GOVERNMENT OF KERALA
Abstract

Pension- Implementation of National Pension System in PSUs/Autonomous Bodies/Boards/Universities - Guidelines - Orders issued.

FINANCE (PENSION-A) DEPARTMENT

G.O. (P) No. 135/2014/Fin. Dated, Thiruvananthapuram, 08.04.2014.

Read: 1. G.O. (P) No. 20/2013/Fin dated 07.01.2013.
2. G.O. (P) No. 208/2013/Fin dated 07.05.2013.

ORDER

As per the G.Os read above, Government have implemented National Pension System (NPS) in all PSUs where Pensionary benefits as per Part III of Kerala Service Rules are granted, with effect from 01.04.2013. Government are pleased to implement the NPS in PSUs/Autonomous Bodies/ Boards/Universities with effect from 01.04.2013 where Pensionary benefits as on 31.03.2013 is applicable as per Part III of Kerala Service Rules. The NPS will be as per the architecture made and regulated by Pension Fund Regulatory & Development Authority (PFRDA), an authority established by the Government of India to lay down the architecture, regulate the pension system and related matters. The Supervision of the scheme functioning and performance of all intermediaries will be done by the National Pension System Trust (NPS Trust), a trust constituted as per the provisions of the Indian Trust Act 1882, under overall guidance and supervision of PFRDA. The records of the NPS including the contributions, investments, balances and annuity for each employee will be maintained by the NSDL-e-Governance Infrastructure Limited, an agency appointed by PFRDA which functions as the Central Record Keeping Agency (CRA) in the NPS.

The Rules and Regulations for the management of the NPS implemented for the employees in the above mentioned PSUs/Autonomous Bodies/Boards/Universities will entirely be governed as per the directions of Government of India/Rules, Regulations and Circulars issued by PFRDA from time to time. For this, Government of Kerala has already executed agreements with the NPS Trust and NSDL e Governance Infrastructure Ltd.

Scheme in brief

I. The National Pension System (NPS) will work on a defined contribution basis and will have two Tiers-viz. Tier-I and Tier-II.

(a) In Tier I, the employees in PSUs/Autonomous Bodies/Boards/Universities shall make a mandatory contribution of 10% of the sum of his/her pay and Dearness Allowance {10% of (pay +DA)}. This shall be deducted from his/her salary every month. The employer will also make equal matching contribution. The amount so deducted from the salary of the employee together with the matching employer contribution will be transferred to a pension account in order to invest the same as per the directions/Regulations of Government of India/Pension Fund Regulatory and Development Authority (PFRDA). The entire amount under Tier-I account (Employee contribution + matching employer contribution + investment returns) will be kept in a pension Tier-I account.

(b) In addition to the Tier I account, each employee can have a voluntary Tier-II account. The employer shall not make any contribution into this account. Tier-II contribution will be kept in a separate account where the employee shall be free to withdraw part or the entire money at any

time. This withdrawable account shall not constitute pension investment and would attract no special tax treatment.

II. An employee can exit at the time of superannuation or after the age of 60 years from Tier-I of the scheme. At exit, it would be mandatory for him/her to invest at least 40% of the pension wealth to purchase an annuity. The subscriber would be able to purchase the annuities directly from the empanelled Annuity Service provider(s) as per their choice of annuity that is available in the market/with the Annuity Service Provider's (ASP's) empanelled by PFRDA which will provide for pension for the lifetime of the employee. The individual shall receive a lumpsum of the remaining portion wealth which he/she would be free to utilize in any manner. Other pensionary benefits applicable to the employee would be as per the guidelines issued by PFRDA from time to time.

III. The CRA shall be paid fee* for their services at the following rates by the PSUs/Autonomous Bodies/Boards/Universities as the case may be.

i	Permanent Retirement Account (PRA) opening charges	Rs. 50 per account
ii	Annual PRA maintenance	Rs. 190 per account
iii	Transactions charges	Rs. 4 per transaction

* Exclusive of Service Tax and other taxes as applicable.

IV.Role of CRA

a. Creation of subscriber Data base.

b. Generation of Unique Permanent Retirement Account Number (PRAN)

c. Consolidation of Pension Contribution Information

d. Consolidation and grouping of investment preference on the basis of schemes and Pension Funds. (PFs)

e. Reconciliation of pension fund reports received from Trustee Account with pension fund contribution information report.

f. Generation of reports on errors and discrepancies.

g. Consolidation of grievance and complaints of subscribers.

h. Addressing grievances and complaints for the corresponding service provider.

i. Preparation of Action Taken Report on the grievance and complaints of the subscriber/investor.

j. Receiving reports on investments made by each PF in different schemes and send Instruction to Trustee Bank to remit amount for clearing.

k. Sending instruction to Trustee Bank to remit withdrawal fund to subscriber's account and remit remaining amount to Annuity Provider's Account against the annuity scheme.

V. The investment of the pension funds will be made as per the directions/regulations of Government of India/Pension Fund Regulatory and Development Authority (PFRDA) from time to time. Presently 85% of the pension fund will be invested in Government securities/Debt securities etc & 15% of the pension funds will be invested in equities & equity linked mutual funds. The pension funds of the employees will be managed by pension Fund Managers (PFMs) nominated by the Central Government/PFRDA. The charges of the Pension Fund Managers (PFMs) and custodian shall be borne by the employees through appropriate deductions from the investments done by

PFMs. The State Government shall allocate the pension Corpus of the NPS between the three pension Fund Managers viz. SBI Pension Funds Pvt. Ltd., UTI Retirement Solutions Ltd and LIC pension Fund Ltd., the three PFRDA approved Fund Managers in such proportion as decided by the State Government from time to time. The option will be given to individual employees in future to choose PFM or a combination of PFMs, and their preferred investment pattern as per the guidelines of PFRDA.

VI. Axis Bank has been appointed as the Trustee Bank by PFRDA. It will handle the flow of funds from the PSUs/Autonomous Bodies/Boards/Universities to the PFMs. Stock Holding Corporation of India Limited (SHCIL) has been appointed as the custodian of the investments made by the PFMs.

In the circumstances Government are pleased to issue the following guidelines in order to operationalize National Pension System in PSUs/Autonomous Bodies/Boards/Universities where pensionary benefits as per Part III of Kerala Service Rules are granted.

(1) Appointment of State Nodal Officer

Additional Secretary (Pension), Finance Department will be the State Nodal Officer (SNO) for carrying out all the NPS related activities in PSUs/Autonomous Bodies/Boards/Universities.

(2) Appointment of Designated Office to interface with CRA

The PSUs/Autonomous Bodies/Boards/Universities shall appoint a designated office as a single point contact to interface with CRA for all the issues relating to operationalization of NPS architecture.

(3) Submission of Letter of Consent & Master creation form

The PSUs/Autonomous Bodies/Boards/Universities need not sign separate agreement with NSDL & NPS Trust. Letter of consent (LoC) {Annexure I} from PSUs/Autonomous Bodies/Boards/Universities is required to be forwarded to the SNO for onward transmission to PFRDA along with registration form (Master creation form){Annexure II} for joining NPS. These forms can be downloaded from the CRA website www.npscra.nsdl.co.in/state-forms.php. Once registered, PSUs/Autonomous Bodies/Boards/Universities can funtionalize NPS for its employees.

(4) Registration of Administrative Offices

The PSUs/Autonomous Bodies/Boards/Universities shall identify offices which shall be functioning as

- Directorate of Treasuries & Accounts (DTA) i.e, the office to function as oversight mechanism.
- District Treasury offices (DTO) i.e, the Administrative office to perform the day-to-day activities on behalf of the subscribers.
- Drawing and Disbursing offices (DDO) i.e, the Administrative office responsible for collection and forwarding of subscriber details like registration, maintenance, contribution etc.

All these offices shall be registered on the basis of submission of physical application forms to CRA available in the NSDL website (www.npscra.nsdl.co.in).

(5) Model of Contribution upload

PSUs/Autonomous Bodies/Boards/Universities shall intimate CRA about the model of the data and fund flow to be adopted i.e, Decentralized or Centralized.

- **Decentralized**-this mode of upload is generally adopted if there are multiple locations for the institutions. Subscribers' Contribution details (SC) will be uploaded and funds will be transferred from these multiple locations to the Trustee bank.
- **Centralized**-this model is generally adopted if there is a single designated location for the institutions. In this method, SC details will be uploaded to CRA and funds will be transferred to Trustee bank from a Centralized point.

PSUs/Autonomous Bodies/Boards/Universities is required to decide on the model of data flow they intend to adopt and can develop necessary procedures with the help of CRA.

(6) Registration of Subscribers

The employees of PSUs/Autonomous Bodies/Boards/Universities covered under NPS shall be registered on the basis of submission of physical application forms (Form S1) available in the NSDL website to the CRA/CRA Facilitation Centres (FC). For more details regarding the process of registration of the Nodal Offices and the functions, the PSUs/Autonomous Bodies/Boards/Universities can refer to the Standard Operating Procedures (SOP) available in the CRA website.

(7) Upload of monthly Contributions

Once the Subscribers are registered, the PSUs/Autonomous Bodies/Boards/Universities shall commence upload of the monthly SC in the CRA system as per the model selected.

(8) Backlog Contributions

The PSUs/Autonomous Bodies/Boards/Universities shall transfer the backlog contribution in respect of employees as well as the employer as 'arrears' in the CRA system.

(9) Transfer of Fund and Data

The PSUs/Autonomous Bodies/Boards/Universities shall upload subscriber contributions details in the CRA system and shall remit the contribution amount to the Trustee Bank (TB) in favour of the NPS account along with the details of the uploading offices registration number allotted by CRA as well as the Transaction ID of the SC details uploaded to CRA.

(10) Accounting Procedure

The Accounting Procedure for recovery of employee as well as the employer contribution may be decided by the PSUs/Autonomous Bodies/Boards/Universities on the process of the salary drawal and accounting system. This shall be decided in consultation with PFRDA and NSDL.

(11) Infrastructure Requirement

The PSUs/Autonomous Bodies/Boards/Universities shall ensure that the Administrative offices have the required infrastructure and are technically equipped to handle the functions with respect to CRA system. The officials

handling the functions with respect to the CRA system need to be adequately trained.

(12) Billing of CRA charges

The bill for the CRA charges with regard to the services rendered for the employees of PSUs/Autonomous Bodies/Boards/Universities shall be raised against the Administrative head of the PSUs/Autonomous Bodies/Boards/Universities who will be acted as the DTA. Further proceedings for the functioning of NPS scheme will be made by the concerned PSUs/Autonomous Bodies/Boards/Universities in consultation with PFRDA and their intermediaries viz. NPS Trust and NSDL.

(13) All the NPS related Rules/Regulations/Orders/Circulars etc. issued by PFRDA from time to time shall be applicable to all PSUs/Autonomous Bodies/Boards/Universities.

(14) The contact details of PFRDA, NPS Trust and NSDL are as follows.

NSDL e-Governance Infrastructure Ltd. -1st floor, Times Tower, Kamala Mills Compound, Senapathi Bapat Marg, Lower Parel, Mumbai- 400 013

PFRDA/NPS Trust -1st Floor, ICADR Building,Plot No.6, Vasant Kunj Institutional Area,Phase II, New Delhi- 110070

By Order of the Governor,

V. SOMASUNDARAN
Additional Chief Secretary (Finance)

To

The Director (Services), Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pension , Government of India
The Principal Accountant General (A&E), Kerala, Thiruvananthapuram
The Principal Accountant General (G&SSA), Kerala, Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
All Heads of Department.
All PSUs/Autonomous Bodies/Boards
All Departments and Sections of the Secretariat
The Director of Treasuries, Thiruvananthapuram.
The Secretary, Kerala Public Service Commission, Thiruvananthapuram(with C.L)

The General Manager, Kerala State Road Transport Corporation, Thiruvananthapuram
The Registrar, High Court of Kerala, Ernakulam
The Registrar, Kerala Administrative Tribunal, Thiruvananthapuram (with CL)
The Registrar, University of Kerala / Kochi / Calicut / Mahatma Gandhi/ Kannur (with CL)
The Registrar, Kerala Lok Ayukta, Thiruvananthapuram
The Registrar, Kerala Agricultural University, Vellanikkara
The Registrar, Kerala Veterinary and Animal Sciences University, Wayanad (with CL)
The Registrar, Sree Sankara Sanskrit University, Kalady (With CL)
The Registrar, Kerala University of Health and Allied Sciences, Thrissur (With CL)
The Registrar, Fisheries University, Ernakulam (With CL)
The Registrar, Malayalam University, Thirur, Malappuram.
The Secretary, Ombudsman for Local Self Government Institutions, Thiruvananthapuram
The Advocate General, Kerala, Ernakulam (With CL).
The Secretary, Kerala State Electricity Board, Thiruvananthapuram
The Additional Secretary to the Chief Secretary to Government
All Additional Chief Secretaries/ Principal Secretaries/ Secretaries/ Special Secretaries/Additional Secretaries/Joint Secretaries/ Deputy Secretaries/Under Secretaries to Government
The Secretary to Governor, Raj Bhavan, Thiruvnanthapuram
The Private Secretary to the Speaker/Deputy Speaker of the Kerala Legislative Assembly
The Secretary, Kerala State Human Rights Commission, Thiruvananthapuram
The Secretary, Kerala State Women's Commission, Thiruvananthapuram
The Private Secretaries to the Chief Minister and other Ministers.
The Private Secretary to the Leader of Opposition
The State Election Commissioner, Kerala, Thiruvananthapuram
The Chief Information Commissioner, Kerala, Thiruvananthapuram (With CL)
The General Administration (S C) Department
All District Treasury Officers/Sub Treasury Officers
The Director, Information and Public Relations, Thiruvananthapuram.
The Nodal Officer, www.finance.kerala.gov.in
Stock File/Office Copy.

Forwarded /By Order

Accounts Officer

ANNEXURE I

Letter of Consent: To be provided on the official letterhead of the State Autonomous Body (SAB)

File No.....

Dated:.....

To,

Pension Fund and Regulatory Development Authority
1st Floor, ICADR Building
Plot No.6, Vasant Kunj
Institutional Area , Phase II
New Delhi: 110070

Sub: Operationalisation of the National Pension System (NPS)

Sir,

With reference to the above, we hereby undertake to ensure that our employees recruited on or after _____ (date of adoption of NPS) would be brought over to the NPS Architecture, and that we shall be governed by all the directions and scheme of things as envisaged by the PFRDA under the NPS Architecture, from time to time.

We shall be shifting to the NPS architecture as operationalised by PFRDA. We shall comply with and honour all the requirements in regard to the various arrangements made by PFRDA/NPS Trust with all the NPS intermediaries including the CRA. We shall abide by the terms and conditions of the agreement executed by the State of _____ (name of concerned State Government) and the NPS Trust as well as NSDL.

The appointment of NSDL as CRA for NPS shall be co-terminus with the agreement the State of _____ (name of concerned State Government) had with NPS Trust as well as NSDL, as extended from time to time.

We agree for the investment pattern and scheme preference options adopted by the State of _____ (name of concerned State Government). We agree for the direct billing by CRA, as already provided for in PFRDA's existing contract with CRA, as also by other NPS intermediaries under the NPS Architecture and to be bound by the entire framework of NPS architecture, from time to time.

We understand that the process flow in respect of our organization would be identical to those presently followed by State Government, and that NSDL would engage in dialogue with us for determining whether they would like to upload data centrally or through multiple points.

Yours faithfully,

Sd/-
Authorised Signatory of the State Autonomous Body

CC To-

1. NSDL
2. NPS Trust
3. Head of the concerned Department
4. Nodal officer designated by the State Government for NPS

ANNEXURE II

MASTER CREATION FORM

On official letter head of State Autonomous Body

File:_____ **Date:**_____

To,

NSDL e-Governance Infrastructure Limited,
Central Recordkeeping Agency,
Times Tower, 1st Floor, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel (West)
Mumbai, Maharashtra
PIN- 400013

Dear Sir/Madam,

As a State Autonomous Body, we are submitting the following details along with the 'Letter of consent' for the purpose of operationalisation of NPS.

1. Name of the State Autonomous Body (SAB)*:

2. Address *:

Flat/Unit No, Block no. *

Name of Premise/Building/Village

Area/Locality/Taluka

District/Town/City *

State / Union Territory *

Country *

Pin Code *

3. Phone No. *: STD Code Phone Number

4. Fax No.: STD Code Fax Number

5. Email ID *:

(Email ID should be the official Email ID of the SAB & not of any individual person)

6a Name of the State*:

6b Name of the Department *:

7. Proposed model of contribution upload: Tick (✓) the relevant type

Centralised ☐ Decentralised ☐

[Kindly read the instructions given below:

If proposed model of contribution is centralized, kindly provide the bank details (as given below) of the Principal Accounts Office and if decentralised, of all units/branches which will be remitting the pension contributions to Trustee Bank (BOI)]

Bank Account Type* Savings A/c ☐ Current A/c ☐

Bank A/c Number *

Bank Name*

Bank Branch*

Bank Branch Address*

Pin Code*

Bank Branch MICR Code *

Bank Branch IFSC Code* (Indian Financial Systems Code)

8. Details of the Nodal Office for interfacing with CRA *:

Name of the designated office*:

Address*:

Flat/Unit No, Block no. *

Name of Premise/Building/Village

Area/Locality/Taluka

District/Town/City *

State / Union Territory *

Country *

Pin Code *

9. Details of Nodal Officer for interfacing with CRA*:

Name*:

Designation *:

Phone No. *: Mobile No.:

Email ID *:

(*Email ID & Phone Number should be Nodal Officer's Email ID & Direct Phone Number and not of the official Email ID and any Board Number of SAB.)

10. Name of the authorised signatories and their respective signatures: The resolution stating the same passed in the (*Board/Governing body or any other relevant authority as the case maybe is enclosed)*

Sr. No.	Name of the authorised signatories	Signature

I/We hereby agree and declare that the information provided in the application, is complete and true to the best of our knowledge.

	Signature of Authorised Signatory
	Name: _____ **Place:** _____
_____ **Stamp of SAB**	**Designation:** _____ **Date:** _____

Notes:

1. Please forward this form together with the 'Letter of Consent' on the letter head of the State Autonomous Body signed by authorized signatory.
2. Kindly ensure that all columns are properly filled.
3. Fields marked with * are mandatory.