

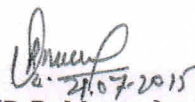
No. 3/1/2015-O&M/181
Government of India
Central Water Commission

Room No. 326(S), Sewa Bhawan,
R.K.Puram, New Delhi-110066,
Dated 21st July, 2015

OFFICE MEMORANDUM

Subject: Settlement of pension and gratuity matters of the officials who joined NPS on or after 01.01.2004

A copy of Pension Fund Regulatory and Development Authority letter No. PFRDA/30/1/1 dated 23rd June .2015 alongwith its enclosure on the subject mentioned above is circulated for guidance.


(D.R. Meena)
Under Secretary
Tel.: 26711031

Copy to:

1. PPS to Chairman, CWC
2. P.S. to Member (D&R),/ Member (WP&P) / Member(RM), CWC
3. All Chief Engineers (including field formartions), CWC
4. Director (E-1) / Director (E-2) / Director (Admn.) / Secretary, CWC
5. Director, S.M.Dte., CWC for uploading on CWC website.
6. Accounts Officer, CWC
7. All Under Secretaries, CWC
8. Guard File, O&M Section, CWC





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Pension Fund Regulatory
& Development Authority
1st Floor, ICADR Building,
Plot No. 6, Vasant Kunj
Institutional Area, Phase - II,
New Delhi - 110070
Tel : 011 26897948/26897949
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File No. PFRDA/30/1/1

23 June 2015

Shri. Anup Kumar Srivastava
Secretary, CWC & Grievance Officer
Room No. 313(S), Sewa Bhavan, RK Puram
New Delhi 110 606

Subject: Settlement of pension and gratuity matters of the officials who joined NPS on or after 01.01.2004.

Sir,

This has reference to your letter dated 8.06.2015 and received in PFRDA on 15.06.2015 on the above mentioned subject point wise reply of your queries has been provided below:

For settlement of NPS accumulation at the time of retirement: You are requested to kindly refer to the PFRDA (Exit & Withdrawal under NPS) Regulations 2015 dated 11.05.2015 (available in PFRDA website) wherein it is mentioned that :

- i. If the subscriber attain the age of superannuation as prescribed by the service rules applicable to him or her, retires, then at least forty per cent. Out of accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum.
- ii. If accumulated pension wealth is less than equal to sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity.
- iii. For resignation cases, subscriber may be sensitized that PRAN is portable across all jobs and locations hence withdrawals may not be insisted. If subscriber wants to exit NPS , for this exit regulations may be referred.

2. PFRDA monitors and regulated National Pension System (NPS) only. Any additional benefits, like gratuity etc. over and above NPS are sole prerogative of the Govt. and therefore may be taken up with the concerned Ministry.

Pr. go. H. E. &
disadv.

30.6.15

Secy, cwc

USC(EM) / AO - air

Circulate - Director (E.II), CWC, Room No. 413(S), Sewa Bhavan, RK Puram, New Delhi 110 606

Yours faithfully,

R. Sharma
(Rakesh Sharma)
General Manager

- (g) "government sector subscriber" means a subscriber enrolled in the National Pension System through the nodal offices of the Central Government or the State Governments and registered as such with the central recordkeeping agency;
- (h) "National Pension System-Lite" means a feature of optimized group model of National Pension System for persons belonging to unorganized sector of which the National Pension System-Swavalamban is a component where Government of India co-contribution is admissible;
- (i) "Permanent Retirement Account Number (PRAN)" means a unique identification number allotted to each subscriber by the central recordkeeping agency;
- (j) "Swavalamban subscriber" means a subscriber who is registered as such with the central recordkeeping agency under the National Pension System and where Government of India co-contribution is admissible;
- (2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings assigned to them in the Act.

CHAPTER II

EXIT FROM NATIONAL PENSION SYSTEM

For the purpose of exit from the National Pension System, the subscribers are categorized and defined as, (1) Government sector, (2) All citizens including corporate sector and (3) NPS- Lite and Swavalamban subscribers. The exit regulations specified hereunder shall apply accordingly to the category to which the subscribers.

3. Exit from National Pension System for government sector subscribers.-A government sector subscriber shall exit from the National Pension System in the manners specified hereunder, namely:-

(a) Where the subscriber who, upon attaining the age of superannuation as prescribed by the service rules applicable to him or her, retires, then at least forty per cent. out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that,-

(i) the following shall be the default annuity contract that will be applicable and wherein the annuity contract shall provide for annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity and upon the demise of such subscriber, the annuity be re-issued to the family members in the order specified hereunder at a premium rate prevalent at the time of purchase of such annuity by utilizing the purchase price required to be returned under the annuity contract (until all the family members in the order specified below are covered) :

- (a) living dependent mother of the deceased subscriber;
- (b) living dependent father of the deceased subscriber.

After the coverage of all the family members specified above, the purchase price shall be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber, as may be applicable;

the subscriber who wishes to opt out of the default option mentioned above and wishes to choose the annuity contract of his choice from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option.

(ii) where the subscriber does not desire to withdraw the balance amount, after purchase of mandatory annuity, such subscriber shall have the option to defer the withdrawal of the lump sum amount until he or she attains the age of seventy years, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of superannuation to the National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose;

(iii) where the subscriber desires to defer the purchase of annuity, he or she shall have the option to do so for a maximum period of three years from the date of attainment of age of superannuation, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of superannuation to the National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose. It shall be a condition precedent to opt for such deferment of annuity purchase that in case if the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, the annuity shall mandatorily be purchased by the spouse (if any) providing for annuity for life of the spouse with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order of preference provided hereunder at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until all the members given below are covered):-

- (a) living dependent mother of the deceased subscriber ;
- (b) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children legal heirs of the subscribers as applicable;

(iv) where the subscriber desires to defer the withdrawal of lump sum amount or, the purchase of annuity, the subscriber shall be allowed to do so, provided the subscriber agrees to bear the maintenance charges of the Permanent Retirement Account, including the charges payable to the central recordkeeping agency, pension fund, Trustee Bank or any other intermediary, as may be applicable from time to time;

(v) where the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than a sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity and upon such exercise of this option, the right of such subscriber to receive any pension or other amount under the National Pension System or from the government shall extinguish;

(b) where the subscriber who, before attaining the age of superannuation prescribed by the service rules applicable to him or her, voluntarily retires or exits, then at least eighty per cent. out of the accumulated