

**Press Information Bureau
Government of India
Ministry of Finance**

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New Pension Schemes

The Government has implemented the New Pension System (NPS) for Government employees who join Central Government (except armed forces) on or after 1st January, 2004.

The NPS and the old defined benefit (DB) pension system are two different pension systems. Therefore, there can not be any comparison between the two in so far as the benefits to employees are concerned. The Pension benefits under the DB system are defined, however, under NPS the amount of pension would depend on the investment returns, the accumulation upto the age of retirement and level of annuitisation and type of annuity chosen.

Some representations of Employees' Associations have been received by the Government. The major reasons for its opposition by the Employees' Associations are minimum pension, safety and returns on investment. Many measures have been taken to protect the interests of the NPS subscribers, like prescribing a flexible investment pattern, establishing a regulator in the form of the Interim Pension Fund Regulatory and Development Authority and creating the modern institutional architecture of NPS, which is low cost.

There is no proposal from the Government to reconsider the NPS.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to a question in the Lok Sabha today.

DSM/SS/SL