

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3676
ANSWERED ON:25.08.2006
REVIEW OF PENSION SYSTEM
Nizamuddin Shri G.

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has appointed any `High Level Expert Group` to review and examine the then existing Pension System;
- (b) if so, composition, terms and reference of expert group; and
- (c) the time by which the expert group propose to give their recommendations?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.K. BANSAL)

- a) A High Level Expert Group was constituted by Government in June, 2001 to review the then existing pension scheme and to provide a roadmap for introducing a new pension system based on defined contribution.
- b) The terms of reference of the 5-member Expert Group, constituted under the Chairmanship of Shri B.K. Bhattacharya, were to examine and recommend the modalities of the change from the then existing non-contributory defined benefit scheme to a defined contribution pension system; to examine and recommend the appropriate tax treatment for the defined contribution system; to assess the overall budgetary impact of the above; to examine and recommend the modalities (including investment criteria and organizational structure) of establishing a Pension Fund for Central Government services; to explore the option of moving existing employees to a contributory system; and to examine measures that promote consistency with other pension arrangements in order to promote portability.
- c) The Group submitted their report to Government in February 2002.