



HQ-HR0COPO(HRP)/2/2020-HR-COORD AND POLICY/NPS

Dated: 01.05.2020

CIRCULAR**Sub: Introduction of National Pension Scheme (NPS) in DFCCIL.**

The issue of introducing the National Pension Scheme (NPS) for the regular employees of DFCCIL was under consideration for quite some time following approval of the same by the BOD in its 65th meeting held on 13.08.2018.

For obtaining administrative approval of the scheme, the decision was referred to the Ministry of Railways. The Ministry of Railways, vide their letter dated 10.02.2020 as indicated below have conveyed the sanction of the President of India for implementation of the NPS Scheme in DFCCIL w.e.f 01.01.2017.

Accordingly, policy on the National Pension Scheme (NPS) for the regular employees of the DFCCIL is hereby notified (*) for information of all concerned and for its implementation.

Authority: Ministry of Railway's letter No 2015/PL/61/2 dated 10.02.2020.

DA: 03 sheets (*)



(Susanta Kumar Panda)

Dy. General Manager/HR& Admn.

Copy to -

1. Secy to MD, for kind information of MD
2. Director/PP, Director/OP&BD, Director/Finance
3. ED/EDFC, ED/WDFC
4. All GGMs/GMs /CGMs/GM-CO for information of all employees
5. Manager/IT - for placing the order on intranet.
6. Concerned policy file.

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DFCCIL Employee's Pension Scheme - NPS

1. Short Title and Commencement:

- a) The scheme will be called **DFCCIL Employee's Pension Scheme-NPS.**
- b) They shall come into force w.e.f **01.01.2017.**

2. Application:

The scheme shall be applicable to:

- i. All regular employees of the company.
- ii. These rules shall not apply to Deputationists, Consultants, Advisor, casual/daily rated employees and those on contract.

3. Contribution:

- a) The contribution of the employer will be @10 % of BP+DA.
- b) The employer's contribution @ 10% of BP+DA will commence from 01.01.2017, for regular employees as on 01.01.2017. For employees who have joined DFCCIL as regular employees after 01.01.2017, the contribution of the employer @10% of BP+DA will commence from date of their joining.
- c) Employees are given an option to contribute voluntarily. In such cases, the voluntary contribution of employee will commence from the month following the enrolment of the employee under NPS and allotment of Permanent Retirement Account Number (PRAN).

4. Operation of the Scheme:

The detailed guidelines/norms issued by Govt. of India (PFRDA) for NPS from time to time will be adopted for DFCCIL. The existing features adopted for operation of the scheme in DFCCIL is mentioned in Annexure A.

- ✓ 5. Charges payable for operation of the pension scheme will be borne by DFCCIL.

6. The scheme will be guided by the directives issued by PFRDA from time to time. Any changes and amendments issued subsequently in the NPS by the Govt. of India (PFRDA) will be adopted and notified.

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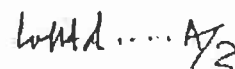
- 2 -

A/1

6/12

Annexure A**Operation of the NPS Scheme**

1. The scheme has two Tiers i.e. Tier-I & Tier-II.
2. The contribution of the employer (DFCCIL) @ 10% of BP+DA and their investment return would be deposited in a non-withdrawal pension Tier-I account.
3. Tier II is a voluntary savings facility with the facility of withdrawal as per employee option. DFCCIL will not make any contribution to this tier-II account. Employees can contribute in Tier I and/or Tier II.
4. Central Record Keeping Agency (CRA), an entity authorized by PFRDA to act as an operational interface between PFRDA and other NPS intermediaries will be nominated from the Authorized CRAs published by PFRDA with the approval of MD.
5. Point of Presence (POP), a separate entity authorized by PFRDA to work as an interface between corporate subscriber (employee) and the NPS architecture will be nominated from the authorized list of POPs published by PFRDA after negotiating the service charges with the prospective POPs invited for bidding for NPS scheme in DFCCIL with the approval of MD.
6. Exit & Withdrawal from the Scheme:
 - (i) An employee covered under the scheme can exit at or after attaining the age of 60 years from the Tier - I of the system. At exit, it would be mandatory for the individual to invest 40 % of the pension wealth to purchase an annuity from an IRDA regulated life insurance company, which will provide for pension for the lifetime of the employee and his dependent parents/spouse at the time of retirement. The balance 60% is paid as lump sum payment to the subscriber. If the corpus is less than Rs.2 lacs complete withdrawal may be opted by the employee.
 - (ii) In the case of employee, who leaves the system before attaining the age of 60 years, the mandatory annuitization would be 80 % of the pension wealth to be utilized for purchasing an annuity for providing pension to the subscriber. The balance (20%) can be withdrawn in lump sum. If the corpus is less than Rs 1 lacs then complete withdrawal may be opted by the employee.
 - (iii) In case of death, the option of 100 % withdrawal from the scheme will be available to the Nominee.
 - (iv) The employee who have superannuated since 01.01.2017 onwards and before implementation of the scheme in DFCCIL will be enrolled under the scheme in case their corpus is more

- 3 -

A/2

than Rs 02 lacs, otherwise their contribution will be paid to them.

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7. Investment Choice Asset Allocation:

i) The scheme provides for following options under Active Choice for investment by the employee:

- ✓ **Asset Class E:** Investment in predominantly equity market instrument.
- ✓ **Asset Class C:** Investment in fixed income instruments other than Government securities.
- ✓ **Asset Class G:** Investment in Government Securities.
- ✓ **Asset Class A:** Investment in Alternate Investment Fund.

ii) The scheme also provides for an option to the Subscriber for investment under Auto choice option, where the investment across the asset classes E, C & G is made automatically based on age.

8. For Investment, the Company has decided to choose initially two Pension Fund Managers (PFMs) appointed by PFRDA viz. SBI and LIC out of the eight PFMs appointed by PFRDA, for investment in C&G Asset Classes with distribution of saving equally to minimise risk. The employee will have to choose anyone from the above two PFMs to commence with the scheme. Subsequently, the employee may change/choose different Pension Fund Managers (PFMs) from amongst the eight PFMs appointed by PFRDA, as well as the choice of the investment as per his option through the user id given by Central Record Keeping Agency for tracking and managing his funds.

9. For Annuity Service Provider (ASP), subscriber (employee) may choose the service provider from the nominated ASPs of PFRDA as per his/her choice.

10. For more details about NPS, their website www.pfrda.org.in may be referred to.

