

Government of West Bengal
Finance Department
Audit Branch

Memo No. 1877-F(Y)

Dated, 21st June, 2021

Notification

Subject:- Extension of facility to the NPS subscribers of the State to change the Pension Fund Manager and also the Asset-Equity ratio (Investment Pattern) of the subscriptions from the Default combination

With a view to implementing Government of India's New Pension Scheme for All India Services (AIS) Officers in the West Bengal Cadre who joined the All India Services on or after 01.01.2004, procedure for implementation of the NPS was prescribed in detail in this Department's Notification No. 1069 - F(Y) dated 03.02.2012 as per guidelines contained in O.M. No 5/7/2003 - ECB & PR dated 22.12.2003 of Ministry of Finance (Department of Economic Affairs)

Further in terms of this Department's Notification No. 5332 - F(Y) dated 05.10.2016, the New Pension Scheme, as announced by the Government of India, was made applicable to the Central Government Employees other than AIS officers and the State Government Employees of other states working on deputation to this state, who were covered under NPS

In partial modification of para 1(v) of the Ministry of Finance's Gazette Notification No 5/7/2003 - ECB & PR dated 22.12.2003, the Central Government under Gazette Notification No. bearing F. No. 1/3/2016 - PR dated 31.01.2019 introduced, *inter alia*, following amendments to their earlier notification dated 22.12.2003 regarding choice of both Pension Fund and Investment Pattern to be extended the NPS subscribers:-

1) Choice of Pension Fund:-

As in the case of subscribers in the private sector, the Government subscribers may also be allowed to choose any one of the pension funds including Private Sector pension funds. ***They could change their option once in a year.*** However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

2) Choice of Investment Pattern:-

The following options for investment choices may be offered to Government employees:-

(a) The existing scheme in which funds are allocated by the PFRDA among the three Public Sector Undertaking fund managers based on their past performance in accordance with the guidelines of PFRDA for Government employees may continue as default scheme for both existing and new subscribers.

(b) Government employees who prefer a fixed return with minimum amount of risk may be given an option to invest 100% of the funds in Government securities (Scheme G)

(c) Government employees who prefer higher returns may be given the options of the following two Life Cycle based schemes:-

(A) Conservative Life Cycle Fund with maximum exposure to equity capped at 25% - LC - 25.

(B) Moderate Life Cycle Fund with maximum exposure to equity capped at 50% - LC - 50.

The Government subscribers may exercise one of the above choices of Investment pattern twice in a financial year.

3) Implementation of choices to the legacy corpus:-

Transfer of huge legacy corpus in respect of the Government subscribers from the existing Pension Funds is likely to affect the market and it may be practically difficult for the PFRDA to allow the Government subscribers to change the Pension Funds or investment pattern in respect of the accumulated corpus in one go. **Therefore, for the present, change in the Pension Funds or investment pattern is allowed in respect of the incremental flows only.**

4) Transfer of Legacy corpus in reasonable time frame:-

PFRDA shall draw up a scheme for transfer of accumulated corpus as per new choices of Government subscribers in a reasonable time frame of say five years. **Once PFRDA draws up this scheme, change in Pension Funds or investment pattern shall be allowed in respect of the accumulated corpus in accordance with that scheme.**

Pursuant to these amendments introduced by the Central Government, PFRDA notified them under circular no. PFRDA/17/08/11/0031/2017-SUP-SG dated 01.06.2020 and clarified that the State Governments are free to adopt the provisions of the said Gazette Notification of Government of India on their own volition, based on their own internal approvals and notification, without seeking the Authority's approval.

In view of the amendments introduced by the Government of India and the clarifications from the PFRDA and after careful consideration of the matter, the Governor has been pleased to decide that, henceforth these amendments in New Pension Scheme relating to choice of Pension Fund and Investment pattern, as introduced by the Central Government under Gazette Notification No. bearing F. No. 1/3/2016 - PR dated 31.01.2019 and notified by PFRDA under circular no. PFRDA/17/08/11/0031/2017-SUP-SG dated 01.06.2020, will be extended to the All India Services (AIS) Officers in the West Bengal Cadre who joined the All India Services on or after 01.01.2004 as well as to the Central Government employees (other than AIS officers) and State Government employees of other States working on deputation to this Government.

The Governor has further been pleased to decide that the Director of Treasuries & Accounts shall continue to act as the State Nodal Officer (SNO) for implementation of NPS with all its abovementioned amendments and for execution of the option already exercised as well as those to be exercised by the state NPS subscribers pursuant to these amendments.

All other provisions laid down in this Department's Notification No. 1069 - F(Y) dated 03.02.2012 and No. 5332 - F(Y) dated 05.10.2016 regarding and applicability of the New Pension Scheme will remain applicable to the All India Services (AIS) Officers in the West Bengal Cadre who joined the All India Services on or after 01.01.2004 as well as to the Central Government employees (other than AIS officers) and State Government employees of other States working on deputation to this Government.

This notification shall take immediate effect.

The A.G (A&E), W.B is being informed.



Principal Secretary to the
Government of West Bengal

Copy forwarded for information and necessary action to:

1. Principal Accountant General (A&E), West Bengal, Treasury Buildings, 2, Government Place West, Kolkata – 700001.
2. Principal Accountant General (Audit), West Bengal, Treasury Buildings, 2, Government Place West, Kolkata – 700001.
3. Accountant General (Receipt Works & Local Bodies Audit), West Bengal, CGO Complex, 3rd MSO Building, 5th Floor, Block DF, Sector I, Salt Lake, Kolkata – 700064.
4. Additional Chief Secretary / Principal Secretary / Secretary, _____
_____ Department.
5. Special Secretary/Additional Secretary/Commissioner/Joint Secretary/Deputy Secretary, Finance Department.
6. Financial Advisor, _____ Department.
7. Director, _____
8. Director of Treasuries & Accounts, West Bengal, Mitra Building, 8, Lyons Range, 3rd Floor, Kolkata – 700001.
9. Pay & Accounts Officer, Kolkata Pay & Accounts Office-I, 81/2/2, Phears Lane, Kolkata – 700012.
10. Pay & Accounts Officer, Kolkata Pay & Accounts Office-II, P-1, Hyde Lane, Kolkata – 700073.
11. Pay & Accounts Officer, Kolkata Pay & Accounts Office-III, Suvanna, SGO Complex, Sector I, Salt Lake, Kolkata – 700064.
12. Commissioner, _____ Division, _____
13. District Magistrate / District Judge / Superintendent of Police, _____

14. Sub-Divisional Officer, _____
15. Treasury Officer, _____

16. Block Development Officer, _____
17. Group ____ / _____ Branch, Finance Department.
18. Sri Sumit Mitra, Network Administrator, Finance (Budget) Department. He is requested to upload copy of this order in the website of Finance Department.


Deputy Secretary to the
Government of West Bengal