

Dated: Shimla-171002,

11th June, 2010

OFFICE MEMORANDUM

Subject:- Adoption of PFRDA approved New Pension System (NPS) Architecture in Himachal Pradesh and entrusting of Recordkeeping functions in respect of Contributory Pension Scheme(New Pension Systems) to National Securities Depository Ltd. (NSDL) and other related activities to NPS intermediaries.

1. Whereas, the Government of Himachal Pradesh vide notification No. Fin(Pen)A(3)-1/96, dated 15.05.2003 modified the Central Civil Services (Pension) Rules,1972 in its application to the State of Himachal Pradesh and the said rules were made inapplicable to all appointments made in the State of Himachal Pradesh on or after 15.05.2003.

2. And whereas, while making the Central Civil Services (Pension) Rules, 1972 inapplicable to the appointments made on or after 15.05.2003, the intention of the Government was to notify the Defined Contributory Pension Scheme (also called New Pension System) for such Government servants;

3. And whereas, in exercise of the powers conferred by proviso to Article 309 of the Constitution of India, the Governor of Himachal Pradesh was pleased to make the Himachal Pradesh Civil Services Contributory Pension Rule, 2006 for the Government servants of Himachal Pradesh, appointed on or after 15.05.2003;

4. And whereas, Rule 4(28) of Himachal Pradesh Civil Services Contributory Pension Rules, 2006 provides that as and when Pension Fund Regulatory & Development Authority (PFRDA) is constituted by the Government of India, the State Government may modify the orders and issue new directions and regulations for the Contributory Pension Scheme i.e. New Pension System for the State Government employees covered under this scheme;

5. Now, therefore, consequent upon the establishment of the New Pension System Architecture by the Pension Fund Regulatory and Development Authority (PFRDA), which has also been adopted by the Government of India, the Governor of Himachal Pradesh, in exercise of the powers conferred under

Contd..P/2-

Rule 4(28) of the Himachal Pradesh Civil Services Contributory Pension Rules, 2006, is pleased to decide that, notwithstanding anything contained in the rules ibid, the New Pension System Architecture built by PFRDA for promoting old age income security through establishing, developing and regulating pension funds to protect the interests of the subscribers to the Contributory Pension Scheme, shall be applicable to the Himachal Pradesh State Government employees covered by the Contributory Pension Scheme (New Pension System) H.P. The Government of H.P. has signed an agreement with the National Securities Depository Ltd., Mumbai (NSDL) on 24.12.2009 to function as the Central Record-keeping Agency and New Pension System Trust (NPS Trust) on 22.3.2010 to avail the services of other intermediaries under the NPS Architecture for the employees covered by the notification of the State Government dated 15.05.2003, as mentioned at para 1 above.

6. Salient Features of Contributory Pension Scheme (New Pension System)

- (a). Contributory Pension Scheme i.e. New Pension system will work on defined contribution basis and will have two tiers, Tier-I and II. Contribution to Tier-I is mandatory for all Government servants joining Government service on or after 15.5.2003, whereas Tier-II will be optional and at the discretion of Government Servants.
- (b) In Tier-I, Government Servants will have to make a contribution of 10% of Basic Pay, DA and NPA (Where applicable) which will be deducted from his/her salary bill every month by the DDO concerned. Government will also make an equal matching contribution.
- (c) In Tier-I, contribution (and the investment return) will be kept in a non-withdrawal Pension Tier-I Account. Tier-II contribution will be kept in a separate account that will be withdrawable at the option of the Government servant. Government will not make any contribution to Tier-II account.
- (d) The Pension Fund of the Govt. would be managed by the Pension Fund Managers (PFMs) nominated by Pension Fund Regulatory and Development Authority (PFRDA) and records would be maintained by a Central Recordkeeping Agency, i.e. the National Securities

Depository Ltd. (NSDL). The funds of Contributory Pension Scheme (New Pension System) already collected by the State Government and kept in the Public Account would be transferred to the Pension Fund Managers (PFMs).

- (e) Government servant can exit from the Contributory Pension Scheme (New Pension System) on completion of the age of superannuation. At exit, it would be mandatory for him/her to invest 40 percent of pension wealth to purchase an annuity (from an IRDA regulated Life Insurance Company) which will provide for pension for lifetime of the employee and his/her dependent parents/spouse. In case of Govt. servants who leave the Scheme before attaining the age of superannuation, the mandatory annutization would be 80% of the pension Wealth.
- (f) The employees will be able to activate Tier-II account and contribute to Tier –II account only through the Point of Presence (POP) appointed by PFRDA. The list of POPs and their contact details are available in the website of NSDL www.npscra.nsdl.co.in.

7. Functions of Nodal Offices/Officers under New Pension System, Architecture.

- (1) Directorate, Treasuries, Accounts and Lotteries H.P. (DTA)
 - (a) To function as single Point Contact to interface with CRA for all issues relating to NPS architecture.
 - (b) To consolidate DTO registration form and forward it to CRA for registration.
 - (c) Monitor performance of DTOs and DDOs in discharging their responsibilities in CRA System.
 - (d) Monitor the resolution of grievances raised against DTOs.
 - (e) Take necessary action to ensure compliance of DTOs and DDOs with the operation procedure of CRA system.
 - (f) Upload Subscriber Contribution File (SCF) to NPSCAN system. SCF will contain subscriber wise details of pension contribution such as

PRAN, Pay Month and Year, Subscribers contribution amount and Government contribution amount etc.

- (g) After SCF has been uploaded, the DTA will deposit the contribution amount in the Trustee Bank as per SCF uploaded in NPSCAN. This contribution amount will be invested in various schemes of PFM, based on the Scheme Preference of Subscribers for which SCF has been uploaded.

The Central Record Keeping Agency, NSDL has prescribed “*Standard Operating Procedure for Subscribers Contribution Upload*” for State Governments. The DTA will follow the Standard Operating Procedure for uploading of Subscribers data on SCF and Transfer of funds to Trustee Bank. This standard operating procedure may be downloaded from the NSDL website at www.npscra.nsd.co.in.

(2). Distt Treasury Offices/Officers (DTOs)

- (a) Consolidate DDO registration form and forward it to CRA for Registration.
- (b) Facilitate registration of Subscribers by consolidating the applications for allotment of PRAN received from concerned DDOs and forward it to the CRA-FC.
- (c) DTO will, send the Switch Request, New Scheme Preference Request, Withdrawal Request, Request for Change in Subscriber details etc. received from Subscriber to DTA for updation through NPSCAN in the CRA System.
- (d) DTO will raise grievances on behalf of DDOs and the Subscribers.
- (e) DTO will resolve the grievances raised against it by any entities in the CRA system.

(3). Drawing and Disbursing Officers (DDO)

- (a) To obtain the duly filled applications for allotment of PRAN from Subscribers, fill and certify the employment details.
- (b) Consolidate application for allotment of PRAN and forward it to DTO.
- © Distribution of PRAN kit, I-pin, T-pin to Subscribers.
- (d) Forward the Switch Request, New Scheme Preference Request, and Change in Subscribers details request and Withdrawal Request

received from Subscribers to the DTO.

- (e) Providing information to DTO about Subscribers pension contribution.
- (f) Disbursing payment for withdrawal to Subscribers.
- (g) Forward the grievance of the Subscriber to DTO.

8. The charges for maintenance of accounts and other services performed by the National Securities Depository Ltd. (NSDL) i.e. the Central Recordkeeping Agency (CRA) shall be borne by the State Government. The Charges such as fee of Pension Fund Managers (PFM), Trustee Bank (TB) and Custodian (SCHIL), shall be borne by the Govt. servants/Subscribers and such charges will be debited to their Contributory Pension Fund (New Pension Fund) Accounts.

9. The maintenance of accounts of Contributory Pension Scheme by the Accountant General, Himachal Pradesh, Shimla and crediting of the subscribers Contribution, Government Contribution and the interest thereon to the relevant deposit Head of Public account shall continue as per present practice, till the subscribers to whom the PAN have been issued, are registered afresh by the National Securities Depository Ltd.(NSDL) i.e. The Central Recordkeeping Agency (CRA) appointed by the State Government and Permanent Retirement Account Number (PRAN) is issued in their favour by the NSDL. The Subscription data and corresponding contribution amount (contribution of employees and employer) shall be passed on to the CRA (NSDL) and Pension Fund Managers (PFMs) from the appointed date to be fixed by Director, Treasuries, and Accounts & Lotteries H.P. in due course of time. The legacy data shall be reconciled and passed on to the Director, Treasuries, Accounts and Lotteries, HP by the Accountant General, H.P. within one month from the appointed date on the format prescribed by DTA so as to enable the former to pass on data and corresponding contribution to the CRA.

10.. Registration of Nodal Offices/Officers and Subscribers with CRA (NSDL)
In order to operationalise the New Pension System Architecture built by the Pension Fund Regulatory and Development Authority (PFRDA) in

H.P. State, following instructions are issued for registration of Nodal Office/officers and Subscribers:-

- i) Directorate, Treasuries, Accounts & Lotteries, Himachal Pradesh, Shimla in the capacity of DTA, shall register itself with Central Recordkeeping Agency, NSDL through an application for registration in Form N 1. The DTA will also send the registration applications of the DTOs (Distt. Treasury Offices) attached to it, to the CRA (NSDL) after the DTA has been registered with the National Securities Depository Ltd. (NSDL) i.e. the Central Recordkeeping Agency.
- ii) DTO (Distt. Treasury Office) will forward the application for registration in Form N 2 to the DTA. It shall also instruct DDOs to get the applications for allotment of PRAN duly filled from the Subscribers and consolidated the same so that the process of Subscribers registration is initiated once the DTOs/DDOs get registered with the CRA(NSDL).
- iii) The DDOs will have to be registered with Central, Recordkeeping Agency, NSDL on submission of application in Form N 3. However, the DTA will decide the method of Registration of DDOs with the CRA (NSDL). DDOs will be responsible for registration of the Subscribers.
- iv) The employees who have joined the Himachal Pradesh State Government on or after 15.05.2003 and are covered under the Himachal Pradesh Civil Service Contributory Pension Rules, 2006 are eligible for registration under the New Pension System. The existing subscribers, who have been allotted "PPAN" will also be required to get registered under this system by submitting application for allotment of "PRAN" along with the details of "PPAN" allotted. The Subscribers covered under the Contributory Pension Scheme(New Pension System) will have to fill the applications for allotment of "PRAN" as per Form S 1, in duplicate, by providing the necessary details such as name, address, nominee's details

etc. alongwith latest photograph and signatures and submit the same to the DDOs. (Forms N 1,N 2,N 3 and S1 may be downloaded from NSDL website www.npscra.nsdل.co.in by all concerned.) Initially, to operationalise the NPS the subscribers may be registered through soft copy of registration, the date for which shall be sent by the DTA directly to the CRA(NSDL). After regular monthly subscription starts, all the subscribers shall have to send form S1 to the CRA as prescribed above.

- v) In respect of new employees, Recoveries towards Tier-I contribution will start from the salary of the month following the month in which Govt. servant has joined service. No recovery will be made for the month of joining.

11.. The Central Recordkeeping Agency, NSDL has prescribed the “*standard operating procedure for Nodal Offices & Subscribers Registration of State Government*” to be followed by the Nodal offices/officers and Subscribers for registration, verification and consolidation of forms and other incidental activities to be followed by each entity. This *standard operating procedure* may be downloaded from NSDL website www.npscra.nsdل.co.in.

12 General Instructions for operation of Contribution Pension Scheme (New Pension System) under NPS Architecture

- (i) Immediately after joining the government service, each employee of the service will be required to provide particulars such as his/her name, designation, scale of pay, date of birth, nominee(s) for the fund, relationship with the nominee(s) etc. in the prescribed forms i.e. Annexure-I and Form S1. The format of Annexure-1 and Form S1 may be provided by DDO to every new appointee or may be downloaded by the concerned employee from the Treasury, Accounts & Lotteries Department website at [www. Himachal. gov.in/treasury/](http://www.Himachal.gov.in/treasury/)

- (ii) The salary bills in respect of the government servants who are covered under the Defined Contributory Pension Scheme will be prepared by Treasuries on the basis of data supplied by the DDOs, as done now.
- (iii) The DDO would be responsible for getting the physical registration form filled by all Government employees and will send it to the Distt. Treasury Officer. The Distt. Treasury Officers would act as the DTO in the NPSCAN. He would collect the physical registration forms and also fill up own registration form as DTO and send all these filled forms to NSDL. NSDL would process the details and send all the kits to the DTO immediately.
- (iv) On receipt of the Permanent Registration Allotment Number (PRAN), the DTO will send "Contribution Information" to the DTA. The DTA will start regular uploads of SCF on NPSCAN and transfer funds to Trustee Bank.
- (v) The DTA will consolidate contribution information of all subscribers in the State and draw employees contribution on the basis of record received from District Treasury Officers. The DTA would prepare and upload the Subscriber Contribution File (SCF) on CRA system and transfer funds to the Trustee Bank.
- (vi) The DTO would compile Contribution File for the District. The Contribution File will be sent to the DTA. The DTA would compile the information in respect of State and withdraw employees' contribution through cheque. The employer share shall also be withdrawn by the DTA through bill. The DTA will send contribution file and total contribution to CRA (NSDL) and Trustee Bank respectively.
- (vii) For the legacy data, the DTA shall prescribe modalities and format for transfer of legacy data keeping in view the requirements of Subscribers Contribution File (SCF).The Accountant General, H.P. would supply the Subscribers Data

within one month from the date of requisition of data by DTA. Thereafter, DTA will upload the same to NPSCAN and transfer funds to the Trustee Bank.

- (viii). The Contributory Pension Scheme (New Pension System), deductions which are presently shown as AG deductions will be shifted to T.O. deductions from the appointed date.
- (ix). Payments to Trustee bank: The salary bills will be passed by TO/DTO after exercising the checks prescribed under Financial Rules and Treasury Manual. The amount of NPS subscriptions i.e. employees (members) contribution recovered from the salary bills will be shown under the T.O. "Recoveries" column of the salary bill and will be classified under the Head "8342 other Deposits-00-117-Defined Contribution Pension Scheme. "01-Employees Contribution (under Tier-1)' and "02-Government Contribution (under Tier-1)". All District Treasury Officers will compile subscribers' information in respect of their District and send the same to the DTA. DTA will compile information received from all Districts and will draw government contribution. The amount of Government Contribution shall be debited to "2071-Pension and the Other Retirement Benefits-01-Civil-101-Superannuation and Retirement Allowance-04-Contributory Pension Scheme.
- (x) After uploading is completed, DTA will get Transaction ID and he shall remit the amount through RTGS/NEFT/ECS to Trustee Bank. DTA will also ensure that the amount of contributions booked is duly tallied with the Subscriber's Contribution File(SCF) being uploaded in the NPSCAN and the same amount is passed on to the Trustee Bank.
- (xi). The DTO/TO/DDO will have to maintain the Alphabetical Index Registrar in Electronic format or in Hard copy in Annexure-II, wherein they would have to indicate the PRAN numbers allotted to each of the subscriber. The particulars of

remittances of contribution to the Trustee Bank shall be maintained in Annexure-III and individual wise account indicating the amounts of contribution paid to the Trustee Bank and the details of remittance in Annexure-IV.

- (xii) In order to enable NSDL to carry out reconciliation and credit the amounts against the individuals' accounts, DTA will have to ensure that the Registration numbers and the month to which the contributions pertains and Transaction ID in NPSCAN are mentioned in the NFET/RTGS/ECS application form (in the Remarks' column) to be submitted to their banker. Where payments are made through Cheques in favour of the

Trustee Bank, these particulars would have to be furnished on the reverse of the Cheque as well as in the forwarding letter. The time schedule prescribed by the Government will have to be strictly adhered to by DTO/TO/DDO. In case remittance of funds to Bank of India (NPS Trust account) is made through Cheque/Demand Draft, the offices will have to submit the 'Contribution Submission Form' generated from the CRA system along with the Cheque/Demand Draft.

- (xiii) Whenever any member of the service is transferred from one office to another or goes on Central deputation etc, the DTO/TO will indicate in the Last Pay Certificate of the member of the service, the PRAN in respect of that individual and the month up to which his contributions have been recovered/drawn.
- (xiv) The exact procedure for withdrawing employees share by DTO and remitting the same to DTA will be prescribed by the Director, Treasuries, Accounts and Lotteries, H.P. (DTA), separately.

13 The appointed date for transfer of Legacy Data to Central Recordkeeping Agency, NSDL and transfer of Pension Funds to Pension

Fund Managers (PFMs) will be decided separately, by the Director, Treasuries, Accounts and Lotteries, H.P

14. The Director, Treasuries, Accounts and Lotteries, H.P. may also issue necessary clarifications/amendments to these instructions as required from time to time.

15. All the Administrative Departments/Heads of Departments are requested to bring these instructions to the notice of all concerned for immediate necessary action and compliance. The formats of various forms may be downloaded from Director, Treasury & Accounts, & Lotteries website at www.himachal.gov.in/treasury/

16. For more details on Contributory Pension Scheme (New Pension Scheme), please visit PFRDA Website www.pfrda.org.in, CRA (NSDL) Website www.npscra.nsdl.co.in., H.P. Finance (Pension) Department, Website www.himachal.gov.in/finance/ and Director, Treasury, Accounts & Lotteries, H.P. Website www.himachal.gov.in/treasury/

By Order
Principal Secretary (Finance) to the
Government of Himachal Pradesh.

To

All Administrative Secretaries
Government of Himachal Pradesh.

Visit Finance Department- www.himachal.gov.in/finance/

Endst. No. Fin (Pen)A(3)-5/2006,

Dated 11th June, 2010

Copy forwarded to information and further necessary action:-

1. Principal Accountant General (Audit), H.P. Shimla-171003.
2. Accountant General (A&E) Himachal Pradesh, Shimla-171003.
3. Principal Resident Commissioner, Himachal Pradesh, Himachal Bhawan, Sikandra Road, New Delhi.
4. Executive Director, Pension Fund Regulatory & Development Authority, First Floor, ICADR Building, Plot No. 6 Vasant Kunj Institutional Area, Phase-II, New Delhi-110070.
5. Director, National Securities Depository, Ltd. "4th Floor, 'A' Wing" Trade World, Kamala Mills compound, Senapati Bapat Marg, Lower Parel Mumbai-400013.
6. All Divisional Commissioners in Himachal Pradesh.
7. All Heads of Departments in Himachal Pradesh.
8. All Deputy Commissioner in Himachal Pradesh.
9. Registrar General, H.P. High Court, Shimla-171001.

Contd..P/13-

10. All District and Session Judges in Himachal Pradesh.
11. The Controller, Printing & Stationery, Himachal Pradesh, Shimla-171005 for publication in the Gazette of Himachal Pradesh.
12. All Controllers/Joint Controllers (F&A)/Deputy Controllers (F&A) / Assistant Controllers(F&A) / Section Officer (F&A) under the Administrative control of T&A Organization in Himachal Pradesh.
13. All District Treasury Officers/Treasury Officers of sub-Treasuries in Himachal Pradesh.
14. The Registrar, H.P. University, Shimla-171005,Agricultural University Palampur and Horticultural University, Solan.
15. All Managing Directors, Boards and Public Undertakings in Himachal Pradesh.
16. Director Defence Estates, Ministry of Defence, 144/6 Panchkula, Haryana.
17. Cantonment Executive Officer, Jatogh (Shimla)/ Subathu (Solan) Kasauli(Solan) / Yol Cantt.(Kangra) Bakloh (Chamba)/Dalhousie (Chamba), Himachal Pradesh.
18. Commandant Training Centre, SSB Sarahan(Rampur Buser) Dist. Shimla,Himachal Pradesh.
20. Divisional Organiser, Punjab & Himachal Pradesh Division, Directorate of Security, Shimla-4.
21. Deputy Director, Defence Estates and Cantonments Northern Command, Udhampur, Jammu and Kashmir.
22. All Sections of Finance Department , H.P. Secretariat, Shimla-2.
23. In Charge, NIC, H.P. Sectt. Shimla with the request that this order of the state Government may kindly be put on State Website of the Finance Department under the ' Pension Link ' .

Special Secretary (Finance) to the
Government of Himachal Pradesh.