

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:1584  
ANSWERED ON:04.03.2011  
UNITIZATION OF NPS  
Nahata Smt. P. Jaya Prada

**Will the Minister of FINANCE be pleased to state:**

- (a) whether government is aware that contributions of central government employees under New Pension System (NPS) is still pending for unitization since inception;
- (b) if so, the details thereof and reasons therefor;
- (c) whether no decision has been taken with regard to employees who made contribution but left the job or shifted to another job;
- (d) if so, the details thereof and reasons therefor;
- (e) whether there is possibility of a huge scam in NPS in view of pending unitization of hard earned money of employees;
- (f) whether government proposes to revert employees falling under NPS to old pension scheme in view of inability of government to pass an act in this regard since last seven years;and
- (g) if not, the reasons therefor?

**Answer**

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

(a) & (b): The New Pension System (NPS) was launched for the Central Government employees (other than Armed Forces Personnel) joining the Central Government service on or after 1st Jan, 2004. The complete NPS architecture was put in place w.e.f. 1st April, 2008, with the appointment of the National Securities Depository Limited (NSDL) as Central Recordkeeping Agency (CRA), the Bank of India as Trustee Bank (TB) and 3 Pension Fund Managers (PFMs). During the intervening period from 1.1.2004 to 31.3.2008, the funds and data upload by various accounting formations had been intermittent and all investments and returns generated thereon, are being managed on a pooled basis and the individual retirement accounts of subscribers were credited with the rupee balances upto 31.3.2010 at the Net Assets Value (NAV) of rupee one.

The complete transfer of funds has been reconciled between the CRA, Trustee Bank and the three PFMs. The reconciled funds are being credited to the individual retirement accounts of the subscribers upto 31.03.2010. The unitization of funds prior to 31.03.2010 is under process. With effect from 01.04.2010, the reconciled funds have been credited to the subscriber account at the NAV when the money is received by the fund managers.

(c) & (d): Pension Fund Regulatory and Development Authority (PFRDA) has informed that as per the prescribed procedure in respect of the Government servant retiring / exiting from NPS, a withdrawal request is required to be submitted to the CRA only through the concerned Pay and Account Officer (PAO) / Cheque Drawing and Disbursing Officer (CDDO) from the registered official e-mail address. PFRDA has made a reference to the Government for issuing some clarification / guidelines concerning withdrawal under NPS. The Government is examining these issues.

(e): PFRDA has directed NSDL to issue Statement of Transactions to all subscribers to ensure that all contributions made by the subscribers are accounted for. Subscriber can approach the concerned PAO / CDDO for rectification of any anomaly / missing credit. Such intervention ensures transparency and accuracy of accounts. Presently, all Statement of Accounts are also available on line for view by individual subscribers.

(f) & (g): The PFRDA Bill, 2005 was introduced in the Lok Sabha in March, 2005 and the official amendments in January, 2009. However, the Bill lapsed on dissolution of the 14th Lok Sabha. In the Budget for the year 2011-12, the Government has announced its proposal to move the revised PFRDA Bill. There is no proposal to revert the employees falling under the NPS to the old pension scheme.