CPO's Serial No. 129/2011.

Eastern Railway

No.E.787/0/Pen/Pt-XXV. Kolkata, dated 14.11.2011.

ALL CONCERNED

Sub:- New Pension System.

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Copy of Railway Board's letter No. 2010/AC-II/21/3 dated 03.10.2011 (RBA No.42/2011) on the above subject is sent herewith for information, guidance and necessary action. Railway Board's earlier letter as referred to therein was circulated vide CPO's serial circular No.152/2010.

DA: As above.

P Chattopadhyay 14.11.11

(P.Chattopadhyay)
Asstt.Personnel Officer/H
For Chief Personnel Officer

S/L

INDEX No.1058:- Necessary action on New Pension System.

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23/10

Government of India
Ministry of Railways
(Railway Board)

RBA No. 42 /2011

No. 2010/AC-II/21/3 **New Delhi**, Dated 3 .10.2011

General Managers/FA&CAOs/CPOs
All Indian Railways/PUs. E R, Kolkata

Sub: New Pension System.
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Please refer to Board's instructions issued from time to time on streamlining of information/fund flow relating to New Pension System. In this regard, AIRF vide agenda item no. 24/2010 had raised the problem being faced by staff covered under the above system due to non-operation of NPS Cells etc. The related issues were discussed in the special meeting held with AIRF on 02.09.2011 in Board's office and the following decisions were taken: -

- Federation would nominate 20-25 NPS subscribers in each division/unit for training as Trainers who may apprise other subscribers on the subject and the training would be imparted by Sr. DPOs/Sr. DFMs.
- Instructions on Tier-II would be reiterated.
- Remaining S-1 registration forms shall be filled up at the earliest.
- NPS Fund not yet deposited to the Trustee Bank shall be sent immediately.

In view of the above kindly ensure that (1) NPS Cells function properly on all divisional and other offices on your Railway. Further, (2) workshops may be organized in association with NSDL for representatives nominated by Federation. As regards operation of Tier-II Funds of NPS, a write-up was circulated vide Board's letter no. (3) 2009/AC-II/21/6 dated 25.10.2010 wherein features and facilities under the scheme was circulated with the request to give vide publicity to the officials concerned and subscribers (copy enclosed). These instructions are also available on the NSDL website at wwwnpscra.nsdl.co.in → Individual → All citizens of India → Offer document. The same may kindly be given wide publicity amongst staff.

Further, as directed during the Review Meeting held in Board's office during 19th to 21.09.2011, (4) a drive may be undertaken by each office to ensure that the registration of left over subscribers and transfer of NPS wealth lying with Railways, if any, is completed immediately, latest by 31.10.2011, positively.

DA: As above.

12 OCT 2011

(Ravi Prabhat)
Executive Director Accounts
Railway Board

CPO Seen, kindly ensure that this is circulated to all Sr DPOs/NPOs/and Dy CPO/CN

CPO may also kindly see.

Dy. CPO/NG
(1) APO/HQ

18/X/2011 C.P.O/A 17.10.2011

21/X/X1

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C.P.O(A)

Government of India
Ministry of Railways
(Railway Board)

RBA No. 31 /2010

No. 2009/AC-II/21/6

New Delhi, Dated 25.10.2010

FA&CAOs
All Indian Railways/PUs.

Sub: Write-up on New Pension System for nodal offices and subscribers.

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During the recently held review meetings on progress of implementation of NPS on Railways, it emerged that the subscribers need to be made aware about various features of the New Pension System including the facilities available to them on becoming IRA compliant. Accordingly, a write-up containing the features and facilities under the scheme was called for from NSDL, the Central Recordkeeping Agency for NPS. A copy thereof is sent herewith with the request to give vide publicity to it amongst the officials concerned and subscribers.

A copy of these instructions is also uploaded on the Railway website at www.indianrailways.gov.in → Railway Board Directorates → Accounts → NPS.

DA: As above.

(Sanjeev Sharma)
Joint Director/Accounts
Railway Board

Copy to: Sh. Amit Sinha, Executive Vice President, National Securities Depository Ltd., Trade World, 4th Floor, 'A' Wing, Kamla Mills Compound, Senapati Bapat Marg, Lower Parel West, Mumbai.

NPS- 284 -

IRA Compliance

A subscriber who has registered by duly filling up the Subscriber Registration Form (S1) and ose address, photograph and signature are maintained in Central Recordkeeping Agency (CRA) tem is termed as **IRA Compliant** subscriber. These subscribers have a PRAN Card issued by A. Subscriber who is not having any PRAN Card is termed as Non-IRA Compliant subscriber.

vantages of being a IRA Compliant Subscriber

PRAN CARD

CRA issues a PRAN Card to all IRA compliant Subscribers which contain PRAN, subscriber's name, father's name, photograph and signature/thumb impression.

- Copy of PRAN Card eliminates the requirement of proof of identity, proof of address and proof of age during Tier II activation
- Copy of PRAN card is mandatory for withdrawals from Tier II account
- In case of internal transfers within different departments, PRAN card allows the nodal office to start monthly contribution upload before receipt of Last Pay Certificate (LPC).

SMS and E-mail Alerts

IRA compliant subscribers can register their mobile number and email id in CRA system and avail the facility of SMS and E-mail alert

- Whenever a contribution is credited in the NPS account SMS and email alerts are sent to the subscriber
- The facility is available for both Tier I and Tier II account
- Alerts corresponding to contribution in Tier I help subscribers to keep a track of monthly contributions
- CRA does not charge anything for the SMS and E-mail alert. This value added service is absolutely free.

3. I-PIN

CRA issues I-PIN to all IRA compliant subscribers which can be used by them for the following.

- Access the CRA system and check the account details like address, bank account details and nomination details for both Tier I and Tier II.
- Subscribers can generate statement of holding for both Tier I and Tier II which gives them the latest valuation of their total investment.
- Subscribers can generate Statement of Transaction for the last three financial years including the current financial year for both Tier I and Tier II accounts.

- Subscribers can track the credit of monthly contribution into their Tier I account.
- Subscribers can register a complaint against CRA or Nodal Office after logging into CRA system. Once a complaint is raised, system generates a token number which can be used later on to track status of the complaint.

4. **T-PIN**

CRA also issues T-PIN to all IRA compliant subscribers which can be used by them to speak to our customer service executives at our toll-free helpline 1800 222 080 for any query or complaint. They can also use the same T-PIN to access the Interactive Voice Response (IVR) system and avail the services listed below for no.

- Change of T-PIN
- Check holding details
- Check the status of any scheme preference or account details change request
- Check details of last contribution credit
- Check details of last withdrawal request (for Tier II only).
- Request for Statement of transaction for last 3 financial years

5. **Yearly Statement of Transaction**

For IRA compliant subscribers, Annual Account Statements are sent directly to the subscriber's registered address, but for non-IRA compliant subscribers, the statement is sent to the concerned PAO. The Annual Account Statement also contains the details all the changes such as change in nomination etc., happened in the account during that period.

How to become an IRA Compliant Subscriber

If you are still not an IRA Compliant subscriber, please submit a duly filled S1 form to your DDO. The form will be forwarded to a CRA - Facilitation Centres after authorisation by the concerned PAO. PRAN will be generated and the PRAN card will be printed and despatched to the concerned PAO within 20 days from the date of receipt of duly filled registration form at the CRA - Facilitation Centre. It is expected in the next 15 days the PAOs will ensure that the PRAN cards are provided to the DDOs for onward distribution to the subscribers.

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New Pension System

You may be aware that Government of India has started the New Pension System (NPS) in 2004. As a subscriber of NPS, you enjoy various facilities and rights including online access to your account, annual statement of transaction, portability across jobs and locations, platform to raise grievance etc.

Under NPS two types of accounts are available

Tier-I account:	Tier-II account:

Tier I account for employees joined service on or after January 1, 2004

All of you who have joined service in Railways on or after January 1, 2004, are mandatorily covered under NPS. Your monthly contribution towards pension is deducted from your salary. This, along with your employer's contribution is being invested in schemes of three PFMs as decided by PFRDA. These PFMs in return allot units which are credited in your Permanent Retirement account (PRAN) referred to as Tier I account. At present, at least 85% of your pension wealth is invested in debt instruments and up to 15% in equity and equity linked mutual funds.

Any subscriber in NPS having an active Tier I account has the option to open an investment and trading account referred to as 'Tier II account'.

TIER II Account

Tier II is a pension savings account, with a facility for withdrawal to meet financial contingencies.

Interfacing entity for Tier II account

PFRDA has appointed various banks and financial institutes as Point of Presence - POP (similar to a PAO for your Tier I account). The registered branches of the POP are termed as Point of Presence Service Provider - POPSP (similar to a DDO for your Tier I account). The list of POPSPs and their contact details are available in CRA website www.npscra.nsdl.co.in. Once you submit your Tier II activation request to a POP-SP, it becomes your associated POP-SP. For any request related to Tier II account, you need to contact your associated POPSP. However, you can submit your request for contribution to any POPSP of any POP. At present there are more than 4000 POP-SPs located across the country.

Opening a Tier II account

Tier II account is a voluntary saving facility wherein the withdrawal is as per subscriber's choice. Any government employee who is mandatorily covered under NPS can activate the Tier II account by submitting duly filled form **UOS-S10** along with the copy of PRAN Card and initial contribution of ₹ 1000/- to any POP-SP.

- Subscribers can track the credit of monthly contribution into their Tier I account.
- Subscribers can register a complaint against CRA or Nodal Office after logging i- CRA system. Once a complaint is raised, system generates a token number which can b used later on to track status of the complaint.

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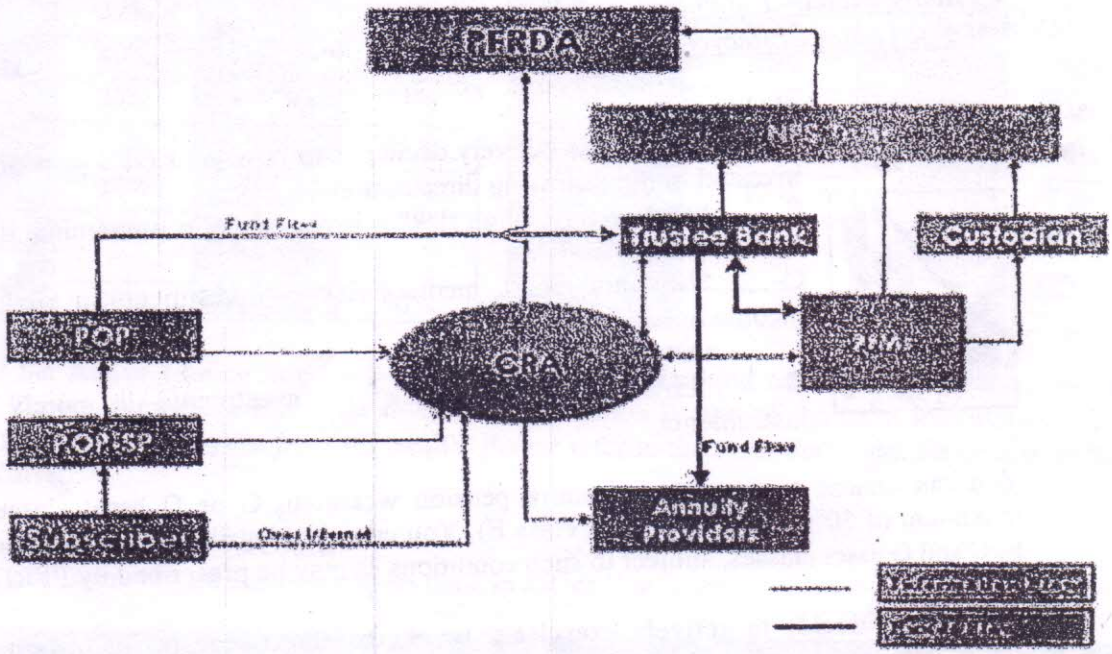
NPS Architecture of Tier II account



Key features of Tier II account

- You can enjoy unlimited number of withdrawals depending upon your requirements. The only criteria is that you have to maintain a minimum balance of ₹. 2000 at the end of Financial Year i.e., as on March 31st
- Minimum amount for contribution is Rs. 250/- and minimum 4 contributions to be made in a financial year
- **Separate nomination details and scheme preference are possible for Tier II**
- Contributions can be made through any POP/POP-SP
- You can access your account details through internet and telephone using the same I-PIN and T-PIN received for Tier I account
- You can have a consolidated account statement for Tier I and Tier II
- For Tier II account, no additional CRA charges for annual account maintenance

Apart from these features, NPS offers you a choice of six fund managers as well as two approaches to invest in your account:-

Scheme Preference

NPS allows you to choose from any one of the following six entities to manage your pension fund:-

- ICICI Prudential Pension Funds Management Company Limited
- IDFC Pension Fund Management Company Limited
- Kotak Mahindra Pension Fund Limited
- Reliance Capital Pension Fund Limited
- SBI Pension Funds Private Limited

The NPS offers you two approaches to invest in your account:-

- *Active choice - Individual Funds*
- *Auto choice - Lifecycle Fund*

Active choice - Individual Funds

You will have the option to actively decide as to how your NPS pension wealth is to be invested in the following three options:

E- "High return, High risk" – investments in predominantly equity market instruments

C- "Medium return, medium risk" – investments in predominantly fixed income bearing instruments

G- "Low return, Low risk" – investments in purely fixed income instruments.

You can choose to invest your entire pension wealth in C or G asset classes and up to a maximum of 50% in equity (Asset class E). You can also distribute your pension wealth across E, C and G asset classes, subject to such conditions as may be prescribed by PFRDA.

In case you decide to actively exercise your choice about investment options, you shall be required to mandatorily indicate your choice of Pension Fund from among the six Pension Funds appointed by PFRDA.

Auto choice - Lifecycle Fund

NPS offers an easy option for those participants who do not wish to specify the allocation for their NPS investments. In case you are unwilling to exercise any choice, your funds will be invested in accordance with the Auto Choice option. You will, however, be required to indicate your choice of PFM. In case you do not do so, your form shall not be accepted by the POP-SP.

In this option, the investments will be made in a life-cycle fund. Here, the percentage of funds invested across three asset classes will be determined by a pre-defined portfolio. At the lowest age of entry (18 years), the auto choice will entail investment of 50% of pension wealth in "E" Class, 30% in "C" Class and 20% in "G" Class. These ratios of investment will remain fixed for all contributions until the participant reaches the age of 36. From age 36 onwards, the weight in "E" and "C" asset class will decrease annually and the weight in "G" class will increase annually till it reaches 10% in "E", 10% in "C" and 80% in "G" class at age 55. The details of the asset allocation with respect to age is given in the table below.

Table for Lifecycle Fund

Age	Asset Class E	Asset Class C	Asset Class G
Up to 35 years	50%	30%	20%
36 years	48%	29%	23%

Age	Asset Class E	Asset Class C	Asset Class G
46 years	28%	19%	53%
47 years	26%	18%	56%

37 years	46%	28%	26%
38 years	44%	27%	29%
39 years	42%	26%	32%
40 years	40%	25%	35%
41 years	38%	24%	38%
42 years	36%	23%	41%
43 years	34%	22%	44%
44 years	32%	21%	47%
45 years	30%	20%	50%

48 years	24%	17%	59%
49 years	22%	16%	62%
50 years	20%	15%	65%
51 years	18%	14%	68%
52 years	16%	13%	71%
53 years	14%	12%	74%
54 years	12%	11%	77%
55 years and above	10%	10%	80%

Neither the Active Choice nor the Auto Choice provides assured returns. While exercising an Active Choice, remember that your investment allocation is one of the most important factors affecting the growth of your pension wealth. Please refer to the offer document for details on the risk involved.

Transactions in Tier II Account

The following transaction can be done in a Tier II account.

Transactions	Description
Contribution	You can contribute a minimum amount of ₹ 250/- and the contribution request in NPS Contribution Instruction Slip can be deposited to any POP-SP. Minimum number of contributions in a year is 4 however, minimum of only 1 contribution is mandatory in case a subscriber joins in the last quarter of a financial year. There will be a time lag between the time you deposit Cash/Cheque/Demand Draft with the POP-SP and the time of credit of units to your Tier II account, which may range up to 7 working days' contribution.
Withdrawal	At any given point of time you can avail withdrawal facility. The accumulated units in your account can be withdrawn as per your requirement. The steps for withdrawal from Tier II account is given below: • You are requested to submit a written request (Form-UOS-S12, available at the CRA website www.npscra.nsdl.co.in) to the POP-SP with whom you are associated. • The correct details and the type of withdrawal (partial/complete) needs to be mentioned in the request form (Form-UOS-S12). • Redemption (units withdrawal) will happen on T or T+1 depending on authorization of request before or after 1.30 pm. T being the date of execution of your request by the POP-SP. • Latest available NAV will be considered for units' redemption. On T+3, funds will be transferred to the bank account of Trustee

	Bank which will transfer the funds to your registered banks account provided by you during Tier II activation.
Change of Subscriber details	You can change nomination details and bank details by submitting a duly filled UoS- S2 form to the associated POP-SP.
Change of POP / POP-SP	You can change the associated POP-SP by either submitting a request to the POP-SP to whom the account is mapped or by submitting a request to the new POP-SP to whom you want the account to be associated with.
Change of Scheme Preference	You can switch from one option (PFMs, Investment approach and asset allocation) to another, but such transaction can be made only once a financial year.

Charges for Tier II

The transaction charges of CRA as well as the POP charges are same as of Tier I Account as given below:

Intermediary	Charge head	Charges (Rs.)	Mode of recovery
CRA	A/C Opening Charge & AMC	Nil	Through cancellation of units on a quarterly basis.
	Charge Per transaction	6*	
POP (Maximum Permissible Charge for each Subscriber)	Charges for Tier II activation	20	To be collected upfront
	Charge Per transaction	20	

*plus applicable taxes

Employees joined before January 1, 2004

If you have joined service in Railways before January 1, 2004, you are not mandatorily covered under NPS. Nevertheless, you can join NPS on your own under "All Citizens of India" through any Point of Presence Service Provider (POP-SP). At the time of joining, you can open only Tier I A/c or both Tier I & Tier II account together. The features for your Tier I account will differ from those who joined service on or after January 1, 2004. However, all the features as mentioned above for Tier II account will be available to you. For details of the features of your Tier I account, please refer to the Offer Document for "All Citizens of India" on our website http://www.npscra.nsdl.co.in. The forms, list of POP-SPs and their contact details are also available in our website.

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24.10.10