



GOVERNMENT OF KERALA

Finance (Pension- A) Department

CIRCULAR

No. 07/2014/Fin

Dated Thiruvananthapuram, 06.02.2014

Sub: - National Pension System- Adoption of National Pension System architecture-Role of Central Record Keeping Agency, Pension Fund Managers & Trustee Bank and allocation of PRAN -reg.

- Ref: -
1. G.O. (P) No. 303/2009/Fin dated 25.07.2009
 2. G.O. (P) No. 298/2010/Fin dated 24.05.2010.
 3. G.O. (P) No. 20/2013/Fin dated 07.01.2013.
 4. G.O. (P) No. 208/2013/Fin dated 07.05.2013.
 5. G.O. (P) No. 149/2013/Fin dated 03.04.2013.
 6. G.O. (P) No. 622/2013/Fin dated 19.12.2013
 7. Circular No. 103/2013/Fin dated 19.12.2013.

Government of India has implemented a defined contribution Pension Scheme known as National Pension System for its employees with effect from 01.01.2004. The State Government has also adopted the scheme for the State Government employees who are appointed in service on or after 01.04.2013 for whom, Part III Kerala Service Rules would have been applicable otherwise- vide G.O third and fourth read above and for the All India Service (Kerala Cadre) officers who are recruited on or after 01.01.2004-vide G.O second read above. The scheme is being implemented on the lines of the architecture made and regulated by the 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 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 All India Service officers/State Government employees will entirely be governed as per the directions of Government of India /Rules, Regulations, Circulars and Orders etc.issued by PFRDA from time to time.

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 Officer/Employee shall make a mandatory contribution of 10% of the sum of his/her Basic pay and Dearness Allowance {10% of (Basic pay +DA)} whereas basic pay includes all pay as per Rule 12(23) of Part I, KSR in respect of state employees and includes Grade pay and Dearness pay in respect of AIS officers. This shall be deducted from his/her salary every month by the Treasury Officer (TO)/Drawing and Disbursing officer (DDO) concerned. The Government will also make equal matching contribution. The amount so deducted from the salary of the Officer/Employee together with the matching government 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 (Officer/Employee contribution + matching Government contribution + investment returns) will be kept in pension Tier-I account.

(b) In addition to the Tier I account, each Officer/Employee can have a voluntary Tier-II account. Government shall not make any contribution into this account. Tier-II contribution will be kept in a separate account where the Officer/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 Officer/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 pension for the lifetime of the Officer/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 Officer/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 State Government.

i	Permanent Retirement Account (PRA) opening charges	Rs. 50 per account
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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 and 15% of the pension funds will be invested in equities and equity linked mutual funds. The pension funds of the Officers/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 Officers/Employees through appropriate deductions from the investments done by PFMs. For the present, the State Government will 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 Government sector, in such proportion as to be decided by the State Government from time to time. In future, Option will be given to individual Officers/Employees 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 State Government to the PFMs. Stock Holding Corporation of India Limited (SHCIL) has been appointed as the custodian of the investments made by the PFMs.

VII. Submission of PRAN Forms and allocation of PRAN to the subscriber

All Officers/Employees who are covered under NPS shall give his/her personal/employment details to the Appointing Authority/DDO concerned, as the case may be, at the time of joining service. The Appointing Authority/DDO shall collect these details at the time of each officer/employee joining the service and make required entries in the 'Service Payroll and

Administrative Repository for Kerala (SPARK)' application. Thereafter, the Officer/Employee shall approach the District Treasury Officer concerned to render their PRAN applications. For this, the District Treasury Officer shall generate the PRAN form (Annexure S1) of the Officer/Employee concerned from the SPARK application using the PEN details of the Officer/Employee and take printout of the PRAN form in duplicate which will be given to the Officer/Employee concerned for verification, inclusion of nomination, affixing of photo (3.5cm* 2.5cm) and signature. The scheme details in Section D of the PRAN form need not be filled till such time when the facility of option to choose PFM or a combination of PFMs, and the preferred investment pattern is given to the subscribers. The Officer/Employee shall verify and confirm the correctness of all information, particularly the mandatory information such as date of birth, date of appointment, employment details, personal details etc. On being satisfied, he/she shall submit the duly filled/signed PRAN form (Annexure S1) in duplicate to the District Treasury Officer, who will affix his seal and signature in the printed form. After completing these formalities, the District Treasury Officer shall send one copy of the PRAN form along with the particulars of the respective Sub Treasury Officer and the Drawing and Disbursing Officer to the CRA Facilitation Centers (CRA-FC) for obtaining PRAN (Permanent Retirement Account Number) and the other copy to the Drawing and Disbursing Officer concerned for updating the details of the Officer/Employee in SPARK. The District Treasury Officer shall send the PRAN applications in respect of All India Service officers direct to the CRA. The DDOs/Appointing Authorities / District Treasury Officers shall ensure that not more than one PRAN form is generated for an Officer/Employee so

that the chance of issue of multiple PRAN for same Officer/Employee is avoided. The DDOs/Appointing Authority shall ensure that the PRAN forms are forwarded to CRA-FC/CRA within seven days from the date of joining of the Officer/Employee. In the case of those who have joined service after 31.03.2013 and who are currently in service, this procedure should be completed at the latest by 15.02.2014. On receipt of PRAN kit from CRA/CRA-FC, the District Treasury Officer will arrange to forward the kits to the respective DDOs/Appointing authority through the Sub Treasury officer concerned. On receipt of the PRAN kit, the DDO/Appointing Authority will make necessary entry of the Permanent Retirement Account Number (PRAN) in SPARK and distribute the kits among the Officers/Employees without delay. On receipt of PRAN, the Drawing and Disbursing Officer shall start recovery of the NPS contribution as envisaged in the G.O read sixth above.

VIII. The above procedure should be followed by those Officers/Employees who have already forwarded PRAN forms to Finance Department as well.

IX. The State Service Officers appointed to the IAS/IPS/IFS by way of promotion/selection who are already covered under the old pension scheme will continue to be governed by the old pension scheme.

X. The contact details of CRA and CRA-FC are as follows:

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

CENTRAL RECORD KEEPING AGENCY-(FACILITATION CENTERS)

1.Integrated Enterprises(India)Ltd,41/426, "SEEMA", Near Hotel Abad Metro, Rajaji Road, Ernakulam, Kochi.PIN-682035
Phone: 0484-2371494,0484-2384735
E-mail: cochinets@integratedindia.in

2.Alankit Assignments Ltd, A.C.T Chamber, 1st floor, MKK Nair Road, Kochi.PIN-682025
Phone: 9747412862
E-mail: prakashum@alankit.com

3.Karvy Data Management Services Ltd, Cheruparampath Road, 1st Cross Road, Kadavanthra, Ernakulam.PIN-682020
Phone: 0484-2310884
E-mail: tincochin@karvy.com

4. Alankit Assignments Ltd, T.C 40/366, Srinivas & Krishna, 2nd Puthen Street, Thiruvananthapuram. PIN-695009
Phone: 0471-2472888
E-mail: skcatvm@yahoo.co.in

5. Karvy Data Management Services Ltd, Second Floor, Akshaya Tower, Sasthamangalam, Thiruvananthapuram. PIN-695010
Phone-0471-2725989
E-mail: tintvm@karvy.com

The circular read seventh above is hereby cancelled.

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 (G&SSA) Kerala, Thiruvananthapuram.
The Principal Accountant General (A&E), Kerala, Thiruvananthapuram.
The Accountant General (E&RSA), Kerala, Thiruvananthapuram.
All Heads of Department
All Departments and Sections of the Secretariat
The Director of Treasuries, Thiruvananthapuram
The Secretary, Kerala Public Service Commission, Thiruvananthapuram (with CL)
The Registrar, Kerala Administrative Tribunal, Thiruvananthapuram (with CL)
The Registrar, Kerala Lok Ayukta, Thiruvananthapuram
The Secretary, Ombudsman for Local Self Government Institutions, Thiruvananthapuram
The Advocate General, Kerala, Ernakulam (with CL)

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


Section Officer