

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. Pen-250/12 36690***

Bhubaneswar, dated 11/10/23

OFFICE MEMORANDUM

Sub: **Operational guidelines for implementation of New Pension System (NPS) for State Autonomous Bodies (SABs) and State Public Sector Undertakings (SPSUs).**

The restructured defined contribution pension scheme was introduced by the State Government for the employees who have joined the State Government services w.e.f. 01.01.2005 in Pensionable Establishments as per the Finance Department Notification No.44451/F., dt.17.09.2005. In order to operationalize the New Pension System, guidelines were issued by the Finance Department vide O.M.No.30132/F Dt.13.07.06, Letter No.16950 (255)/F Dt.02.04.07 and Director of Treasuries and Inspection, Odisha, Bhubaneswar vide Letter No.Pen-II-89/11-3612/DTI dt.10.02.2011.

2. **Scheme in Brief:**

(i) The New Pension Scheme works on defined contribution basis and have two tiers namely: Tier – I and Tier – II. The contribution to Tier – I is mandatory for all the employees of the Government joining the pensionable establishment on or after 01.01.2005 where as Tier – II contribution is optional and at the discretion of the Government servant.

(ii)

(a) In Tier – I, each employee will subscribe a monthly contribution of 10% of Basic Pay + Dearness Allowance + Grade Pay from his salary to the contribution pension scheme and equal matching contribution will be made by the Employer for each employee who contributes to the scheme. The contribution towards the pension scheme shall be recovered from the salary of the employee every month. The said recoveries will start from the salary of the month following the month in which the Government servant has joined service. Therefore, no recovery will be effective from the month of joining. For example, for employees joining service in the month of January 2005, deductions to Tier – I contribution will start from the salary bill of February 2005. No deduction will be made from his salary earned in

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January 2005. Similarly, deductions for those joining service in the month of February 2005 will start from the salary bill of March 2005 and so on.

(b) At the time of retirement, Government servant will receive a lump sum amount of 60% deposited in Tier-I account as pension wealth and it is mandatory for the Government servant to invest remaining 40% of his pension wealth to purchase an annuity from Insurance Regulatory and Development Authority (IRDA)-regulated Life Insurance Company. The annuity shall provide for pension during the life time of the employee/dependants as per the option availed at the time of selecting the annuity scheme.

3. To operationalize the new pension scheme, the Government of India has established a Pension Fund Regulatory and Development Authority (PFRDA) to lay down the architecture, regulate the pension system and related matters and to protect the interest of the subscribers. The PFRDA has appointed National Securities Depository Limited (NSDL), Mumbai as the Central Record Keeping Agency (CRA) to maintain the records of contribution and its distribution in various pension fund schemes. NPS Trust has been set up by the PFRDA as the Trustee for NPS funds who will monitor the activities of the Pension Fund Managers (PFMs). The Bank of India has been appointed as the Trustee Bank. Any clarification in respect of implementation of New Pension Scheme shall be guided by PFRDA norms.

4. The State Government have decided to implement the restructured defined contribution scheme as per the architecture and guidelines issued by the PFRDA and entered into separate agreement with National Securities Depository Limited (NSDL), Mumbai as the Central Record Keeping Agency (CRA) & NPS Trust, New Delhi for smooth management of the new pension scheme. Directorate of Treasuries and Inspection, Odisha has been declared as State Nodal Agency for implementation of New Pension Scheme in State Government.

5. **NPS for State Autonomous Bodies (SABs) and State Public Sector Undertakings (SPSUs):**

After the implementation of the PFRDA guided NPS in State Government, some State Autonomous Bodies and State Public Sector Undertakings (SPSUs) have also expressed their interest to join the new system. It is now clarified that the SABs and SPSUs desirous of joining PFRDA guided defined contribution pension system may also implement the same for their employees who have joined in the service on or after 01.01.2005 following

The principle and procedure laid down by PERDA and also in conformity with the rules & procedures applicable to them.

6. **The operational procedure for implementation of New Pension Scheme (NPS) for the State Autonomous Bodies (SABs) and State Public Sector Undertakings (SPSUs):**

(i) Letter of Consent:

The SABs and SPSUs do not need to sign separate agreement with NSDL and NPS Trust, as the same has already been signed by the State Government with the above authorities. The SABs and SPSUs those desirous of joining NPS are required to submit the duly authorized "Letter of Consent" to PERDA with copy to CRA (NSDL), NPS Trust, Head of the concerned Administrative Department and the Nodal Officer designated by the State Government for NPS (DT&I). Format of the consent letter is enclosed in *Annexure – I* and can also be downloaded from the NSDL website www.npsera.nsdl.co.in.

(ii) Appointment of Designated Office:

The SABs and SPSUs may also appoint a designated office as a 'Single point contact' to interface with NSDL (CRA) for all the issues relating to operationalisation of NPS architecture. The SABs and SPSUs shall also submit Master Creation Form (MCF) to CRA at the time of joining. The MCF can be downloaded from the aforesaid NSDL website.

(iii) Registration of Administrative Offices:

The SABs and SPSUs need to register the following entities with the CRA, NSDL by submitting duly filled in prescribed application forms in N1, N2 & N3. (*Annexure –II,III & IV*).

- (a) Nodal office of SAB and SPSU for oversight mechanism of NPS implementation.
- (b) The Administrative office to perform the day-to-day activities on behalf of the subscribers.
- (c) The Administrative office responsible for collection and forwarding subscriber's details like registration, maintenance and contribution.
- (d) All these offices shall be registered on the basis of submission of physical forms to CRA i.e. Form N1 for the Nodal Office, Form N2 for the Administrative Office responsible for day-to-day activities on behalf of the subscribers and Form N3 for Drawing & Disbursing Officers.

(e) The respective forms are annexed to the Notification and can also be downloaded from the website www.npsra.nsdl.co.in.

(iv) Model of Contribution Upload:

Each of SAB and SPSU shall have to intimate the CRA (NSDL) about the model of data and fund flow to be adopted i.e. Decentralized or Centralized.

(a) **Decentralized:** This mode of upload is generally adopted if there are multiple locations/cities in the SAB and SPSU and Subscribers' Contribution (SC) details will be uploaded from all the multiple locations and funds will be transferred from these multiple locations to the Trustee Bank.

(b) **Centralized:** This model is generally adopted if there is a single designated location/city in a SAB and SPSU and subscriber contribution (SC) details will be uploaded to CRA and funds will be transferred to Trustee Bank from a centralized point.

(v) Registration of Subscribers:

All the employees of SAB and SPSU covered under NPS shall be registered on the basis of submission of physical application forms (Form S1) to the CRA which has Facilitation Centers (FC) located at the State Capital. The details regarding process of registration of the Nodal Offices and their functions in the CRA system and registration of Subscribers is provided in the 'Standard Operating Procedures' (SOP) published by the NSDL. The same can be downloaded from the above mentioned website of NSDL.

(vi) Upload of Monthly Contribution:

Once the subscribers are registered, SAB and SPSU shall commence upload of the monthly subscriber's contribution (SC) in the CRA system as per the model selected.

(vii) Accounting Procedure:

The Accounting Procedure for recovery of employee contribution and drawal of the employers contribution may be decided by the SABs and SPSUs based on the process of the salary drawal and accounting system. This may be decided by SABs in consultation with PFRDA, New Delhi and NSDL, Mumbai.

(viii) Payment of CRA charges:

As mentioned in the contract agreement executed between PFRDA and CRA, the bill for the CRA charges with regard to the services rendered for the employees of SAB and

● SPSU shall be raised against the Chief Executive Officer (CEO) / Nodal Officer. The SABs and SPSUs may decide as to whether the service charges of CRA on account of registration and transaction are to be borne by the employees or SAB and SPSU. In case of State Government, it has been decided that the service charge of CRA will be borne by the Government.


7. All State funded Universities may follow these guidelines for their employees coming under the coverage of NPS who have joined in the service on or after 01.01.2005.

8. The respective Administrative Departments shall oversee the implementation mechanism of NPS in SABs and SPSUs under their administrative control.

9. User Manuals and prescribed registration forms such as S1, N1, N2 & N3 are available in the NSDL and Odisha Treasury website.

10. Clarifications, if any, for implementing the NPS may be sought from Director of Treasuries and Inspection, 5th Floor, Treasury and Accounts Bhawan, Kharavela Nagar, Bhubaneswar - 751 001.

By order of the Governor


Additional Secretary to Government 30/10/12

Memo No. 36691 (10) /F Dated 1/11/12

Copy forwarded to the Secretary to Governor, Odisha/ Secretary to Chief Minister, Odisha/ Private Secretary to Minister, Finance, Odisha/ Secretary to OLA, Bhubaneswar/ All R.D.Cs/ Secretary to O.P.S.C, Cuttack/ Accountant General (A&E), Odisha, Bhubaneswar/ A.G (Audit), Odisha, Bhubaneswar for information and necessary action.

Memo No. 36692 (225) /F Dated 1/11/12

P.P. Sahoo
Under Secretary to Government
20/11/12

Copy forwarded to All Departments of Govt./All Heads of Departments for information and necessary action.

They are requested to circulate this office memorandum among the sub-ordinate offices working under their administrative control immediately.

Memo No. 36693 /F Dated 1/11/12

P.P. Sahoo
Under Secretary to Government
20/11/12

Copy forwarded to the Director of Treasuries and Inspection, Odisha for information and necessary action.

Memo No. 36694 (310) /F Dated 1/11/12

P.P. Sahoo
Under Secretary to Government
20/11/12

Copy forwarded to All Collectors/ All District and Session Judges/All Financial Advisors and Addl. Financial Advisors/ All Sub-Collectors/ All Treasury, Special Treasury and Sub-Treasury Officers/Director General, Gopabandhu Academy of Administration, Chandrasekharpur, Bhubaneswar/ Director, Madhusudan Das Regional Academy of Financial Management, Chandrasekharpur, Bhubaneswar / Principal, Secretariat Training Institute, Bhubaneswar for information and necessary action.

Memo No. 36695 (102) /F Dated 1/11/12

P.P. Sahoo
Under Secretary to Government
20/11/12

Copy forwarded to all Officers and all Branches of Finance Department/Deputy Examiner, Local Fund Audit, Finance Department/ Efficiency Audit Organization, Finance Department for information and necessary action.

Memo No. 36696 /F Dated 1/11/12

P.P. Sahoo
Under Secretary to Government
20/11/12

Copy forwarded to the Principal System Analyst and Portal Head, C.C.F. Secretariat for information and necessary action.

He/She is requested to host this office memorandum in the Odisha Government Web site for wide circulation.

P.P. Sahoo
Under Secretary to Government
20/11/12

ON THE LETTER HEAD OF STATE AUTONOMOUS BODY

File No.

Dated:

To
PFDA
New Delhi

Sub: Operationalisation of the New 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 PFDA under the NPS Architecture, from time to time.

We shall be shifting to the NPS architecture as operationalised by PFDA. We shall comply with and honour all the requirements in regard to the various arrangements made by PFDA/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 PFDA'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