

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:914
ANSWERED ON:19.07.2002
PRIVATE PENSION FUND OPERATORS
ANANDRAO ADSUL

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Union Government has proposed to allow entry of private pension fund operators;
- (b) If so, the details thereof and the reasons therefore; and
- (c) to what extent the private operators would be allowed?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANT G. GEETE)

(a), (b) & (c): Pursuant to the announcement in the budget speech for the year 2001-2002, envisaging a New Pension Scheme based on defined contribution for employees entering govt. service after October 1, 2001, a High Level Expert Group was constituted by the Department of Pension and Pensioners' Welfare. The expert group submitted its report in Feb., 2002. The report, inter-alia envisages a hybrid Defined Benefit/Defined Contribution Scheme to meet requirements of civil servants. The said report envisages a constitution of Board of Trustees with representatives from the principal stake holders of professional experts. Subject to overall control of Board of Trustees, Investment Committee which would be a sub-set of Board of Trustees, would down guidelines for investment, set guidelines for monitoring investments lay down sound accounting practices.