

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:6910  
ANSWERED ON:18.05.2012  
NEW PENSION SCHEMES  
Singh Shri Rakesh

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

- (a) whether the Government has implemented any new pension scheme for the Central Government Employees;
- (b) whether this scheme is likely to be more economically beneficial for the employees;
- (c) if so, the details thereof;
- (d) whether the Government has tried to ascertain the reasons for its opposition by the employees;
- (e) if so, the details thereof; and
- (f) whether the Government will re-consider this scheme in view of the resentment by the employees and drawbacks in this scheme?

**Answer**

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

- (a): Yes, Sir. The Government has implemented the New Pension System (NPS) for Government employees who join Central Government (except armed forces) on or after 1st January, 2004.
- (b) & (c): The NPS and the old defined benefit (DB) pension system are two different pension systems. Therefore, there can not be any comparison between the two in so far as the benefits to employees are concerned. The Pension benefits under the DB system are defined, however, under NPS the amount of pension would depend on the investment returns, the accumulation upto the age of retirement and level of annuitisation and type of annuity chosen.
- (d) & (e): Some representations of Employees` Associations have been received by the Government The major reasons for its opposition by the Employees` Associations are minimum pension, safety and returns on investment. Many measures have been taken to protect the interests of the NPS subscribers, like prescribing a flexible investment pattern, establishing a regulator in the form of the Interim Pension Fund Regulatory and Development Authority and creating the modern institutional architecture of NPS, which is low cost.
- (f): There is no proposal from the Government to reconsider the NPS.