

NOTE ON CONTRIBUTORY PENSION SCHEME

1. **Introduction:** Vide G.O.Ms.No.653 Finance (Pen-I) Dept. Dt:22.09.2004, State Government have introduced CPS to all the employees recruited on or after 01.09.2004 on the same lines of Government of India's New Pension System. The scheme is applicable to all the organizations covered under A.P. Revised Pension Rules, 1980. Accordingly, each employee who is recruited on or after 01.09.2004 shall pay a monthly contribution of 10% of the basic pay and DA from the salary and State Government will make a matching contribution for each employee who contributes to the scheme.

2. **PFRDA :** The Central Government has constituted the Pension Fund Regulatory and Development Authority (PFRDA) to act as regulator for the pension sector of the entire Nation and also to protect the interest of the subscribers of pension fund and for matters connected herewith or incidental thereto.

3. **NSDL (CRA) :** The PFRDA has appointed the National Securities Depository Limited (NSDL), Mumbai as the Central Record Keeping Agency (CRA) to maintain the records of Contribution and its deployment in various pension fund schemes for the employees.

4. **Pension Fund Managers (PFMs) :** The SBI, LIC and UTI have been selected as Pension Fund Managers (PFMs) for investing the CPS funds at the rates of 40%,31% and 29% respectively. NPS Trust has been set up as Trustee for CPS funds and the Bank of India has been appointed as Trustee Bank.

5. **Final payment procedure :** At the time of retirement, the employee would be required to invest 40% of the pension wealth to purchase an annuity which will provide pension for life time to the employees 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.

6. **Clarification regarding payment of Family pension to the spouse of CPS employee while in service :** Family pension under New Pension Scheme shall be paid in death cases provisionally pending framing of rules regulating such cases and the payment made on such a provisional basis shall be adjusted against the payment to be made in accordance with the new rules to be framed. Thus, the adjustment of the payment arises only after Government announces the Rules regulating such cases under New Pension Scheme.

7. **Role of DTA :** The DTA, AP, Hyderabad on behalf of Govt. of A.P. entered into an agreement 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 contribution from the monthly pay bills of employees. The treasury Officer have to upload the CPS contributions to the CRA i.e. NSDL and the corresponding amounts have to be transferred to Trustee bank i.e Bank of India. From the Pension Trust, the funds transferred to the Pension Fund Managers for investing the funds in various schemes.

8. **Registration Procedure :** As per NSDL norms, the employees and the nodal officers of the state who have to make transactions of CPS are necessarily be registered with NSDL by submitting relevant forms. Initially, DTA by submitting N1 form has got registered with NSDL and subsequently registered all the DTOs/PAOs with NSDL by submitting N2 forms. Subsequently, DDOs were registered with NSDL by submitting N3 forms. For employees registration with NSDL, each employee has to submit S1 form to NSDL.

9. **CPS applicability to State Autonomous Bodies:** Government vide Circular Memo No.41/01/A2/Pen.I/2012 Dt:18.06.2012 have issued operational guidelines for implementation of CPS for the State Autonomous bodies and all other institutions whose pay and allowances were drawn form Consolidated fund of the State or not but covered under A.P.R.P.Rules, 1980. The DTA will function as facilitator and the organizations have to be registered with NSDL through DTA by forwarding N2 and N3 forms. After this each DDO under the treasury has to be registered with NSDL by submitting N5 and N6 forms. For subscribers registration S1 form has to be submitted for allotment of Permanent Retirement Account Number (PRAN).

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Guidelines for filling N2 form

1. DTO Registration No - Not to be filled
2. DTO AIN No:- Not to be filled
3. Name of the Office –To be filled with concerned institution name- School/College/Zonal Office.
4. Office Address- To be filled, with concerned Institution address
5. Phone No:- To be filled-The concerned School/college/Zonal Office phone no both land line/cug.Fax no. :- To be filled if available
6. Official Email ID::- To be filled with Official Email ID of Principals/Zonal Officers.
7. Authorized contact persons designation-Designation of the DDO concerned Principal/Zonal Offices Designation.
8. Existing DTO Code:- Not to be filled.
9. DTA registration No:-Not to be filled.
10. Name of the State Government:- Andhra Pradesh
11. DTO Stamps Signature:-DDO stamp with signature of DDO i.e., Principal /Zonal Officers stamp.
12. Bank Details: - To be filled with Bank particulars of school/college/Zonal Officers under salaries.
13. Signature of authorized signatory of DTO:- DTO stamp box to be filled by stamping DDO stamp & Name, Designation columns to be filled-by Principal/zonal officers.
14. DTA stamp and Name & designation: - Not to be filled.
15. Web address from where the N3 form can be downloaded is www.npscra.nsdل.co.in.

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Guidelines for filling N3 form

1. DDO Registration No:- Not to be filled
2. DDO TAN No:-To be filled
3. Name of the DDO Office:- To be filled with name of the school/college/zonal Office concerned.
4. DDO address:- to be filled-with concerned school/college/zonal office address.
5. Phone no:- To be filled-The concerned School/college/Zonal Office phone no both land lane/cug.
6. Official Email ID:- To be filled with Official Email ID of Principals/Zonal Officers.
7. Authorized contact persons designation:-Designation of the DDO concerned Principal/Zonal Offices Designation.
8. Name of the Department:-Social welfare
9. Name of the Ministry:- Minister for Social Welfare
10. Existing DDO code:- To be filled with the number allotted by the Treasury which is used while making challan remittance by the Principals/Zonal Officers.
11. DTO registration numbers:- Not to be filled.
12. Name of the State Government:- Andhra Pradesh
13. DDO stamp & DTO Stamp:- Both to be attended by the DDO concerned duly affixing stamp, signature & Name Principal/Zonal Officers concerned.
14. DTO Reg. No. (Allotted by CRA) –Not to be filled.
15. Web address form where the N3 form can be downloaded in **www.npscra.nsd1.co.in**.

FINANCE OFFICER