

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2274

ANSWERED ON:12.08.2011

IMPLEMENTATION OF NPS

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Will the Minister of FINANCE be pleased to state:

- (a) the number of Government servants, and employees of the Public Sector Undertakings and those of the unorganised sector, separately, who have subscribed to the New Pension Scheme (NPS);
- (b) the details of the benefits accrued to each category of subscribers since inception, year-wise alongwith the steps taken to improve the performance of the NPS;
- (c) whether a Committee has been constituted/formed by the Government to study the New Pension Scheme (NPS);
- (d) if so, the details thereof and the recommendations/suggestions made by the Committee, if any; and
- (e) the action taken by the Government thereon?

Answer

The Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a): The details of the subscribers to the New Pension System (NPS), category-wise, are as under:

Number of Subscribers as on 03.08.2011

Central Government	790036
Central Autonomous Bodies	40699
State Governments	773630
Unorganised Sector	43859
Corporate	9039
NPS Lite	734668

Total 2391931

(b): The funds of the Central Government subscribers under NPS were invested in specific financial instruments by the pension fund managers with effect from (w.e.f.) 2nd April, 2008 and State Government subscribers w.e.f. 1st May, 2009. The performance of the three pension fund managers for the Central Government employees indicate that the returns on subscribers' contributions under NPS ranged between 16.38% and 8.05% during the period 2008-09 to 2010-11. For State Government employees' the returns ranged between 11.34 and 5.94 during the period 2009-10 and 2010-11. For the period 2009-10 and 2010-11, the returns in Tier-I of NPS for unorganised sector workers ranged between 12.52% and 1.82% for the Government securities, 12.66% and 4.02% for the corporate bonds and 25.94% and 7.95% for equity. Details of year wise return since inception in percentage terms is as under:

Year	Central Government employees		State Government employees	
	Highest Return	Lowest Return	Highest Return	Lowest Return

2008-09	16.38	12.38	-	-
2009-10	12.27	8.88	6.34	5.94
2010-11	8.45	8.05	11.34	9.88

The NPS Trust has been constituted for taking care of the assets and funds under the NPS in the best interest of the beneficiaries, i.e., subscribers of NPS including Government employees. In fulfillment of its objectives, the NPS Trust supervises the pension fund managers, who are managing the assets and funds under NPS.

(c): No such Committee has been constituted/formed by the Government to study the NPS. However, a Committee to 'Review

Implementation of Informal Sector Pension (CRIISP) was constituted by interim Pension Fund Regulatory and Development Authority (PFRDA).

(d): The CRIISP was constituted in August, 2010 under the Chairmanship of Shri G.N. Bajpai, former Chairman of Securities and Exchange Board of India and LIC. The report, inter-alia, recommends that:

- (i) Pension Fund Regulatory and Development Authority (PFRDA) should be financially autonomous.
- (ii) NPS should be made a part of the national financial inclusion agenda,
- (iii) The Government should extend the Swavalamban incentive of Rs. 1,000 every year for a longer period.

The report of CRIISP including its recommendations/suggestions in detail is accessible at -<http://pfrda.org.in/indexmain.asp?linkid=180>.

(e): Action already taken by the Government is as under.

- (i) A provision has been made in the PFRDA Bill, 2011 for ensuring financial autonomy of PFRDA.
- (ii) NPS has already been included in the Financial Inclusion strategy. A grant of Rs. 50 crore has been sanctioned from the Financial Inclusion Fund managed by NABARD to PFRDA for spreading awareness of Swavalamban Scheme among the economically disadvantaged sections of the society, capacity building and implementation of Swavalamban Scheme through identified intermediaries to ensure adequate pension coverage for the workers in the unorganised sector.
- (iii) The benefit of Government co-contribution under Swavalamban Scheme has been extended from three to five years for all subscribers of Swavalamban who enrol during 2010-11 and 2011-12.