

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1505

TO BE ANSWERED ON 14th MARCH, 2023 (TUESDAY)/ 23 PHALGUNA, 1944 (SAKA)

STATES ADOPTING NATIONAL PENSION SCHEME

1505. Shri Ram Nath Thakur

Will the Minister of Finance be pleased to state:

- (a) the states which have implemented the National Pension Scheme;
- (b) the liability along with interest payable towards OPS by the employees of the States implementing the said scheme;
- (c) the names of OPS implementing States that are demanding deposits;
- (d) the action taken by Government to give deposits under OPS so that the employees can be benefitted; and
- (e) whether Government is considering re-implementation of OPS on the lines of those States?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a) and (b) The National Pension System (NPS) was introduced by the Government of India vide notification dated 22.12.2003 to replace the defined benefit pension system by defined contribution pension scheme in order to provide old age income security in a fiscally sustainable manner and to channelize small savings into productive sectors of the economy through prudential investments. It was made mandatory for all new recruits to the Government service (except armed forces) with effect from 01.01.2004, and has also been rolled out for all citizens with effect from 01.05.2009, on voluntary basis. As informed by the Pension Fund Regulatory and Development Authority (PFRDA), 26 State Governments except the State Government of Tamil Nadu and the State Government of West Bengal, have notified and implemented NPS for their employees. As such liability under Old Pension Scheme (OPS)- a defined benefit pension system- is an unfunded liability of State Government, which will be met from their future revenues.

(c) and (d) The State Governments of Rajasthan, Chhattisgarh, Jharkhand, Punjab, and Himachal Pradesh have informed the Central Government/PFRDA about their decision to restart Old Pension Scheme (OPS) for their State Government employees, and have requested refund of corpus accumulated under NPS. There is no provision under Pension Fund Regulatory and Development Authority Act, 2013 read along with PFRDA (Exits and Withdrawals under the National Pension System) Regulations, 2015, and other relevant Regulations, vide which the accumulated corpus of the subscribers viz Government contribution, Employees' contribution towards NPS along with accruals, can be refunded and deposited back to the State Government.

(e) There is no proposal under consideration of Government of India for restoration of old pension scheme in respect of Central Government employees recruited on or after 01.01.2004 on the lines of those States.
