

**GOVERNMENT OF INDIA
LABOUR
LOK SABHA**

UNSTARRED QUESTION NO:925
ANSWERED ON:08.12.2003
NEW PENSION SCHEME
A.P. JITHENDER REDDY

Will the Minister of LABOUR be pleased to state:

- (a) whether a New Pension Scheme has been evolved to replace the existing pension scheme;
- (b) if so, the details thereof;
- (c) whether many trade unions have been opposing this scheme;
- (d) if so, the reasons therefor; and
- (e) the reaction of the Government thereto?

Answer

MINISTER OF LABOUR (SHRI SAHIB SINGH VERMA)

(a): Yes, Sir.

(b): The Government approved on 23rd August, 2003 the proposal to implement the budget announcement of 2003-04 relating to introduction of a new restructured defined contribution pension system. The new pension scheme will apply only to new entrants to Government service except to the Armed Forces personnel and offer a basket of pension choices. It will also be available, on a voluntary basis to all persons including self employed professionals and others in the unorganised sector. This new pension scheme is to be based on defined contribution, shared equally in the case of Government employees between the Government and the employees. There will be no contribution from the Government in respect of individuals who are not Government employees. The new pension scheme will be portable, allowing transfer of the benefits in case of change of employment and will go into `individuals pension account` with pension funds. The mandatory programmes under the Employees Provident Fund Organization (EPFO) and other special Provident Funds would continue to operate as per the existing system under the Employees` Provident Fund and Miscellaneous Provisions Act, 1952 and other special Acts governing these funds.

(c) & (d): Government has received no representation from Trade Unions.

(e): Does not arise.