



GOVERNMENT OF KERALA

Abstract

Pension - Implementation of National Pension System to employees joining service with effect from 01.04.2013 - Orders issued.

FINANCE (PENSION-A) DEPARTMENT

G.O.(P) No. 20/2013/Fin. Dated, Thiruvananthapuram, 07. 01.2013

Read: G.O(P) No. 441/2012/Fin dated 08.08.2012

O R D E R

In accordance with the national pattern adopted by the Central Government and various State Governments, Government vide G.O read above, decided, in principle, that the National Pension System (NPS) shall be introduced with effect from 01.04.2013 which shall be applicable to all appointments made thereafter.

2. Government, after having examined the matter in detail, are pleased to implement National Pension System in the State with effect from 01.04.2013 and issue the following further orders:

- i. The NPS would be mandatory for all appointments made on or after 01.04.2013.
- ii. The NPS will work on a defined contribution basis and will have two Tiers. viz. Tier I and Tier II. Contribution to Tier I will be mandatory for the employees whereas Tier II will be optional and at the discretion of the Government servants.
- iii. In Tier I, the Government servant shall make a contribution of 10% of his / her Basic Pay + Dearness Allowance which will be deducted

from his/ her salary every month by the Treasury Officer / Drawing and Disbursing Officer concerned. Government will also make a matching contribution. The amount so deducted from the salary of the Government servant and the amount of matching contribution will be transferred to a pension account in order to invest the same as per the provisions of Government of India / Pension Fund Regulatory and Development Authority (PFRDA), a statutory body constituted by the Government of India. The entire amount under Tier I (Government servant contribution + matching Government contribution + investment returns) will be kept in a non withdrawable pension Tier I account.

- iv. Tier II contribution will be kept in a separate account that will be made available at the option of the Government servant. Government will not make any contribution to Tier II account.
- v. The pension funds of the Government servants will be managed by Pension Fund Managers (PFMs) nominated by the PFRDA and the records will be maintained by the National Securities Depository Ltd. (NSDL) that functions as the Central Record keeping Agency (CRA) of the Scheme.
- vi. A Government servant can exit at the retirement age from Tier I of the Scheme. At exit, it would be mandatory for him/ her to invest 40% of pension wealth to purchase an annuity which will provide for pension for the lifetime of the individual and his/ her spouse/ dependent parents. The Government servant would receive a lump sum of the

remaining pension wealth, which the individual would be free to utilize in any manner. In case of Government servants who leave the Scheme before attaining the retirement age the mandatory annuitization would be 80% of the pension fund.

- vii. The Scheme will apply to all employees to whom Part III, KSR is applicable.
- viii. It will apply to all PSUs where pensionary benefits as per Part III, KSR are granted .

3. The guidelines, detailed accounting procedure to be followed in the Scheme and necessary amendments to KSR will be issued separately.

By Order of the Governor,
Dr.V.P.JOY
Principal 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 (Audit), Kerala, Thiruvananthapuram
The Accountant General (A&E), 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 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 / Kozhikode / 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 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
The Finance (Budget Wing A/B) Department
All District Treasury Officers/Sub Treasury Officers
The Director, Information and Public Relations, Thiruvananthapuram.
The Nodal Officer, www.finance.kerala.gov.in
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Forwarded/By Order

B. Jayaram

Section Officer