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PROVIDENT FUND
EMPLOYEES PENSION SCHEME 1995
BMS - VIEWS

By

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NEW EMPLOYEES PENSION SCHEME – 1995

New Employees Pension Scheme has come into force for P.F. Subscribers from 16th November 1995 in view of the ordinance promulgated by Government of India replacing the Family Pension Scheme 1971. It should be noted at this juncture that any scheme envisaged by Government may not be cent per cent beneficial to workers. At the same time it will not be for outright rejection also. The Trade Unions should take out the salient features in the Scheme and suggest modifications favoring the workers. There are mixed reactions about this Scheme and in many quarters much confusion has been created? But viewing straight, this New Employees Pension Scheme for PF Subscribers is certainly an improvement over the Family Pension Scheme of 1971.

Bharatiya Mazdoor Sangh (BMS) while welcoming the New Pension Scheme has suggested and is suggesting many modifications so that it would be of more beneficial to workers. We should not forget that all the improvements in the Gratuity, Provident Pund, Bonus, are because of the relentless efforts of trade Unions. BMS felt it necessary to publish this hand out bringing out the existing benefits in Family Pension Scheme and the improvements in New Employees Pension Schema as well as the modifications suggested by BMS as these modifications have solid & strong basic.

In the year 1986, the AITUC representative in the Central Board of Trustees of PF made a specific demand for a Pension Scheme to be enforced by partial conversion of Provident Fund. The Central Board of Trustees of Employees Provident bund Organisation constituted a sub-committee in the early part of the year 1990 consisting representatives from AITUC and HMS. The sub-committee envisaged the introduction of Pension by partial conversion of Provident Fund and on no occasion there was any demand for the scheme as Third Additional Benefit. Even in the final meeting held on 7-2-1990 and the proceeds ngs confirmed on 7-3-1991 with detailed discussions. On 7-3-91, 126th CBT meeting, It was a unanimous approval wherein the CITU also is a party, Sri Balananandan, President of CITU took part in the proceeding. However, the BMS representatives Sri Allampalli Venkataram and Sri Hashumukh Bhai Dave insisted for incorporation of the various modifications in the scheme, before passing of the same, but the then Chairman of the Meeting Sri V. P. Sawhney, the Secretary for Labour, Government of India informed in the open meeting that these modifications can be reserved to be presented after the amendment is passed in the Parliament amending the Provident Fund Act enabling the Government to introduce New Pension Scheme. Only thereafter, the BMS representatives also agreed and then it was unanimous.

One will be surprised to note that at no point of time, no Trade Union representative including CITU, had urged to treat this New Pension Scheme as a third benefit at all. And now CITU is agitating for third benefit for political reasons.

At this juncture we would like to bring to the information of all the workers dial since 1990 in all the meetings of the CBT that took place with regard to the employees' Pension Scheme, it is only BMS representatives Sri Hashmukh Bhai Dave, All India General Secretary and Sri Allampalli Venkataram, All India Vice-President, members of CBT, are only the persons who brought to the notice of the CBT, several anomalies and modifications requires and suggestions for the improvement of the scheme.

FAMILY PENSION SCHEME 01-03-1971
NEW PENSION SCHEME

16-11-1995

When a subscriber dies while in service Pension is payable to a surviving member of his family but not to subscriber as super actuation pension and that to after 2 years contribution is paid.

Benefits are mostly of the nature of "One for all" except monthly Pension providing long term security to the heirs of the deceased members in 4 features under which the heirs fall into :

1) Monthly Widow Pension
2) Monthly Children's Pension

Pensions is payable to the member himself at the super actuation age of 58 years. 4 features under which the worker gets pension.

1) Superannuation Pension
2) Retirement Pension
3) Short Service Pension
4) Permanent and total disablement.

Benefits are mostly of "Long Period' providing long time security not only for the member but also to (he heirs after the demise of the member in 4 features under which the heirs fall into :

1) Monthly Widow Pension
2) Monthly Children’s Pension
3) Monthly Orphans Pension
4) Pension to Nominees

Pension is applicable to the heirs if the member subscribes for a minimum period of ONE MONTH.

FIXATION OF FAMILY PENSION

From 01-03-1971

MINIMUM Rs. 40/- P.M. MAXIMUM Rs. 140/- P.M.

From 01-04-1992

MINIMUM Rs. 250/- P.M. MAXIMUM Rs. 1050/- P.M.

Withdrawal benefit was 6.33 limes of his salary at the time of exit.

This Scheme was applicable to members who opted to it during 1-3-71 and not to those who have not opted.

Thus opted members: 158 lakhs Not opted : 30 lakhs

NEW PENSION

From 16-11-1995

MINIMUM Rs. 450/- P.M. MAXIMUM Rs. 1750/- P.M.

All the accumulations on each PF subscriber's account till 15-11- 1995 including 12% compound interest will be paid to the subscriber and then only Pension Scheme will be applied.

All subscribers opted to FPS 1971 automatically become member of new Pension Scheme with no further contributions.

All subscribers not opted to FPS 1961 are entitled to New Pension Scheme on computation basis. Employees are not to contribute anything for the Pension Scheme. Their existing contribution of 8.33/10% to the Provident Fund as also the balance of 1.6% of contribution when rate is 10% will continue.

Exemptions:

Monthly member pension is permitted after attaining the age of 50 years but in no case before attaining the age of 58 years by applying a discounting factor.

Flexibility is provided in case when a member leaves service before serving for 10 years by allowing to withdraw the contribution at 2% less interest declared for the funding during relevant years or he my retain his membership & retain eligibility for various types of pension - or if he re-enters job market later he can enjoy the benefits by receiving

"SCHEME CERTIFICATE" from PF Office.

The Pension payment will be done through Post Office and Banks.

The Scheme provides for creation of a continence fund so that the payment of pension for the member is assured without linking this with the recovery of the defaulted amount from the employers.

The fund will be actually valued every years. The surplus arising out of such valuation will reutilized to improve the rate of benefits.

Pensionable salary is the average salary of the member drawn during the preceding 12 months.

The employees' pension scheme will be applicable to all establishments to which Employees Provident Lund & miscellaneous Provision Act 1952 applies.

The scheme provides option to each member to plan his pension and also of return of capital.

A member eligible to pension may opt to draw for reduced pension and avail of return of capital under three alternatives.

This scheme is applicable to nearly 1.60 crores of employees. The deductions for P.F. has been restricted to Rs. 5000/- though the subscriber draws more than that and the pension is calculated on restricted deceptions only.

latter on this restriction has been removed.

Without contributing any money to the New Pension Scheme, the Family Pension covered employees will be getting the pension benefits as per this table. One must be 50 years of age and must have contributed to the 1971 Family Pension Scheme for more than 10 years. One has to note that as on 1-3-71 nearly 30 lakhs of PF subscribers opted into this Family Pension Scheme who would have completed more than 24 years' service will be getting the maximum benefits. As on 1-3-84 there were more than one chore of Family Pension subscriber who will be also entitled to these pension benefits.

AGE ON 16.11.1995 48-LESS THAN 53 YRS. AGE ON RETIREMENT										AGE ON 16.11.1995 53 TO 58 YRS AGE ON RETIREMENT					
50	51	52	53	54	55	56	57	58	No. of Yrs. of Membership	58	57	56	55	54	53
470	485	500	515	531	548	565	582	600	24	500	485	470	456	443	429
451	465	479	494	509	525	541	558	575	23	479	465	451	437	424	411
431	444	458	472	487	502	517	534	550	22	458	444	431	418	405	393
411	424	437	451	465	479	494	509	525	21	438	425	412	400	388	376
392	404	416	429	443	456	470	485	500	20	417	404	392	381	369	358
372	384	396	408	421	434	447	461	475	19	396	384	373	361	351	340
353	364	375	386	398	411	423	437	450	18	375	364	353	342	332	322
333	343	354	365	376	388	400	412	425	17	354	343	333	323	313	304
313	323	333	343	354	365	376	388	400	16	333	323	313	304	295	286
294	303	312	322	331	342	353	364	375	15	313	304	295	286	277	269
274	283	292	301	309	319	329	340	350	14	292	283	275	267	259	251
255	263	271	279	288	297	306	315	325	13	271	263	255	247	240	233
255	263	271	279	288	297	306	315	325	12	265	257	249	241	235	228
255	263	271	279	288	297	306	315	325	11	265	257	249	241	235	228

NOW THE MODIFICATIONS TO BE ENFORCED IN THE NEW PENSION SCHEME AS SUGGESTED BY BMS TO THE GOVERNMENT.

1) Monthly Pension payment shall not be less than 1.25% (One and a quarter percent) on the total accumulations standing to the credit of the subscriber at the lime of exit.
2) Return of Capital shall be 100 times of original quantum of pension or 100% of accumulations whichever is higher.
3) Right of option to be given as it was given in the Family Pension

Scheme for 1971.

4) Pension shall be linked with Consumer Price Index in line with Government Employees, Bank Employees etc., to neutralise to some extent the rise in prices or escalation in cost of living.
5) Payment of pension shall be on the number of years of pensionable service and/or eligible service and not on AGE FACTOR.
6) Family Pension Service, which is called Reckon able Service, shall be treated as Pensionable Service.
7) Payment of full pension for 25 years of pensionable service by reduction of the dividing factor form 70 to 50.

X) Widow Pension, children Pension. Orphan Pension. Physically or Mentally Handicapped Pension, shall not be less than subscribing member's pension and age limits shall be deleted.

9) The benefits of withdrawal-cum-recital benefits as per fable "A" multiplied by Table "If" shall be extended.
10) Weightage shall be 5 years and not two years.
11) Contingency fund should be created to avoid the sufferings of the workers in cases where the employees fail to remit the employees contribution to the P.F. Organisation.
12) Unanimously approved "Housing Fund" Shall be brought into force immediately.
13) Employees Deposit Linked Insurance (BDLI) contribution 1.16% of Government contribution of Family Pension Scheme is to be continued, this amount shall be merged in the Pension Fund and not to be kept in Public Account and all the administrative expenses of New Employees Pension Fund to be borne by the Government as it was doing so in the case of Family Pension Scheme. 1971.
14) The accumulated Family Pension Fund of Rs. 9000 crores shall be taken away from the Public Account of the Government and shall he merged in the New Employees Pension Fund and further the investments of these New Employees Pension Fund shall be as per the decision of the CH E The investment pattern of Provident Fund can be one of guidelines and not a rule.
15) Actual revaluation once in 1 year by a team of three actuaries

One from Government, one as suggested by National Trade Unions and one from as recommended by CMT.

16) Arrangement for disbursement of monthly pension either through Hank or through Postal Authorities. The E.P.F. Organisation will issue PPO's to the Hank concern or to Director of Postal Accounts who in turn will direct the respective branches of Hank or respective Post Offices as the case may be where the pensioners are maintaining their account The amount of monthly pension will be credited to the members accounts. The Hank or the Director of Postal Accounts can claim reimbursement of the Pension at periodical intervals from the-E.P.F. Organisation. Payment of pension through cheque to pensioners direct by the offices shall he avoided.

The BMS requests all employees to view this New Employees Pension Scheme which has been hitherto considered in our Country as a special privilege of the Government employees not in terms of business or trade, hut only in terms of Social Security Benefits to all the workers and their respective families.

It is hoped that this hand out would enable the subscribers to understand the Salient features in the New Pension Scheme and the suggestions offered to Government by Bharatiya Mazdoor Sangh. Including the comparison between F.P.S. 1971 and N.P.S. 1995.

Labour legislation is not stagnant or static, it is always improving. Hence, the Pension Scheme as being put forth now will never be the same, it has to improve and it is going to improve.

SPECIAL NOTE

The following are the grounds on which the above modifications have been sought for:

MODIFICATION NO. I

Monthly Pension Payment <>f not less than 1.25% on Total Accumulations.

The original Pension Scheme that was presented to (he CBT in the year 1991 itself had contained on page 7 at clause 1.11 the following :

"However, pension under no circumstances will be less than 0.759! of Employers part of accumulated contribution in Employees' Pension

Scheme at the date of exit."

Once again when the actually Sri Bhudev Chatterjee presented a revised version-assuming scheme data as 1-4-1993. But presented on 15-2-1993 stated on page 2 at clause 1.11 as follows:

"However Pension under no circumstances will be less than 0.755! Of the Employers part of accumulated contribution in Employees' pension Scheme at the date of Exit."

Again this clause has been repeated on page 12 of the Scheme. 0.75% per month would work out to 9% p.a. When in 1991 when minimum payment of 9% was formulated, the rate of interest on various securities and bonds of Public Sector Financial Institutions, Public Sector Companies and certificate of deposits issued by Public Sector Hanks were not mom than 10%. Now in this year of 1996 ICICI (Industrial Credit and Investment Corporation of India) A Government of India concern has offered 16.64% p.a. on Bonds in the month of December 1995 itself. IDBI (Industrial Development Bank of India) has also offered 16.64% p.a. Canara Bank, a Public Sector Bank offered the highest rate of 20% for 1500 crores of high cost of certificate of deposits. The Industrial Finance Corporation of India has offered 17.72% on their bonds and debentures of more than 2000 crores.

'The ICICI (The Industrial Credit and Investment Corporation of India) has opened on I escrow account for the investors of Krishna Bhagya Jala Nigam I .united of karntaka State, an interest component ol'19.4X% for 10 years flic Indian Railways finance Corporation has offered 16% for /50 Croce amount

'lira call rates of Banking institutions have gone up to 22% according to recent financial Express publication, liven the Government of India for its 2000 crore, 5 year Government paper has offered 14% as long as back June 1005.1 luring other months of the same year they have offered I f X5% as Boating rate on Bonds. Hence, it will be quite easy for the Government to give 1.25% per month on total accumulation of the pension contributions.

MODIFICATION NO. "2”:
REGARDING RETURN OF CAPITAL

The present return of capital of 100 times the original pension amount would be alright as far as low quantum of pensions are concerned i.e. Rs. 500/- and below. But, however, for the future pensioners the total accumulations will be several lakhs of Rupees for minimum period of 20 years. In these cases 100 times will not be beneficial and 100% of return of capital will be in consonance with the provisions of law. The hard earned money of lakhs of rupees cannot be taken away by Government and even law also prohibits the same. Hence, in the interest of the Government itself, they have to come forward for providing of 100% of the original quantum of pension as return of capital as these pensioners will be accepting to receive 10% or 12'/2% less quantum of the pension.

3) **THE THIRD MODIFICATION ON OF RIGHT OF OPTION:**

The actuary of the PF has given advice to the Government that if the right of option is given, the whole pension scheme will not be able to be brought into force. A similar advice had been given even when Family Pension Scheme was brought into force in the year 1971. 'The existing Family Pension subscriber who are subscribing from 1971, whose number would be more than 30 lakhs and subsequently who have joined, whose number exceeds more than SO lakhs as on 1-3-84 will be getting benefits of this Pension Scheme. These employees will opt in to the pension scheme once the [tension benefits are made clear and certain minimum modifications are carried out.

4) THE 4TH MODIFICATION ON INDEXATION OF THE PENSION PAYMENT:

Here again the present actuary has given a wrong advice to the Government. But however, since Government has agreed to have statutory obligation of actuarial review every year for passing the surplus of the pension fund as additional benefits, all east after a period of 3 years, we can insist upon the Government for indexation of the pension payment as a permanent solution.

5} **THE 5TH MODIFICATION OF PENSION ON YEARS OF PENSIONABLE SERVICE AND NOT ON AGE.**

In the present Scheme 20 years of pensionable service or reaching age of 50 years as contemplated although for 10 years and above, reduced pension is contemplated. Now a days a number of industries are being closed on various reasons. Even in the case, majority of sick industries that are being referred to BIFR or being ordered to be closed or liquidated. All these have no fault of workmen. Therefore the age factor should be deleted and the pensionable service factor can be insisted upon.

6) THE 6TH MODIFICATION OF FAMILY PENSION SERVICE TO BE TREATED AS PENSIONABLE SERVICE

When the salient features of the New Pension Scheme was placed before the CBT in 1993, specifically provided that the Family Pension Service which is called a reasonable service will be treated as Pensionable Service. Further a specific example was also sorked out and was shown that the PF subscriber was entitled to claim pension for 17 years to the Family Pension service and for 3 years of contributory service in a new pension in scheme. Even in the original Pension Scheme a similar provision had been made, but however, when the New Pension Scheme was published in the Official Gazette that provision has been deleted. The Government has no moral or legal authority to such a thing and deprive the poor workers from the legitimate benefits.

7} INVESTMENT OF 8252 CRORES 19000 CRORES1 OF FAMILY PENSION ACCUMULATION:

As a special meeting of the National Trade Union Leaders and CBT members was held on 04.05. A specific written assurance was given that the corpus of Pension Fund (the Family Pension Scheme of 1971, accumulations now total lying more than 8252 crores, which was less at that point of time on 1993) would be taken away from Public Sector account of the Government and the same would be invested in the special deposits of Reserve Bank of India which was to fetch 12% interest. The Government cannot go back on its written assurance and continue to keep this 8252 crores in their so called Public Account and offering a paltry rate of interest of 8'/2%.

SIZE OF THE SCHEME

The present subscriber's profile under the Employees' Family pension Scheme, 1971 is as follows:-

Exempted establishment members : 31.92 lakhs
Un-Exempted establishment members: 104.76 lakhs
These members will automatically become members of the Pension Scheme.

FUNDING OF THE PROPOSED PENSION SCHEME

(i) By diverting 8.33% of pay from employer's share of contribution in provident Fund.

(ii) Employees are not to contribute anything)' to the New pension Scheme. Their existing contribution of 8.33/10% to provident Fund as also the balance of each of 1.67% of contribution where rate is 10% will continue in each employee's Accounts.

(iii) Existing assets of the Family pension fund which amounts to Rs. 5000 crores as on 31.3.92 will form corpus for the payment of pension under New Scheme.

(iv) The balance amount in the provident Fund of the subscribers as on the date of introduction of pension Scheme (16.11.95) will remain in respective provident Fund Account. Thereafter, provident Fund Accent will increase every month by Employee's contribution-10% or 8.33% as the case may be and by 1.67% of employer's contribution where the employer's contribution is 10% of emoluments.

MONT HUY ME MEMBERS PENSION

a) It is payable on superannuation if the following two conditions are satisfied:

i) The member should have completed 10 years of pensionable service.

AND

ii) The member should have attained the age of 58 years.

Exceptions:

i) Under certain circumstances, pension may be per mitted before attaining the age of 58 years but in no case before attaining the age of

50 years.

ii) (a) In such cases, pension will be paid by reducing pension by applying a discounting factor.

THE QUANTUM OF PENSION

a) The amount of pension is dependent on two elements:

i) Pensionable Salary and

ii) Pensionable Service.

PENSIONABLE SALARY: Pensionable salary is the average salary of the member drawn during the preceding 12 months before superannuation (One Year)

PENSIONABLE SERVICE: Pensionable service is the service of the member for which contribution for the pension funds is made.

METHOD OF CALCULATION OF PENSION

i) Pension will be paid on the basis of an actuarial formula with' reference to the length of pensionable salary which is the average of the last 12 months pay.

In plain words,

The amount of pension will range from

A minimum of 31.5% of the average pay having 20 years of pensionable service

To

a maximum of 58.5% of the average pay having 39 years of pensionable service.

Quantum of pension will increase by 1.43% of salary for each year of service.

ii) In cases of superannuation and in cases where service is more than 20 years, the pensionable service will be increased by granting 2 bonus years.

In other words.

For 20 years’ service a member will get benefits of 22 years for 30 years benefits of 32 years and so on....

EXAMPLE:

PENSION TO NEW ENTRANTS.

i) Pensionable salary Rs. 1500/-

ii) Pensionable Service 33 years

iii) Retirement age 58 years

Pension = Pen. Salary x Pen. Service + 2 / 70

Rs. 1500 x 35 70

= Rs.750 p.m.

iii) If the service period is less than 20 years, pension will be discounted at the rate of 3% per years of service by which the service falls short of 20.

For Example:

Suppose Mr. a takes retirement after 17 years of pensionable service or attaining the age of 58 years. Had he retired after service 20 years at the same wage level, he would have been granted Rs. 1000/- as pension. So he will be entitled to an amount of pension which is discounted by ()'/<• per years for t years.

Hence. In determine As Pension for / years Pension admissible after 20 years Discounted Value = 1000 X (.94)

= 1000 X (.94)3

Pension thus worked out is payable throughout the life time of the member.

MONTHLY WIDOW PENSION: The monthly widow pension is payable in the event of the following continence's.

i) Member's death while in service.

ii) Member's death during his non-employment (A member who has ceased to contribute to the Fund but retains his membership).

iii) On Pensioner's death after superannuation.

QUANTUM OF WIDOW PENSION:

i) a) Widow pension for death in device will be equal to

Member's pension and the minimum widow pension is Rs. 450/- per month.

b) In other cases, the minimum pension will be Rs. 225/-

c) Widow pension after superannuation will be 50% of man's pension.

ii) In the eases of existing family pension fund members it will not be less than the amount of family pension which was available under the old scheme.

iii) In cases where more than one legal widow survives to the member, the widow pension will be equally divided and paid.

iv) In cases where the member is a bachelor or a spinster the pension will be payable to nominee for 20 years.

SAM PILL: WIDOW PENSION

Death of member during service: Equal to member's pension assuming that the member retired on the date of death.

Pensionable Salary Rs. 3000/-

18

Period of Service at

The time of death 20 years

Widow pension = Pen. Salary x (Pen.Servicc + 2)/70

=Rs.3000 x 22 = Rs, 943/-/70

(Minimum Widow Pension is Rs 450/ p.m.)

WIDOW PENSION

DEATH IS SERVICE

EXAMPLE MR. A'

AGE - 30 PAYMENT FROM PENSION FUND

DIED WHILE IN SERVICE. FAMILY DETAILS	WAGE LEVEL	WIDOW PENSION	CHILDREN PENSION	TOTAL PENSION
Widow : 25 years	1000	544	136x2=272	816
Child Son 5 years	2500	1087	272x2=544	1631
Child : D/O 3 years	3500	1481	370x2=740	2221

EXAMPLE

DEATH AFTER SUPERANNUATION

Assuming member's pension Widow Pension (50% member's pension)

Rs. 1600/- p.m. Rs. 800/- p.m.

(Children pension will be paid in addition to widow pension maximum up to two children)

MONTHLY CHILDREN PENSION

i. Children pension is payable every case of widow pension

ii. It is payable to maximum of two children at a lime, at the attain the age of 25 years In the (as of a female child, it is payable till her marriage or attaining the age of 25 years whichever is earlier.

iii. The quantum of the children pension is 25% of widow pension. The minimum monthly children pension will Rs. 115/ -per month.

In cases where the member is having more than two children, the eligibility for pension will run from the eldest to the youngest child, in that order.

EXAMPLE: CHILDREN PENSION

This is paid in addition to widow pension maximum up to two Children.

Rate of pension 25% of widow pension for each child

Assuming that widow pension is Rs. 880/-p.m.

If the widow has two children: Rs.220/- to each child up to 25 years will be paid

Minimum children pension = Rs. 115/-

MONTHLY ORPHAN PENSION

i. It is payable when neither member nor his/her widow/widower is alive.

ii. It is payable up to two surviving children till they attain the age of 25 years. In the case of a female child, it is payable till her marriage or attaining the age of 25 years, whichever is earlier.

iii. The amount of monthly orphan pension will be 75% of monthly widow pension.

iv. The orphan pension will be paid only to two orphans at a time and it will run the eldest to the youngest, in that order. The Minimum orphan pension will be Rs. 170/- per month.

EXAMPLE

ORPHAN PENSION

Window pension : Rs. 800/-p.m.

Widow dies leaving two orphans
Aged 12 & 8

Orphan Pension	75% of widow pension to each orphan.

orphan pension -75% of 800 : Rs. 600/- p.m.
For two orphans Rs. 600x2 : Rs. 1200/-p.m.)
(Minimum Orphan Pension - per child: Rs. 170/- p.m.)

SPECIAL CONDITIONS- FLEXIBILITY

i. In case where a member leaves service before serving for 10 years. he may withdraw his contrubution from the pension the rate of interest on his contrubution will be. That the interest declared for the fund during the relevant years.

ii Alternative, he may retain his membership and retain eligibility, of various types of pension such as, Monthly Widow Pension, Monthly Children and Monthly Orphan Pension.

Iii the re-enters job market later, his last service will be counted
he purpose of pension provided he rate his membership. Such members will be given a certificate, called "Scheme Certificate" which will contain information regarding pen suable service and total accrued contribution on the dale of rut.

PENSION OPTION

An important feature of the Scheme is to allow a member to 11 lose any one of the following options providing for pension with return of capital lieu of superannuation pension/retirement pension/ short service.)
Option Normal Revised Return of Pension pension Capital

NOTE: Monthly children pension will be admissible over and above return of capital.

MODE OF PAYMENT

The pension payment will be done through the post Offices and banks.

CONTI GENT FUND

The Scheme provides for creation of a contingency fund to protect the interest of employees.

In other words, payment of pension to the member is assured without linking this with the recovery of the defaulted amount from the employer.

VALUATION OF THE FUND

The Fund will be actually valued every years.

The surplus arising out of such valuation will be utilized to improve the rate of benefits.