

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

No. 15180 /F
FIN-NPS-SCHEME-0004-2021

Dated 02.06.2021

From

Shri Siddhartha Das, IAS
Director, Small Savings

To

The Principal Secretaries/Commissioner-cum-Secretaries/Secretaries/
Special Secretaries to Government
All Departments/All Heads of Departments/All Collectors

Sub: Clarification regarding deduction and credit of arrear New Pension System (NPS) contribution for the period prior to a generation of PRAN and commencement of regular contribution in the National Securities Depository Ltd. (NSDL) system - modification thereof.

Government in Finance Department vide letter No Pen-152/12- 3689(260)/F dated 07.02.2013 had clarified regarding deposit of National Pension System (NPS) contribution for the period prior to a generation of PRAN and commencement of regular contribution in the National Securities Depository Ltd. (NSDL) System (arrear period).

2. The above clarification of the Finance Department relating to drawal of arrear NPS contributions from salary of the employee in instalments restricts drawal of instalment amount exceeding (Pay+GP) of the employee. There is no scope for deposit of lump sum arrear in single instalment in the present arrangement. Further in cases, where the arrear NPS due could not be deducted within 12 (twelve) instalments, the approval of Director, Treasuries & Inspection is required, as per the current provision, which causes delay.

3. Now, it has come to notice of Government that, most of the employees having arrear NPS contributions are requesting to allow them to deposit their NPS contributions in single instalment so as to avoid delay in getting Government matching contribution and to maximize the return in their pension wealth. Some retired government employees have also requested to allow them to deposit their arrear NPS contribution for their eligible service period for which their employee contribution was not deducted due to delay in generation of PRAN.

5. As per para-(xi) of Ministry of Finance (Department of Financial services), Government of India Notification F.No.1/3/2016-PR, dated 31.01.2019, it is provided that "In all cases where the NPS contributions were not deducted from the salary of the Government employee for any period during 2004-2012, the employee may be given an option to deposit the amount of employee contribution now. In case he/she opts to deposit the contributions now, the amount may be deposited in one lump sum or in monthly instalments. The amount of instalment may be deducted from the salary of the Government employee and deposited in his NPS account. The same may qualify for tax concessions under the Income Tax Act as applicable to the mandatory contributions of the employee".

5. Now, after careful consideration, Government in Finance Department have been pleased to modify this Department Letter No. Pen-152/12-3689(260)/F dt.07.02.2013 and the following substitutions have been made in para-4 thereof: -

Subjects	Relevant Para of the F.D. Letter No. 3689(260)/F dt.07.02.2013	Existing Provision	Modified Provision
Approval of Arrear amount and fixation of no. of instalments	(i)	The Government employees shall contribute their arrear NPS share in monthly instalments from their salary bills subject to a maximum of 12 (twelve) instalments.	The Government employee, both serving and retiring, may opt to contribute his/her arrear NPS share either in one lump sum or in equal monthly instalments irrespective of the arrear amount.
	(ii)	The amount of such monthly instalment relating to the employee's contribution should not exceed the total of Pay+ GP for the concerned month. The DDOs in this respect, are required to make detailed calculation of their arrear NPS due from the employees along with the matching employer's share of NPS contribution and submit the same to Treasury Officer concerned for approval. After obtaining the necessary approval from Treasury Officer concerned, the DDO may start deducting the required NPS contribution from the salary bill of the employees.	In this regard, the DDOs are required to make detailed calculation of the arrear NPS due of the employee along with the matching employer's share and submit the same to concerned District/ Special Treasury Officer for approval. The DDOs under Sub-Treasury shall submit the proposal along with arrear NPS calculation sheet to their Sub-Treasury, who shall forward the same to respective District Treasury for approval. After due verification of the accuracy in the arrear NPS amount from the calculation sheet submitted by the DDO, the District/ Special Treasury Officer shall approve the arrear NPS application irrespective of the number of instalments opted by the employee.
	(iii)	In case, the arrear NPS due could not be deducted within 12(twelve) instalments, the DDO may enhance the instalments to cover the entire NPS arrear for such period subject to approval of the same from NPS Cell of Directorate of Treasuries & Inspection, Odisha.	
In case of transfer	(iv)	Whenever any Government Servant is transferred from one office to another, the DDO shall indicate the PRAN in respect of such individual and the month up to which his/her arrear contributions have been recovered in the Last Pay Certificate of the Government Servant.	Same as existing provision.
Mode of recovery	(v)	Contribution towards NPS deposit through Treasury Challan is not permissible.	After obtaining the necessary approval from the Treasury Officer concerned, the DDO may start deducting the required NPS contribution from the salary bill of the employee along with regular monthly contributions. If an employee desires to deposit his/her arrear NPS contribution in single instalment and the instalment amount exceeds the monthly net salary of the employee then, at the time of giving approval, the Treasury Officer concerned shall prepare NPS

			<p>Schedule for the arrear period indicating the period in IFMS and generate an offline challan for e-payment. In such cases, the employee shall furnish the name of the bank where he/she will deposit the amount against the offline challan. In this regard, facility will be provided to all District/Special Treasury Officers. The approval along with offline challan copy shall be sent to the DDO by the Treasury Officer concerned with a request to deposit the arrear NPS amount based on the challan within seven days from the date of generation of challan by the employee at any bank branches out of 17 banks integrated with IFMS.</p> <p>Once amount is deposited by the employee and challan number is generated in IFMS, SMS alert will be sent to the mobile number of Treasury Officer concerned and facility will be made available at the end of Treasury Officer in IFMS to submit the NPS Schedule to NPS Cell, DTI.</p> <p>After receipt of the Schedule in IFMS, NPS Cell will verify, prepare contribution file and upload to NPSCAN of CRA-NSDL, Mumbai. Once, CSF is generated, NPS Cell will draw the employee contribution deposited by the employee from HoA-8342 and send to Trustee Bank.</p>
Drawal of employer's Share	(vi)	The Treasury Officer will also draw the matching employer contribution of the employee as per procedure prescribed earlier.	The NPS Cell of DTI (O) will also draw the matching employer contribution of the employee as per procedure prescribed by the Finance Department and remit the same along with employee's contribution to concerned PRAN Account.
Transfer of arrear NPS contributions to NPS Trust Account	(vii)	The Treasury Officer shall post the above contribution in the arrear field of the NPS File to be uploaded in the NSDL System along with the employer's contribution.	

Yours faithfully,

[Handwritten Signature]
2.6.21
Director Small Savings

Memo No. 15181 /F Dated 02.06.2021

Copy forwarded to the Secretary to Hon'ble Governor, Odisha/Secretary to Hon'ble Chief Minister, Odisha/ Private Secretary to Minister, Finance, Odisha/ Secretary, OLA, Bhubaneswar//All Revenue Divisional Commissioners/ Secretary, O.P.S.C, Cuttack/Secretary, RajyaSainik Board, Odisha/Accountant General (A&E), Odisha, Bhubaneswar/ Accountant General (Audit), Odisha, Bhubaneswar/ Controller of Accounts, Odisha, Bhubaneswar for information and necessary action.

Gpradhan
2/6/2021

Under Secretary to Government

Memo No. 15182 /F Dated 02.06.2021

Copy forwarded to the Director of Treasuries and Inspection, Odisha, Bhubaneswar for information and necessary action. **He is requested to kindly bring this to the notice of all DDOs and Treasury Officers/Sub-Treasury Officers concerned for their information and necessary action.**

Gpradhan
2/6/2021

Under Secretary to Government

Memo No. 15183 /F Dated 02.06.2021

Copy forwarded to All District and Session Judges/ All Treasuries, Special Treasuries and Sub-Treasuries / Director, Local Fund Audit, Odisha Bhubaneswar /Director General, Gopabandhu Academy of Administration(GAA), Chandrasekherpur, Bhubaneswar/ Director, Madhusudan Das Regional Academy of Financial Management (MDRAFM), Chandrasekherpur, Bhubaneswar/ All Sub-collectors/ Principal, Secretariat Training Institute, Bhubaneswar for information and necessary action.

Gpradhan
2/6/2021

Under Secretary to Government

Memo No. 15184 /F Dated 02.06.2021

Copy forwarded to all Officers and all Branches of Finance Department for information.

Gpradhan
2/6/2021

Under Secretary to Government

Memo No. 15185 /F Dated 02.06.2021

Copy forwarded to the Principal System Analyst and Portal Head, IT Centre, LokSevaBhawan for information and necessary action.

He/ She is requested to host this Circular in the website of Finance Department ([http://odisha.gov.in/announcement .asp](http://odisha.gov.in/announcement.asp)) for general information.

Gpradhan
2/6/2021

Under Secretary to Government

Memo No. 15186 /F Dated 02.06.2021

50 (Fifty) copies for Guard File.

Gpradhan
2/6/2021

Under Secretary to Government