Implementation of Defined Contribution Pension Scheme.

Reference is invited to this office OM No.1(7)(2)/2003/TA/11 dated 7.1.2004 containing the detailed guidelines to be followed both by the DDOs and PAOs in implementing Defined Contribution Pension scheme.

Point 9 (q) of the above OM dated 7.1.2004 clearly states that DDOs/CDDOs should also prepare a separate bill for drawal of "matching contribution" to be paid by the Govt., which is creditable to the Government servant's pension account. As per the scheme, the Govt. contribution should be equal to the Govt. servant's contribution. However, the booked figures have revealed that in several ministries, there is a difference between these two figures which indicates that bills for drawing "matching contribution" have not been submitted to PAO by the DDO.

Under the "final" arrangement the "balances" will required to be transferred to PFRDA and therefore, before that process starts, it would be necessary that the contributions (both Govt servant's & Govt's contribution) are correctly drawn, accounted for and tallied with CPAO's figure.

All Pr.CCAs/CCAs/CAs are kindly requested to ensure that DDOs under their accounting jurisdiction strictly follow the instructions of this office in this regard. PAOs may please be directed to accept the salary bills only if the corresponding bills for Govt's contributions to New Pension Scheme accompany the salary bills.



(ARUN SHARMA)

Jt. Controller General of Accounts.

To

675-679

F.No.1(7(2)/2005/Clarification/TA
Controller General of Accounts
Department of Expenditure
Lok Nayak Bhawan
Khan Market
New Delhi.

Dated:-13-10-2005

Office Memorandum


17

Subject:- Interest on accumulation under Tier-I of Defined Contribution Pension

Scheme.

In modification of the clarification given by this office vide Sl. No.15 of OM No.1(7)(2)2005/TA/245 dated 21.4.2004 it has since been decided that the CPAO (Interim Record keeping Agency) will calculate the interest for all new entrants covered by New Pension Scheme, till the work of the Interim Record Keeping Agency is transferred to Pension Fund Development Regulatory Authority.

In order to facilitate CPAO to workout interest and to issue annual statement correctly and in time, all Pr. CCAs/CCAs/Dy.CAs are requested to immediately send data pertaining to 2004-05 in regard to contributions recovered from the salary of all eligible new entrants, alongwith the Govt's contribution towards Tier-I to CPAO, complete in all respects and duly reconciled with the booked figures.



(Dr. J. K. Mishra)

Dy. Controller General of Accounts

To

All Pr.CCAs/CCAs/CAs/Dy.CAs

Copy forwarded for information and necessary action to:

1. Director (Finance), Ministry of Railways
2. Controller General of Defence Accounts, R.K. Puram, New Delhi.
3. Dy. Director General, Posts, Dak Bhawan, New Delhi.
4. Dy. Director General (Telecommunication), New Delhi

Government of India
Ministry of Finance
Department of Economic Affairs
ECB & PR Division

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Terminal Benefits under New Pension Scheme in respect of the death case of Shri Ravinder Singh Parmar, Postman – reg.

This is with reference to CPAO, Deptt of Expenditure's letter dated 15.2.2006, seeking Deptt. of Economic Affairs's advice on payment of terminal dues and other retirement benefits in case of death of personnel covered under the New Pension Scheme.

2. The matter has been examined and the undersigned has been directed to convey that the deceased employee's own contribution plus Govt.'s matching contribution plus interest @8% p.a. on both may be paid to the legal heirs immediately. In the matter of other benefits viz. death gratuity, family pension and/or ex-gratia payment, CGA is advised to seek the views of the Deptt. of Pension and Pensioners' Welfare.

Sd/-
(Anu P.Mathai)
Deputy Director(PR)
Tel:23092682
Fax:23092271

Controller General of Accounts, Deptt. of Expenditure, Lok Nayak Bhawan
Finance (D/EA) U.O. F.No. 5(27/A)/2006-ECB & PR dated 14.3.2006.