

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2765

ANSWERED ON:17.12.2004

PRIVATE PENSION SCHEME FOR CENTRAL GOVERNMENT EMPLOYEES

Deora Shri Milind Murl;Kamat Shri Gurudas;Meghwal Shri Kailash;Mehta Shri Alok Kumar;Paswan Shri Sukdeo;Reddy Shri S.P.Y.;Satpathy Shri Tathagata;Tripathy Shri Braja Kishore;Yadav Shri Ram Kripal;Zahedi Shri Mahboob

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Cabinet has approved the proposal to introduce a Bill to establish an independent Pension Fund Regulatory and Development Authority (PFRDA), paving the way for the long awaited pension reform, which was since an attempt by the previous Government;

(b) if so, please state whether this system is investment centric; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) to (c): Government proposes to have a legislative framework providing, inter alia, for a statutory Pension Fund Regulatory and Development Authority having, inter alia, the responsibility of promoting and ensuring the orderly growth of the pension sector and regulating the New Pension System (NPS) which is mandatory for all new Central Government recruits (excluding Armed Forces, in the first stage) with effect from 1st January, 2004. The NPS envisages that contributions will be invested by pension funds in accordance with investment guidelines specified by the regulator.