

GOVERNMENT OF ORISSA  
FINANCE DEPARTMENT

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No. Pen-40/2005-

30132

/F.,

Dt. 13/7/06

OFFICE MEMORANDUM

**Sub:- Introduction of new restructured defined Contribution Pension scheme for new entrants in the State Government Service w.e.f. 01.01.2005.**

The Government of India have already introduced a new restructured defined contribution pension scheme for the new entrants to Central Government Service w.e.f. 1<sup>st</sup> January, 2004 vide Government of India, Ministry of Finance (Department of Economic Affairs), (ECB & PR Division) Notification No. F.No 5/7/2003 – ECB & PR dt.22.12.2003. The question of introduction of said pension scheme for the new entrants into State Government service in the light of the principle adopted by the Government of India was under active consideration of the State Government for some time past.

2. After careful consideration, the State Government have been pleased to decide to introduce the said new restructured defined Contribution Pension Scheme for the new entrants into State Government Service w.e.f. 01.01.2005 in Pensionable Establishment in Finance Department Notification No. 44451 /F., Dt.17.09. 2005.

3. The procedures for introduction of new defined contribution pension scheme are as follows :-

- i) The new pension scheme will work on defined contribution basis and will have two tiers – Tier- I and Tier- II. Contribution to Tier-I is mandatory for all Government Servants joining Government Service on or after 1.1.2005 in pensionable establishment where as Tier-II will be optional and at the discretion of Government Servant. The employees joining against the pensionable establishment on or after 1/1/2005 in the Government Service become members of the Scheme.
- ii) In Tier-I, each employee will pay a monthly contribution of 10% of the basic pay plus dearness allowance from his salary to the contribution pension scheme. An equal matching contribution will be made by the State Government for each employee who

contributes to the scheme. The contribution towards the pension scheme shall be recovered from the salary of the employees every month. The said recoveries will start from the salary of the month following the month in which the Government Servant has joined Service. Therefore no recovery will be effected from the month of joining. For example, for employees joining service in the month of January 2005, deductions towards Tier-I contribution will start from the salary bill of February 2005. No deduction will be made from his salary earned in January, 2005. Similarly, deductions for those joining service in the month of February, 2005 will start from the salary bill of March 2005 and so on.

- (iii) In order to implement this, such investment would be made in different categories of schemes approved by Pension Fund Regulatory and Development Authority (PFRDA) which would be a mix of debt and equity.

The fund Managers would give out easily understood information about the performance of different investment schemes so that individual Government employee would be able to make choice about which scheme to choose. In that case Government will not take any responsibility regarding liability of interest.

- (iv) As an interim arrangement till funds are transferred to Pension Fund Regulatory and Development Authority, the Accountant General (A & E) Orissa/ Controller of Accounts, Orissa is authorised to appoint an Accounts Officer of his Office as Fund Manager who will regulate the new restructured defined Contribution Pension Scheme.

- (v) Till the accumulated balance under each individual account are transferred to Pension Fund Regulatory and Development Authority or Fund Managers or any other decision taken by the Government, it has been decided that such amount representing the contributions made by the Government Servants and the matching contribution made by the Government will be kept in the Public Account and this will be purely temporary arrangement.

- (vi) Immediately on joining Government Services, the Government Servant will be required to provide particulars such as his name, designation, scale of pay, date of birth, nominee (s) for the fund, relationship of the nominee etc. in the prescribed

form (Annexure – I). The D.D.O concerned will be responsible for obtaining the information from all the Government Servants covered under the new pension scheme. Consolidated information for all those who have joined service during the month shall be submitted by the D.D.O. concerned in the prescribed format (Annexure-II) to the Accounts Officer, Fund management office of the Accountant General (A&E) Orissa/ Controller of Accounts, Orissa by 7<sup>th</sup> of the following month. Annexure-I, will be retained by D.D.O's.

- (vii) On receipt of Annexure-II from the D.D.O's, the Accounts Officer, Fund Management, office of the Account General (A&E) Orissa or Controller of Accounts, Orissa as the case may be, will allot a unique 14 digit Permanent Pension Account Number (PPAN). The first four digits of the number will indicate the calender year of joining Government Service. The next 2 digits would represent the code number of allotting authority such as A.G. for Account General (A&E), Orissa and C.A for Controller of Accounts Orissa, as the case may be suffixing the departmental code i.e. M.S.D., EDN etc. and the last five digits will be running serial number of the individual Government Servant which will also be allotted by the Accountant General (A&E) Orissa or Controller of Accounts, Orissa as the case may be. The Accounts Officer Fund Management office of the Accountant General (A&E) Orissa/ Controller of Accounts, Orissa will allot the Departmental Code along with the serial number pertaining to individual Government Servant from '00001' running from January to December of a calender year. The following illustration may be followed.

The first Government Servant joining service under State Government shall be allotted the PPAN in the following manner.

Calender Year				Departmental Code Number to be allotted by the AG (A &E) Orissa/Controller of Accounts Orissa					Serial No. to be allotted by the AG (A&E) Orissa/ Controller of Accounts, Orissa				
2	0	0	5						0	0	0	0	1

Soon after receipt of Unique Permanent Pension Account Number (PPAN) from the allotting authority, as attested copy of the same shall be pasted in the Service Book of the concerned employee.

- (viii) The Accounts Officer, Fund management office of the Accountant General (A&E), Orissa / Controller of Accounts, Orissa will maintain an Index Register for the purpose of allotment of PPAN to new entrants to Govt. Service. Format of the index register is given –Annexure III.
- (ix) The Accounts Officer, Fund management office of the Accountant General (A &E) Orissa/ Controller of Accounts, Orissa will return to the DDO concerned, a copy of the statement duly indicating there-in the Account numbers allotted to each individual by 10<sup>th</sup> instant. The D.D.O. in turn will intimate the account number to the individual concerned and also note in the pay bill Register.
- (x) The D.D.O. will prepare separate pay bill Register in respect of the Govt. Servants Joining Govt. Service on or after 1.1.2005. The D.D.O. will have to prepare separate pay bills in respect of these Govt. Servants and will send the same with all the schedules to the Treasury on or before 25<sup>th</sup> of the month to which the bills relate for pre –check and payment.
- (xi) The D.D.O. will prepare a recovery schedule in duplicate in the prescribed form (Annexure-iv) for the contributions under Tier- I and attach them with pay bills. The amount of contributions under Tier- I should tally with the total amount of recoveries shown under the corresponding column in the pay bill.
- (xii) The amount recovered from the pay bill shall be credited to the following new Deposit Head of Account by the Pay and Accounts Office/ Treasuries/ Special Treasuries / Sub-Treasuries in respect of Govt. employees.

**Head of Account**

~~“8342 – other Deposits –~~

**117- Defined contribution Pension Scheme for Government Employees”**

- (xiii) The said schedules shall be removed and handed over to Accounts Officer, Fund management office of the Accountant General (A &E) Orissa / Controller of Accounts, Orissa in separate cover by the Treasury Officers/ Pay and Accounts Officer every month. Arrears of subscription to the contribution scheme from 1.1.2005 will be deducted from the new employees already joined after 1.1.2005 along-with current month and one additional subscription for arrears.

- (xiv) The reasons for non-recovery from a particular employee in any month should be furnished by the D.D.O. concerned in the recovery schedule without fail.
- (xv) The Govt. contribution and the employees contribution shall be adjusted by the Accountant General (A & E) Orissa /Controller of Accounts, Orissa every month and the total of the both contribution have to be transferred to Pension Fund Regulatory and Development Authority for the purpose on monthly basis after obtaining clearance from Pension Fund Regulatory and Development Authority (PFRDA). The Govt. Contribution to the Scheme shall be debited to the following Head of Account.

**Head of Account**

**Demand No.5-2071 – Pension and other Retirement Benefits –  
01 –Civil – 117 – Government Contribution for Defined contribution  
Pension Scheme – 42007 – Government contribution”.**

By book adjustment by the Accountant General (A&E) Orissa / Controller of Accounts, Orissa with reference to the amount contributed by the employees and initially credited to “8342 – other Deposits –117- Defined contribution Pension Scheme for Government Employees”.

- ~~(xvi) The accounting Procedure for these deduction is being finalized soon after the said procedure is finalized by Govt. of India for their employees.~~
- (xvii) The D.D.O. shall prepare a separate bill alongwith the salary bill for the Government Servants for drawal of matching contribution to be paid by the Government and credited to Pension account of the employees concerned who join in Government Service on or after 1.1.2005. The bill for drawal of matching contribution should also be supported by schedules of recoveries in form (Annexure- v).
- (xviii) On receipt of the Salary bills in respect of Government Servants joining Service on or after 01.01.2005, the Treasury Officer will exercise usual checks and pass the bills and make payment. After the payment is made and posting done in the detailed posting Register, one set of schedules relating to Pension contributions will be detached from the bills as done in the case of other schedules such as GPF long term advances. The Schedules will then be utilised for posting the credits of contributions in the Detailed Ledger Account of the individual.

- (xix) The employees contributions under Tier I and Government contribution should be posted in different columns of the individual ledger Account ( to be maintained in the format in Annexure- VI) and Broad Sheet tallied with the accounts figures as being done in the case of G.P.F.
- (xx) These account should not be mixed with General Provident Fund accounts and these records / ledger accounts should be independent of GPF accounts maintained in the case of pre 1.1.2005 entrants.
- (xxi) The Treasury Officer / Special Treasury Officer / Sub Treasury Officer concerned will consolidate the information available in the new pension scheme schedules received from the various D.D.O.'s and forward the same in the prescribed form (Annexure –vii) to the Accounts Officer Fund management office of the Accountant General (A & E) Orissa/ Controller of Accounts, Orissa by 12<sup>th</sup> of the month following the month to which the credit pertains.
- (xxii) Whenever any Government Servant is transferred from one office to another, the D.D.O. should clearly indicate in the LPC of the individual the unique account number, the month upto which Government servants contribution and Government's contribution have been transferred to the Pension Fund.
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- (xxiii) Detailed instructions on the interest payable on Tier-I balances shall be issued in due course soon after the same is issued by Government of India for their employees.
- (xxiv) At the end of each financial year, the Accounts Officer Fund Management office of the Accountant General (A & E) Orissa / Controller of Accounts, Orissa will prepare annual account statement for each employee showing the opening balance, details of monthly deductions and Government's matching Contributions, interest earned, if any and the closing balances. The Accountant General (A&E) Orissa/ Controller of Accounts, Orissa will send these statements to the D.D.O. concerned.
- (xxv) After the closing of each financial year, the Accounts Officer, Fund Management office of the Accountant General (A&E) Orissa / Controller of Accounts, Orissa will have to report the details of the balances of each office to the D.D.O. concerned for the purpose of reconciliation if any missing credits arise in the individual accounts.

4. **Nomination :-**

Nomination has to be filed by the employees concerned at the time of admission to the scheme and has to be revised upon marriage of the subscriber and thereafter once in five years if necessary. Necessary entry to the effect of filing nomination alongwith name of nominee(s) should be noted in the Service Book of the concerned employee.

5.(i) At the time of retirement, Government servant will receive the lumpsum amount of 60% deposited in pension tier –I account as pension wealth which he would be free to utilise in any manner. But it is mandatory to the Government servant to invest 40% of his pension wealth to purchase an annuity from an Insurance Regulatory and Development Authority regulated life insurance company. In case of Govt. employees, the annuity shall provide for pension for the life time of the employee at the time of his retirement and after his death , his dependant parents and his other eligible family members.

(ii) The Government Servants would have the flexibility to leave the pension system prior to age of 58 years or 60 years as the case may be. In such cases, the mandatory annuitisation would be 80% of the pension wealth.

6. (i) In addition to the above provision, each employee recruited on or after 01.01.2005 to the State Government Service may also have a voluntary tier-II withdrawable account like General Provident Fund at his option. Government will make no contribution into this account. In tier-II system, the employee may subscribe 10% of his Basic Pay and this Contributions will be kept in a separate account withdrawable at the option of the Government servant. Government will not make any contribution to tier-II account. The employee would be free to withdraw part or full of the tier-II of his money at any time. This withdrawable account does not constitute pension investment and would attract no special tax treatment. The amount deposited by the employee in tier-II account will be kept in public account and will carry interest as decided by the state Government from time to time.

(ii) No deductions will be made towards General Provident Fund contribution from the Government Servants joining in the Service on or after 1/1/2005 as the General Provident Fund contribution scheme is not applicable to them.

(iii) The employees contribution under Tier –II should be posted in the column prescribed in the formant in Annexure VIII as being done in case of General Provident Fund contribution.

- (iv) It has also been decided that Tier-II will not be made operative till funds under Tier-I are transferred to Pension Fund Regulatory and Development Authority (PFRDA) or Funds Manager or any other decision is taken thereof.
- (v) At any time on joining Government Service, the Government servant desires to subscribe to Tier-II account, he will be required to provide particulars such as his name, designation, Basic Pay, date of birth, nominee (s) for the fund, relationship of the nominee etc. in the prescribed form in duplicate (Annexure-IX). The Head of Office / Department shall consolidate the information for all those who desires to subscribe to Tier – II Account and forward the same in duplicate to the Accounts Officer, Fund Management office of the Accountant General (A&E) Orissa/ Controller of Accounts, Orissa.
- (vi) Soon after receipt of the required information in the prescribed format in respect of each Government employee, the Accounts Officer, Fund Management office of the Accountant General (A&E) Orissa / Controller of Accounts, Orissa shall allot the Accounts number in respect of each employee in the prescribed column of the said form and retain a copy with him and return another copy to Head of Office / Department for information of the employee concerned.
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- (vii) At the end of each financial year, the Accounts Officer Fund Management office of the Accountant General (A&E) Orissa/ Controller of Accounts, Orissa will prepare annual account statement for each employee showing opening balance, details of monthly deduction, interest earned and the closing balance. The Accountant General (A&E) Orissa/ Controller of Accounts, Orissa will send these statements to D.D.O. concerned as early as possible to hand over the same to concerned employee.
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- (viii) The Government servant joining in Government service on or after 01.01.2005 who desires to subscribe to Tier-II account shall require to furnish the nomination form alongwith the Forms prescribed in Annexure –IX in duplicate nominating his family members for the Tier-II system.

Soon after receipt of the same, the Head of Office / Department shall forward a copy of the same alongwith prescribed form in Annexure-IX to the Account Officer, Fund



Management office of the Accountant General (A&E) Orissa for acceptance and the other copy shall be pasted in the Service Book of the concerned employee for future guidance.

7. All the Autonomous bodies, Local bodies, Aided Educational Institution etc. having their own pension rules and such pension liability is met from the consolidated fund of the states fully, the respective Administrative Departments shall issue guidelines for operation of the restructured defined contribution pension scheme with prior concurrence of the Finance Department.

8. After issue of detail orders from Government of India introducing new pension scheme to their employees, the state Government will if necessary, modify these orders and issue rules and regulations for the new restructured defined contribution pension scheme for the State Government employees joined on or after 01.01.2005.

By order by the Governor

  
19/7/06  
Additional Secretary to Govt.

Memo No. 30133 (10)/F,

dt. 13/7/06

Copy forwarded to the Secretary to Governor, Orissa/ Secretary to Chief Minister, Orissa/ Private Secretary to Minister, Finance, Orissa/ Secretary to O.L.A., Bhubaneswar/ All R.D.Cs/ Secretary to O.P.S.C., Cuttack/ Accountant General (A&E), Orissa, Bhubaneswar/ A.G.(Audit), Orissa, Bhubaneswar for information and necessary action.

Memo No. 30134 (230)/F,

dt. 13/7/06

*C. Mohan*  
13/7/06  
Joint Secretary to Government

Copy forwarded to All Departments of Govt./ All Heads of Departments for information and necessary action.

They are requested to circulate this office memorandum among the sub-ordinate offices working under their administrative control immediately.

Memo No. 30135 (345)/F,

dt. 13/7/06

*C. Mohan*  
13/7/06  
Joint Secretary to Government

Copy forwarded to All Collectors/ All District and Session Judges/ All Financial Advisors and Addl. Financial Advisers/All Sub-Collectors/ All Treasury, Special Treasury and Sub-Treasury Officers,/ Director General , Gopabandhu Academy of Administration, Chandrasekharpur, Bhubaneswar/ Director, Madhusudan Das Regional Academy of Financial Management, Chandrasekharpur, Bhubaneswar/Principal, Secretariat Training Institute, Bhubaneswar for information and necessary action.

Memo No. 30136 (129)/F,

dt. 13/7/06

*C. Mohan*  
13/7/06  
Joint Secretary to Government

Copy forwarded to All Officers and All Branches of Finance Department/ Deputy Examiner, Local Fund Audit, Finance Department/ Efficiency Audit Organisation, Finance Department for information and necessary action.

Memo No. 30137 /F,

dt. 13/7/06

*C. Mohan*  
13/7/06  
Joint Secretary to Government

Copy forwarded to the Principal System Analyst and Portal Head, C.C.F, Secretariat for information and necessary action.

He is requested to host this office memorandum in the Orissa Government Web site for wide circulation.

*C. Mohan*  
13/7/06  
Joint Secretary to Government

# ANNEXURE -I

## (DETAILS TO BE FURNISHED BY THE GOVT. SERVANT)

1. Name of the Govt. Servant :  
(in Block Letter)
2. Sex - Male  Female
3. Marital Status - Married  Unmarried
4. Official Designation :
5. Office to which attached:
6. Service to which the applicant belongs :
7. Date of first entry in to Govt. Service:
8. Scale of Pay :
9. Basic pay :
10. Date of Birth :
11. Date of Superannuation:
12. Community of the applicant SC/ST/OBC
13. Nominee for Accumulations & under the Pension Account :

Sl.No.	Name and Address of Nominee (s)	Age (Date of Birth)	Percentage of Share Payable	Relationship with the Govt. Servant
1.				
2.				
3.				

14. Remarks if any

Place:

Date :

Signature of the Govt. Servant

Tick

which ever is applicable

Signature of the D.D.O.

**ANNEXURE -II**

**FORMAT IN WHICH INFORMATION IS REQUIRED TO BE SENT BY DRAWING & DISBURSING OFFICER TO THE ACCOUNTS OFFICER FUND MANAGEMENT O/O THE ACCOUNTANT GENERAL ( A & E) ORISSA / CONTROLLER OF ACCOUNTS ORISSA**

**Name of D.D.O./Code No:**

**Name of Office and Address :**

Sl. No.	Name of the Govt. Servant	Designation	Basic Pay	Date of Birth	Unique Pension A/C No. in 14digit (to) be allotted by the AG (A & E) Orissa / Controller of Accounts, Orissa	Date of Joining in Govt. Service	Details of nominee (s) for the accumulations under Pension Account			
							Name of Nominee (s)	Age/ Date of Birth	Relationship with Govt. Servant	Percentage of Share

Signature of the D.D.O.

(Official Seal)

(Name of the DDO)

**ANNEXURE -III**

**INDEX REGISTER**

Unique Pension Account No.	Name of the Govt. Servant	Designation	Name of Office in which Joined Service	Date of Birth	Date of Joining Govt. Service	Signature of Accounts Officer

**ANNEXURE -IV**

**FORMAT OF SCHEDULE OF GOVERNMENT SERVANT'S CONTRIBUTIONS TOWARDS TIER-I OF THE NEW PENSION SCHEME**

(TO BE ATTACHED WITH THE PAY BILL)

NAME OF THE D.D.O./CODE NO:-

Sl.N o.	Unique Pension Account No. in 14digits allotted by the A.G. (A & E) Orissa/ Controller of Accounts, Orissa	Name of the Govt. Servant	Designation	Basic Pay Rs.	D.A.	Total Rs.	Employees Contribution			
							Current Rs.	Arrears		
								Instalment	Amount	Total Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)

The Basic pay entered in the Column 5 of the Statement has been verified with the entires made in the Service Book and Pay Bill

(Rupees .....)

Signature of the Drawing Officer  
with the Designation and Date

# ANNEXURE-V

FORMAT OF SCHEDULE OF GOVERNMENT SERVANT'S CONTRIBUTIONS TOWARDS TIER-I OF THE NEW PENSION SCHEME  
(TO BE ATTACHED WITH THE BILL FOR DRAWAL OF GOVERNMENT'S CONTRIBUTION)

NAME OF THE DDO/CODE No:

Unique Pension Account No. in 14digits allotted by the A.G. (A & E) Orissa/ Controller of Accounts, Orissa	Name of the Govt. Servant	Designation	Basic Pay	D.A.	Government's Contribution	Remarks

(Rupees \_\_\_\_\_)

Signature  
Drawing & Disbursing Officer with  
Date and Designation





**ANNEXURE - IX**  
**FORMAT OF SCHEDULE FOR ADMISSION IN TIRE - II OF THE NEW PENSION SCHEME**  
 (To be submitted in DUPLICATE)

(1) Full name of the applicant (in block letters)	(2) Official designation	(3) Date of birth	(4) Office to which attached	(5) Major head of accounts under which the pay of the applicant drawn	(6) Service to which the applicant belongs	(7) Rate of subscription per mensem	(8) Whether the applicant has a family or not	(9) Accounts No. to be allotted by the Accounts Officer Fund management O/o the AG (A&E) Orissa/ Controller of Accounts

A form of nomination in the Prescribed form duly filled in enclosed

Station :  
Date

Office of the .....  
 Returned with account number allotted. This account number should be quoted in all correspondence connected with it.

Signature of the applicant

Signature of Head of Office and Designation

Signature  
 Designation of Accounts Officer Fund Management  
 O/o the AG(A&E) Orissa / Controller of Accounts, Orissa

**ANNEXUTE -VII**  
**FORMAT IN WHICH INFORMATION ON CONTRIBUTIONS IS REQUIRED TO BE SENT BY TREASURY OFFICER TO ACCOUNTS OFFICER, FUND MANAGEMENT,**  
**O/O THE ACCOUNTANT GENERAL, ORISSA/ CONTROLLER OF ACCOUNTS, ORISSA,**  
**DEDUCTON FOR THE MONTH OF**

Sl. No.	Treasury officers code	Name of the Govt.Servant	Unique Account No in 14 digit allotted by Account Officer Fund Management o/o the A.G. (A &E), Orissa / Controller of Accounts, Orissa	Basic Pay Rs	Government Servants contribution under Tier - I Rs	Govt.contribution under Tier-I Rs	Total Rs.	Remarks
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Signature of the Treasury Officer

## ANNEXURE - VIII

### FORMAT OF SCHEDULE OF GOVERNMENT SERVANT'S CONTRIBUTION TOWARDS TIER - II OF THE NEW PENSION SCHEME

(to be attached with the Pay Bill)

Name of the DDO / Code No

Tire - II Accountants allotted by the  
Accounts Officer, Fund Management  
O/o the AG (A&E) Orissa / Controller of  
Accounts, Orissa

Sl. No	Name of the Government Servant	Designation	Basic Pay	Amount of contribution towards tier-II (not less than 10% of the Basic Pay)	Remarks
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Signature of the D.D.O.  
with Designation and  
Official Seal

## FORM OF NOMINATION FOR TIER -II ACCOUNT

1. When the subscriber has a family and wishes to nominate member / members there of

I, hereby by nominate the persons mentioned below of my family to receive the amount that may stand to my credit in Tier -II Account in the event of my death

Sl.No.	Name and Address of the nominee(s)	Age/ Date of birth	Percentage of share Payable	Relationship with Govt.Servant
1				
2				
3				

**Signature of the Govt. Servant**

**Signature of the DDO  
with Designation and Date**