Fax/WAN Message

To: All SSB Units

From: Pers-V/Org Branch, FHQ.

No. 1/138/SSB/Pers-V/2013(193)/315-21 Dated: 31/10/17

Message for all SSB personnel appointed on or after 01.01.2004 and covered under NPS. A detailed proposal for providing Choice to the Central Govt. Employees under National Pension System (NPS) has been uploaded on SSB website (ssb.nic.in) under ‘New Initiatives’. Request go through the said proposal and intimate their consent/agreement through MySSB Mobile App or through e.mail (e.mail ID: npssbhwq@gmail.com) within 05 days. If no response is received within the period, it will be presumed that the personnel are agreed with the proposal.

[Signature]
Assistant Director (Pers-V)

Copy to:-

1. The Assistant Director (CC), FHQ – A copy of above mentioned proposal (03 pages) is sent herewith with the request to upload the same on SSB website accordingly please.

2. The Nodal Officer, MySSB App, FHQ with the request to send above message to all SSB personnel appointed on or after 01.01.2004 and covered under NPS.

3. The In-Charge, EDP Cell, FHQ with the request to send above message to all SSB personnel appointed on or after 01.01.2004 and covered under NPS.

4. The Assistant Director (Pers-I), (Pers-III), (Estt), FHQ for information and necessary action please.

[Signature]
Assistant Director (Pers-V)
PROPOSAL FOR PROVIDING CHOICE TO THE CENTRAL GOVERNMENT EMPLOYEES UNDER NATIONAL PENSION SYSTEM (NPS) - REGARDING

National Pension System (NPS) for government employees (joining service on and after 01.01.2014) is being administered by PFRDA, a statutory Authority vide the Govt. notification dated 01.02.2014. The NPS has been under implementation for nearly 10 years now. Consequent to the PFRDA Act coming into force on February 1, 2014, a number of Regulations have been put in place by the PFRDA under the provisions of PFRDA Act. These Regulations provide the statutory framework for the sound and orderly growth of the pension sector, besides empowering the PFRDA to effectively regulate all the intermediaries under the NPS.

The PFRDA Regulation governs the activities of all the intermediaries, including their registration, management and overall conduct of affairs, through an elaborate system of inspection, reporting and periodic audits. The authority oversees the implementation of the NPS in all its aspects and has taken a number of measures of effective implementation of the scheme in the best interest of the subscribers.

In the present form of the Administration the Government employee does not have a choice in the administration of the accumulated corpus with reference to either the selection of the Fund Manager or the investment pattern. This is decided by the Government. As decided by the Government, the pension funds of the Central Government employees are currently being allocated among the three public sector pension funds (UTI PFM, SBI PFM, LIC PFM) in the ratio of their returns. The investment pattern for the Central government employees is also stipulated by the Government, having a preponderance of fixed income securities, which can currently go upto 95% while the maximum exposure in Equities is restricted to 15%.

PFRDA now proposes to provide choice to the Central Government employees for (i) selecting their investment options as available to the private citizens under the NPS and (ii) allowing them to place their funds across all Pension Fund Managers(PFMs), including in the private sector.

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• Scheme G, where 100% of the funds shall be invested in Government Securities.
• Existing choice of CG/SG scheme being the default scheme for both existing and new subscribers will continue.

• The Govt. subscribers shall be allowed the option of all pension funds including Private sector Pension Funds.
• However, a combination of Public Sector of Pension Funds as per the existing practice will be available as the default option for both existing and new subscribers.

   It is pointed out in this regard that providing choice to the Govt. employees regarding fund managers and investment pattern will not only help them maximize their returns and there by building a larger retirement corpus but it will also bring competition among fund manager. Therefore, MHA has proposed to agree to the proposal of PFRDA for extending in choice to Govt. employees for (i) selecting their investment options as available to the private citizens under the NPS and (ii) allowing them to place their funds across all Pension Fund Managers (PFMs), including in the private sector subject to PFRDA taking initiatives to address the following issues.

   (i) Creating awareness about the market risk and opportunities that come with increase exposure of equities.
   (ii) The process for exercising the purposed choice should be simple and easy to understand.
   (iii) PFRDA ensures availability of all relevant information to the Govt. employees for making a uniformed choice regarding Fund Managers as well as investment patterns.
   (iv) PFRDA ensures that the functioning of the fund managers is completely transparent and may have regulating mechanism to ensure that the fund managers do not indulge in risky equity exposure.

   All SSB personnel, who are joined service on or after 01.01.2004 and covered under NPS are requested to go through the above proposal and intimate their consent/agreement through e.mail (e.mail ID : nppssbbihq@gmail.com) or MySSB Mobile App within 05 days for further intimation to MHA accordingly.

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