

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1470
ANSWERED ON:27.11.2009
PFRDA
Natarajan Shri P.R.

Will the Minister of FINANCE be pleased to state:

- (a) whether Employees` Association/Federation were consulted prior to forming Pension Fund Regulatory and Development Authority (PFRDA);
- (b) if so, the details thereof and inputs/submissions made by them; and
- (c) if not, reasons therefor?

Answer

The Minister of State in the Ministry of Finance (SHRI S.S. PALANIMANICKAM)

(a) to (c): The Government, on 23-08-2003, approved the proposal to implement the Budget announcement of 2003-04 relating to introduction of a new re-structured Defined Contribution Pension System for new entrants to the Central Government Service (except the Armed Forces), in the first stage, replacing the existing Defined Benefit Pension System. Further, an Interim Pension Fund Regulatory and Development Authority (Interim PFRDA) was constituted in October 2003 to regulate and develop the pension market. The Pension Fund Regulatory and Development Authority Bill, 2005 was introduced in the 14th Lok Sabha to establish a Statutory PFRDA, However, the Bill lapsed consequent to the dissolution of the 14th Lok Sabha. Hence, the decision to establish an Interim PFRDA was taken pursuant to the Budget announcement 2003-04.