



Conference on NPS for Central Public Sector Enterprises organised in the national capital by PFRDA to facilitate the CPSEs to implement NPS for their employees; To expand NPS across all the sectors in the country in affordable and sustainable manner; To promote financial literacy to enable the subscribers to reap the benefits of choices of investment products and digitization to deepen the reach.

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Pension Fund Regulatory and Development Authority (PFRDA) organised a conference on National Pension System (NPS) for Central Public Sector Enterprises (CPSEs) at the India Habitat Centre (IHC), New Delhi with the objective of informing CPSEs benefits and features of NPS and of addressing their queries on NPS. Based on the recommendation of the 3rd Pay Revision Committee, the Department of PSE notified dispensing with the condition of minimum 15 years of service and superannuation from CPSEs to avail the pension benefit implemented by CPSEs. Separately, the Government has also amended the Income Tax Act providing for tax free migration of superannuation funds to NPS. This provision will facilitate the CPSEs to implement NPS for their employees. The total employee strength in CPSEs stood at 12.91 lakh (excluding contract workers) in 2014-15. The Conference saw an active participation of more than 55 CPSEs with around 150 participants.

In his Inaugural Address, Dr. Badri S. Bhandari, Whole Time Member, PFRDA welcomed the participants and expressed the endeavor of PFRDA to expand NPS across all the sectors in the country in affordable and sustainable manner. He explained the benefits of NPS and communicated the returns generated by Pension Funds since inception, which has been over 10% since inception. As on 30th September, 2017, there were 1.78 crore subscribers and Rs.2.06 lakh crore of AUM under NPS. The growth in subscribers and the asset under management jump stood at 27% and 47%, respectively.

Shri Hemant G. Contractor, Chairman, PFRDA, delivered the Keynote Address on the origin of NPS. The need for fiscal sustainability led to the shift from defined benefit model to defined contribution model of pension scheme and this shift has necessitated empowering subscribers with financial literacy as they have a better understanding of where and how their funds are invested. He advised that NPS provides choices to subscribers in the matter of choosing their fund manager, investment pattern etc. Individuals can now subscribe to NPS upto the age of 65 years and can defer the purchase of annuity to three more years post retirement and defer lump-sum withdrawal in phased manner over a period of 10 years.

Shri Sanjay Gupta, CMD, Konkan Railway Corporation Ltd emphasized on the need of starting early and avail the compounding benefit on investments to have old age income security. He appreciated the various investment options available to the subscribers under NPS.

The event was graced by the eminent panellist- Shri Anand Singh Bhal, (Adviser, Department of Public Enterprises), Shri Kumar Shardindu, (MD & CEO, SBI Pension Funds Pvt. Ltd) and Shri Rambir Dalal, (Director, BSR & Co LLP). The discussion brought to fore the imminent need of financial literacy to enable the subscribers reap the benefits of choices of investment products and digitization to deepen the reach. Factors like rising longevity, disintegrating joint families and rising aspirations necessitate investment in pension schemes for old age security.

The conference also hosted presentations on features and benefits of NPS, on system capabilities and operational processes for implementation of NPS, and on the NPS implementation in NALCO. Presently, 5 CPSEs have joined NPS- National Aluminium Company Limited, Konkan Railway Corporation Limited, India Infrastructure Finance Company Limited, National Handloom Development Corporation Ltd, REC Ltd and ITPO.

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