

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3025

ANSWERED ON:12.08.2005

PENSION REFORMS

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Will the Minister of FINANCE be pleased to state:

- (a) details of the States that have adopted the New Pension Scheme (NPS);
- (b) total amount accumulated in the fund under the National Pension Scheme (NPS) till date as a result of introduction of the system by the Central Government;
- (c) the current liabilities of the Central and State Governments due to National Pension Scheme;
- (d) the number of employees of the Central and State Governments who joined the National Pension Scheme;
- (e) the estimated increase in expenditure of the Central Government or NPS;
- (f) plans of the Government to finance the system;
- (g) whether the National Pension Scheme will be made available to the unorganized sector; and
- (h) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) As per available information, the State Governments of Tamil Nadu, Andhra Pradesh, Rajasthan, Himachal Pradesh, Manipur, Chhattisgarh, Jharkhand, Madhya Pradesh, Gujarat, Goa, Uttar Pradesh and Assam have notified defined contribution pension schemes.

(b) to (e) Comprehensive data is not available with the Controller General of Accounts (CGA), however, as per available information, upto June 2005, Rs.75.82 crores has been reported as the accumulation by Central Civil Ministries including Defence (Civil), but excluding the Ministry of Railways and the Departments of Posts and Telecommunications. This includes Government's contribution but excludes the interest accrued thereon. Their liabilities on account of Government's contribution and interest on accumulation @ 8% per annum is approximately Rs. 5.79 crores per month. The number of Central Government entrants to the NPS as reported by these Ministries upto February 2005 is 40,617 which is an underestimate, as it excludes Railways, Posts and Telecom. Since the institutional architecture of the NPS is not yet established, States cannot be connected with the Central Recordkeeping Agency of the Central Government and, therefore, information regarding new entrants and total accumulations is not available with the Central Government.

f) The matching contribution by Government in respect of new Government employees covered under the NPS will be met from budgetary provisions. It is envisaged that once the full architecture of the NPS is put in place, contributions and accumulations will be invested by pension funds as per investment guidelines framed by the Regulator and returns will be earned as per the choice of scheme by the subscriber.

(g) & (h) The NPS will also be available on a voluntary basis, to all persons including self-employed professionals and others in the unorganised sector, once the full architecture of the NPS is in place.