

GOVERNMENT OF ANDHRA PRADESH
FINANCE (PENSION-I) DEPARTMENT

Circular Memo. No.41/01/A2/Pen.I/2012

Dated:18.06.2012

Sub:- NEW PENSION SYSTEM - Contributory Pension Scheme - Operational guide lines for implementation of New Pension System (NPS) for the State Autonomous bodies (SABs)/ Rural and Urban Local Bodies such as the Gram Panchayats, Mandal Parishads, Zilla Parishads, Municipalities, Municipal Corporations Urban Development Authorities, Cooperative and Urban Local Bodies, Zilla Grandhalaya Samsthas, Agriculture Marketing Committees, including all the Universities in the State, including all the Institutions functioning under the Universities - Instructions - Issued.

- Ref:-**
1. G.O.Ms.No.653, Finance (Pen.I) Dept., dated 22-09-2004.
 2. G.O.Ms.No.655, Finance (Pen.I) Dept., dated 22-09-2004.
 3. Letter No.CT/PR/VH/201143617 received from the Executive Vice President NSDL Mumbai, dt. 31-12-2011.
 4. Memo. No. 41/07/A2/PEN.I/2012, dated 23.01.2012.
 5. DTA Lr.No.D.II/CPS/10666/2012, dated 14-02-2012.
 6. Commissioner, APVVP, Lr.No.7193/F2A/2010, dt. 24-02-2012.

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The State Government have introduced Contributory Pension Scheme to the employees recruited on or after 1.9.2004 vide G.O.Ms.No.653, Finance (Pension.I) Department, dated 22-09-2004 on the same lines Government of India's New Pension System. Government have issued guidelines vide G.O.Ms.No.655, Finance (Pen.I) Department, dated 22-09-2004. As per the Guide lines issued for implementation of the Scheme, it is mandatory for each employee who is recruited on or after 01-09-2004 to become members of the Scheme. Each employee shall pay a monthly contribution of 10% of Basic Pay and Dearness Allowance from his salary to the Contributory Pension Scheme and a matching contribution will be made by the Employer. The contribution shall be recovered from the salary of the employee every month. At the time of retirement the employee would be required to invest 40% of Pension wealth to purchase an annuity which will provide Pension for life time to the employee and in the event of his death to his dependent Parents/Spouse. The remaining 60% pension wealth would be paid to the employee at the time of his retirement to utilize in any manner. The Central Government has constituted the Pension Fund Regulatory and Development Authority (PFRDA) to act as a regulator for the pension sector of the entire Nation and also to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto. The PFRDA has appointed the National Securities Depository Limited (NSDL) Mumbai, as the Central Record Keeping Agency to maintain the records of contribution and its deployment in various pension fund schemes for the employees. The SBI, LIC,

and UTI have been selected as Pension Fund Managers (PFMs) for investing the CPS funds. NPS Trust has been set up as Trustee for CPS funds. The Bank of India has been appointed as Trustee bank.

2. The Director of Treasuries and Accounts, AP, Hyderabad on behalf of Government of Andhra Pradesh entered agreements with the CRA i.e. NSDL on 21.11.2008 and NPS Trust on 15.09.2009. Nodal Officers such as DDOs have to deduct CPS contributions from monthly pay bills of employees. The Treasury Offices (DTOs/STOs) have to upload the CPS contributions to the CRA i.e., NSDL and corresponding amounts have to be transferred to Trustee Bank i.e. the Bank of India (BOI). From the Pension Trust, the funds transferred to the Pension Fund Managers for investing the funds in various schemes.

3. In accordance with the norms of the Central Record Keeping Agency i.e. National Securities Depository Limited (NSDL), the Employees and all the Nodal officers of the State, who have to make transactions of CPS, are necessarily be registered with NSDL by submitting relevant forms. The DTA on the day of agreement executed, the N1 form has submitted and have got registered. Subsequently, DTA registered all the DTOs/PAOs (387) with NSDL by forwarding N2 form. Subsequently, out of a total of 35,594 DDOs, 34,456 DDOs were registered with the NSDL by submitting N3 form. So far 1,29,000 employees were registered with the NSDL by submitting form S1 to the NSDL. The Treasury Officers are uploading the contributions to the individual accounts of the employees.

4. The Executive Vice President, NSDL, Mumbai, in the reference 3rd cited has requested to issue procedural instructions for implementation of NPS for State Autonomous Bodies (SABs) and consider for appointing a single department or an office which will serve as an oversight office for all the SABs of the State for providing the necessary guidance and support during the registration, contribution upload and fund transfer towards successful implementation of NPS. The oversight office may thus serve the dual function of monitoring and necessary handholding on the policy front. Further, the NSDL has assured the State Government to assist further in formulation of implementation/operational guidelines and also in deciding important aspects related to model for transfer of contribution information and funds as well as billing modalities related to CRA service charges.

5. According to orders issued in G.O.Ms.No.653, Finance (Pen.I) Department, dated 22-09-2004, the New Contributory Pension Scheme will apply to all the employees who are recruited on or after 01-09-2004 and whose pay and allowance are drawn from the Consolidated Fund of the State, including all the new recruits of all the tiers of all the Rural and Urban Local Bodies such as the Gram Panchayats, Mandal Parishads, Zilla Parishads, Municipalities,

Municipal Corporations, Urban Development Authorities, Cooperative and Urban Local Bodies, Zilla Grandhalaya Samsthas, Agriculture Marketing Committees, including all the Universities in the State, including all the Institutions functioning under the Universities, who pay and allowances are drawn from the Consolidate Fund of the State or not. The Organizations covered under the A.P. Revised Pension Rules, 1980, the NPS is applicable. Where the Pension Scheme does not exist, for such of those organizations this scheme is an optional only.

6. The Director of Treasuries and Accounts has stated that necessary instructions have to be issued to all concerned of the above organizations have to be registered with NSDL through DTA, duly forwarding N2 and the form N3. The DTA will function as facilitator for this. After this, each DDO under the treasury has to be registered even though the DDO and DTO could be the same. The NSDL architecture will allow this scenario. After this the individual employee has to be registered with the NSDL in form No.S1 by the respective DDOs. Since this is a new scheme, the Offices of above organizations do not have the necessary expertise to migrate to this scheme and involves a lot of IT implementation. So, all the District Treasury/Sub-Treasuries shall be instructed to give adequate support in filling of the form and operating the scheme. It is also necessary that the District Treasury/Sub-Treasuries shall guide all concerned about the upload of files and payment through RTGS. After obtaining the necessary registrations with NSDL, the employees of State Autonomous bodies are eligible for applying PRAN Numbers from NSDL by submitting the S1 Forms through their organizations.

7. Therefore, Government after careful consideration of the matter hereby direct all the Heads of Departments/Heads of State Autonomous Bodies/ all the Executive Officers of Rural and Urban Local Bodies such as the Gram Panchayats, Mandal Parishads, Zilla Parishads, Municipalities, Municipal Corporations, Urban Development Authorities, Cooperative Bodies, Zilla Grandhalaya Samsthas, Agriculture Marketing Committees, including all the Universities in the State, including all the Institutions functioning under the Universities, whose pay and allowances are drawn from the Consolidate Fund of the State or not for implementation of the New Contributory Pension Scheme in respect of employees who were recruited on or after 01-09-2004 in their organizations and get registered their DDOs and Officers concerned with the NSDL by submitting relevant forms such as N2, N3, N5 and N6 and form S1 for the Subscribers. The Director of Treasuries and Accounts, Deputy Directors of District Treasuries and all Treasury Officers in the State shall provide the necessary guidance and support during the registration, contribution upload and fund transfer towards successful implementation of NPS and extend their cooperation to the officers of said organizations for implementation of NPS.

8. The Director of Treasuries and Accounts being Nodal Officer for implementation of NPS in the State of Andhra Pradesh he will be act as facilitator to the all the above organizations. Any further information or assistance required in this regard, the officers concerned may contact the Director of Treasuries and Accounts, Andhra Pradesh, Hyderabad and the National Securities Depository Limited, Mumbai and Pension Fund Regulatory Authority, New Delhi

9. The Departments of Secretariat and all Heads of Departments are requested to strictly monitor the implementation of NPS in the organizations under their control and review the progress from time to time and furnish reports monthly wise to the Nodal Officer i.e. Director of Treasuries and Accounts and to the Finance (Pension.I) Department.

Dr. D.SAMBASIVA RAO
PRINCIPAL SECRETARY TO GOVERNMENT (FP)

To
All the Departments of Secretariat.
All the Heads of Departments.
The Director of Treasuries and Accounts, A.P., Hyderabad.
The Pay and Accounts Officer, Hyderabad.
The Director of Works and Accounts, A.P., Hyderabad.
All the State Autonomous Bodies through concerned Departments of Secretariat.
The Executive Officer, TTD, Tirupathi.
The Commissioner of Andhra Pradesh Vaidya Vidhana Parishad, Koti, Hyderabad.
The Managing Director, A.P. GENCO/ TRANSCO, Vidyut Soudha, Hyderabad.
The Managing Director, Andhra Pradesh Pollution Control Board, Sanathnagar, Hyderabad.
The Commissioners of Municipal Corporation, Greater Hyderabad, Vijayawada, Greater Visakhapatnam, Warangal, Kurnool, Rajahmundry, Guntur, Nellore, Kakinada, Eluru, Nizamabad Karimnagar and Kadapa.
The Registrar, Andhra University, Visakhapatnam, Dravidian University, Kuppam, Acharya N. G. Ranga Agricultural University, Andhra Pradesh, Hyderabad, Dr. B. R. Ambedkar Open University, Hyderabad, Acharya Nagarjuna University, Guntur, Jawaharlal Nehru Technological University, Hyderabad, Kakinada and Ananthapur, Kakatiya University, Warangal, Maulana Azad National Urdu University, Hyderabad, Osmania University, Hyderabad, Potti Sreeramulu Telugu University, Hyderabad, Sri Venkateswara University, Tirupati, Sri Padmavathi Mahila University, Tirupati, Sri Krishnadevaraya University, Anantapur, NTR University of Health Sciences, Vijayawada, Yogi Vemana University, Kadapa, Telangana University, Nizamabad, Adikavi Nannaya University, Rajamundry, Nizam Institute of Medical Sciences, Hyderabad, Sri Venkateshwara Institute of Medical Sciences & University, Tirupathi, Sri Venkateshwara Veterinary University, Tirupathi, Rashtriya Sanskrit Vidya Petha, Tirupathi.
The Vice Chairman, A.P. Housing Board, Hyderabad.
All the Chief Executive Officers of Zilla Praja Parishads.
All the District Panchayat Officers.
All the District Educational Officers.
All the Secretaries of Agricultural Market Committees through Director of Marketing.
All the Commissioners/ Special Officers of Municipalities through the Commissioner of Municipalities.
SF/SC

//FORWARDED::BY ORDER//


SECTION OFFICER