

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6816
ANSWERED ON:07.05.2010
CONTRIBUTORY PENSION SCHEME
Natarajan Shri P.R.

Will the Minister of FINANCE be pleased to state:

- (a) the detailed conditions of the contributory pension scheme or the new pension scheme;
- (b) number of employees subscribing to this fund and the amount so far accumulated therein;
- (c) the details of subscribers benefited from the scheme and the cases pending for payment;and
- (d) the reasons for non settlement of such cases, if any?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) The detailed conditions of the New Pension System (NPS) are as follow:

- (i) The NPS is mandatory for all new recruits to the Central Government service from 1st January, 2004 (except the Armed Forces).
- (ii) The monthly contribution would be 10% of the salary plus Dearness Allowance to be contributed by the employee and matched by the Central Government.
- (iii) The contributions and investment returns are deposited in non-withdrawable pension tier -I account,
- (iv) Individuals can normally exit at or after age of 60 years from tier -1 of NPS.
- (v) At exit, the individual would be mandatorily required to invest 40% of pension wealth to purchase an annuity from an Insurance Regulatory and Development Authority (IRDA) regulated life insurance company. The individual would receive the balance of 60% of pension wealth in lump-sum.
- (vi) Individuals have the flexibility to leave the pension system prior to the age of 60 years. In such a case, the mandatory annuitisation would be 80% of the pension wealth. In case of death, 100% of the pension corpus will be given to the nominees.

(b) to (d) As on 30.4.2010, a total number of 6,17,278 subscribers belonging to Central Government and Central Autonomous Bodies are registered with the Central Recordkeeping and Accounting Agency (CRA) and an amount of Rs. 4,181.97 crore has been transferred to the Trustee Bank. Currently, 22 withdrawal requests on account of death/resignation etc. are pending for settlement in CRA system awaiting final guidelines. However, Government have laid down guidelines for granting additional relief on death/disability to Government servants covered under NPS on a provisional basis to be adjusted against payments to be made under finalised guidelines.