

No. 65/1/42-UTFII(12)-2019/10564  
**CHANDIGARH ADMINISTRATION**  
**FINANCE DEPARTMENT**

To

Chandigarh, dated the 03-07-2019

All the Heads of Departments/  
 Offices/Institutions,  
 Chandigarh Administration

**Subject: Regarding amendments for streamlining the implementation of National Pension System.**

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I am directed to address you on the subject noted above and to state that Chandigarh Administration is pleased to adopt the Notification No. 1/3/2016-PR dated 31.01.2019 (copy enclosed) issued by the Government of India, Ministry of Finance, New Delhi in respect of Central Government employees working on deputation with Chandigarh Administration covered under National Pension System (NPS) on the same terms and conditions as specified therein.

Finance & Planning Officer,  
 for Finance Secretary,  
 Chandigarh Administration

Endst. No.65/1/42-UTFII(12)-2019/10565

Chandigarh, dated the 03-07-2019

A copy, along with a copy of its enclosures, is forwarded to the following for information and necessary action: -

1. The Accountant General (A&E), U.T., Chandigarh.
2. The Accountant General (A&E), Punjab, Chandigarh.
3. The Accountant General (Audit) Haryana, Chandigarh
4. The Treasury Officer, Central Treasury, Union Territory, Chandigarh.
5. The Director Public Relations, Union Territory, Chandigarh.
6. The Director Information Technology, Chandigarh Administration for updating the same on the Chandigarh Administration website.

Finance & Planning Officer,  
 for Finance Secretary,  
 Chandigarh Administration

**MINISTRY OF FINANCE**  
**(Department of Financial Services)**

**NOTIFICATION**

New Delhi, the 31st January, 2019

**F. No. 1/3/2016-PR.**—In partial modification of para 1(i) of Ministry of Finance's Gazette Notification No. 5/7/2003-ECB-PR dated 22nd December, 2003, based on the Government's decision on 6<sup>th</sup> December, 2018 on the recommendations of a Committee set up to suggest measures for streamlining the implementation of National Pension System (NPS), the Central Government makes the following amendments in the said notification, namely :-

(1) In para 1(i) of the said notification, for the words "The monthly contribution would be 10 percent of the salary and DA to be paid by the employee and matched by the Central Government", the words "The monthly contribution would be 10 percent of the Basic Pay plus Dearness Allowance (DA) to be paid by the employee and 14 percent of the Basic Pay plus DA by the Central Government" shall be substituted.

(2) The following provisions shall be inserted after para 1(v) of the said notification, namely:-

**CHOICE OF PENSION FUND AND INVESTMENT PATTERN IN TIER-I OF NPS AS UNDER:**

(vi) **Choice of Pension Fund:** As in the case of subscribers in the private sector, the Government subscribers may also be allowed to choose any one of the pension funds including Private sector pension funds. They could change their option once in a year. However, the current provision of combination of the Public-Sector Pension Funds will be available as the default option for both existing as well as new Government subscribers.

(vii) **Choice of Investment pattern:** The following options for investment choices may be offered to Government employees: -

(a) The existing scheme in which funds are allocated by the PFRDA among the three Public Sector Undertaking fund managers based on their past performance in accordance with the guidelines of PFRDA for Government employees may continue as default scheme for both existing and new subscribers.

(b) Government employees who prefer a fixed return with minimum amount of risk may be given an option to invest 100% of the funds in Government securities (Scheme G).

(c) Government employees who prefer higher returns may be given the options of the following two Life Cycle based schemes.

(A) Conservative Life Cycle Fund with maximum exposure to equity capped at 25% - LC-25.

(B) Moderate Life Cycle Fund with maximum exposure to equity capped at 50% - LC-50.

(viii) **Implementation of choices to the legacy corpus:** Transfer of a huge legacy corpus of more than Rs. 1 lakh crore in respect of the Government sector subscribers from the existing Pension Fund Managers is likely to impact the market. It may be practically difficult for the PFRDA to allow Government subscribers to change the Pension Funds or investment pattern in respect of the accumulated corpus, in one go. Therefore, for the present, change in the Pension Funds or investment pattern may be allowed in respect of incremental flows only.

(ix) **Transfer of legacy corpus in a reasonable time frame:** PFRDA may draw up a scheme for transfer of accumulated corpus as per new choices of Government subscribers in a reasonable time frame of say five years. Once PFRDA draws up this scheme, change in the Pension Funds or investment pattern may be allowed in respect of the accumulated corpus in accordance with that scheme.