

**GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA**

UNSTARRED QUESTION NO:4563
ANSWERED ON:17.12.2009
RAILWAY PENSION FUND
Dhruvanarayana Shri R.

Will the Minister of RAILWAYS be pleased to state:

- (a) whether the Railway Pension Fund constituted in 1964 for meeting the expenditure on pensionary benefits to retiring employees was to be financed on the basis of actuarial calculation;
- (b) if so, the details thereof;
- (c) whether an actuarial assessment done in 2005 reckoned the accrued liability of pension to Rs.5,41,947 crores; and
- (d) if so, the arrangements made by the Railways for the provision of such liability?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS(SHRI K.H. MUNIYAPPA)

- (a): Yes, Madam.
- (b): According to actuarial assessment of 1964, an annual contribution of about Rs.29 cr was to be made to the Pension Fund.
- (c): Yes, Madam.
- (d): Since Railways, as a part of Government of India follows Government accounting principles, actuarial assessment, which is based on accrual accounting, was not considered for implementation. Provisioning of such magnitude was also not considered feasible by the Railways. The Railways have continued with the existing system of appropriation to Pension Fund based on the trend of withdrawals.