

With Encl.

No. F. 1-1/2019-Sch.4
Government of India
Ministry of Human Resource Development
(Department of School Education and Literacy)

Shastri Bhawan, New Delhi,
24th April, 2019

To
The Secretary, NCERT,
NCERT Campus,
Sri Aurobindo Marg,
New Delhi-16

Subject: M/o Finance notification dt. 31.01.2019 of National Pension System for amendments -reg.

Sir,

I am directed to forward herewith a copy of this Ministry's communication No.F.29-09/2019-IFD dated 08.04.2019, alongwith its enclosures, on the subject mentioned above for information and further necessary action.

Encl: As above.

Yours faithfully,

Rajender Prasad

(Rajender Prasad)
Under Secretary to the Government of India
Tel: 2338 3342

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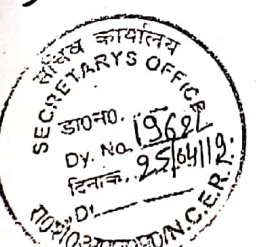
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F. No 29-09/2019-IFD
Government of India
Ministry of Human Resource Development
Integrated Finance Division

Shastri Bhawan, New Delhi
Dated : 8th April, 2019

Subject: M/o Finance notification dt. 31.01.2019 of National Pension System for amendments - regarding

Ministry of Finance has issued a notification no. 1/3/2016-PR dt. 31.01.2019 about Central Government's decision, on recommendations of the Committee set up to suggest measures for streamlining the implementation of National Pension System (NPS), to make certain modifications wef 01.04.2019 in M/o Finance's earlier notification No. 5/7/2003-ECB-PR dt. 22.12.2003, which, in brief, are as under:

- Partial modification in Para 1(i)

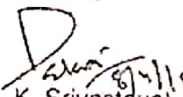
Para 1 (i) of M/o Finance notification dt. 22.12.2003	Modified and substituted by M/o Finance notification dt. 31.01.2019
"The monthly contribution would be 10% of the salary and DA to be paid by the employee and matched by the Central Government".	"The monthly contribution would be 10% of the Basic Pay plus Dearness Allowance (DA) to be paid by the employee and 14% of the Basic Pay plus DA by the Central Government".

- The following provisions have also been inserted after para 1 (v) of the earlier notification:

- (vi) Choice of Pension Fund
- (vii) Choice of Investment pattern
- (viii) Implementation of choices to the legacy corpus
- (ix) Transfer of legacy corpus in a reasonable time frame.
- (x) to (xii) Compensation for Non-deposit or delayed deposit of contributions during 2004-2012

(Details of these provisions may be seen in the gazette notification dt. 31.01.2019, enclosed herewith)

2. A copy of the notification no. 1/3/2016-PR of M/o Finance dated 31.01.2019 is forwarded to all Bureaus of this Department (DoSE&L) for information and dissemination of the same to all concerned.


(P. K. Srivastava)

Asst. Financial Adviser

All Bureau Heads of D/o SE&L

1. JS (Inst.)
2. JS (MDM)
3. JS (SS-I)
4. JS (SS-II)
5. JS (AE&Admn)
6. EA (SE&L)
7. ODG (Stats.)

Copy for information to: (i) PPS to Secretary (SE&L) (ii) PS to JS&FA

MINISTRY OF FINANCE
(Department of Financial Services)
NOTIFICATION

New Delhi, the 31st January, 2019

F. No. 1/3/2016-PR.—In partial modification of para 1(i) of Ministry of Finance's Gazette Notification No. 5/7/2003-ECB-PR dated 22nd December, 2003, based on the Government's decision on 6th December, 2018 on the recommendations of a Committee set up to suggest measures for streamlining the implementation of National Pension System (NPS), the Central Government makes the following amendments in the said notification, namely :-

(1) In para 1(i) of the said notification, for the words "The monthly contribution would be 10 percent of the salary and DA to be paid by the employee and matched by the Central Government", the words ~~"The monthly contribution would be 10 percent of the Basic Pay plus Dearness Allowance (DA) to be paid by the employee and 14 percent of the Basic Pay plus DA by the Central Government"~~ shall be substituted.

(2) The following provisions shall be inserted after para 1(v) of the said notification, namely:-

CHOICE OF PENSION FUND AND INVESTMENT PATTERN IN TIER-I OF NPS AS UNDER:

(vi) **Choice of Pension Fund:** As in the case of subscribers in the private sector, the Government subscribers may also be allowed to choose any one of the pension funds including Private sector pension funds. They could change their option once in a year. However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

(vii) **Choice of Investment pattern:** The following options for investment choices may be offered to Government employees: -

(a) The existing scheme in which funds are allocated by the PFRDA among the three Public Sector Undertaking fund managers based on their past performance in accordance with the guidelines of PFRDA for Government employees may continue as default scheme for both existing and new subscribers.

(b) Government employees who prefer a fixed return with minimum amount of risk may be given an option to invest 100% of the funds in Government securities (Scheme G).

(c) Government employees who prefer higher returns may be given the options of the following two Life Cycle based schemes.

(A) Conservative Life Cycle Fund with maximum exposure to equity capped at 25% - LC-25.

(B) Moderate Life Cycle Fund with maximum exposure to equity capped at 50% - LC-50.

(viii) **Implementation of choices to the legacy corpus:** Transfer of a huge legacy corpus of more than Rs. 1 lakh crore in respect of the Government sector subscribers from the existing Pension Fund Managers is likely to impact the market. It may be practically difficult for the PFRDA to allow Government subscribers to change the Pension Funds or investment pattern in respect of the accumulated corpus, in one go. Therefore, for the present, change in the Pension Funds or investment pattern may be allowed in respect of incremental flows only.

(ix) **Transfer of legacy corpus in a reasonable time frame:** PFRDA may draw up a scheme for transfer of accumulated corpus as per new choices of Government subscribers in a reasonable time frame of say five years. Once PFRDA draws up this scheme, change in the Pension Funds or investment pattern may be allowed in respect of the accumulated corpus in accordance with that scheme.

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COMPENSATION FOR NON-DEPOSIT OR DELAYED DEPOSIT OF CONTRIBUTIONS DURING 2004-2012:

(x) In all cases, where the NPS contributions were deducted from the salary of the Government employee but the amount was not remitted to CRA system or was remitted late, the amount may be credited to the NPS account of the employee along with interest for the period from the date on which the deductions were made till the date the amount was credited to the NPS account of the employee, as per the rates applicable to GPF from time to time, compounded annually.

(xi) In all cases where the NPS contributions were not deducted from the salary of the Government employee for any period during 2004-2012, the employee may be given an option to deposit the amount of employee contribution now. In case he opts to deposit the contributions now, the amount may be deposited in one lump sum or in monthly installments. The amount of installment may be deducted from the salary of the Government employee and deposited in his NPS account. The same may qualify for tax concessions under the Income Tax Act as applicable to the mandatory contributions of the employee.

(xii) In all cases where the Government contributions were not remitted to CRA system or were remitted late (irrespective whether the employee contributions were deducted or not), the amount of Government contributions may be credited to the NPS account of the employee along with interest for the period from the date on which the Government contributions were due till the date the amount is actually credited to the NPS account of the employee, as per the rates applicable to GPF from time to time. Instructions to this effect may be issued by the Department of Expenditure/ Controller General of Accounts. All such cases of delay may be resolved within a period of three months.

2. The above provisions shall come into force with effect from 1st April, 2019.

MADNESH KUMAR MISHRA, Jt. Secy.

Note : The main notification was published in the Gazette of India, Extraordinary, Part-I, Section 1, vide notification No. 5/7/2003-PR dated the 22nd December, 2003.

**ALOK
KUMAR**

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ALOK KUMAR
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