

GOVERNMENT OF ODISHA
FINANCE DEPARTMENT

NOTIFICATION

Bhubaneswar, the 8th June, 2021

No. **15727** FIN-NPS-SCHEME-0003-2021/F – Government of Odisha vide Finance Department Notification No-44451/F dated 17.09.2005 have introduced the defined contribution pension scheme, NPS with effective from 1st January 2005 to eligible government employees.

Further, as per the agreement signed between Government of Odisha and the NPS Trust, New Delhi on 2nd August 2020, State Government have agreed to be bound and governed in toto by the NPS Architecture and other parameters, guidelines, directions, regulations etc., as may be issued from time to time.

Department of Financial Services, Ministry of Finance, Government of India vide Gazette Notification F. No. 1/3/2016-PR dated 31-01-2019 have introduced Choice of Pension Fund and Investment Pattern in Tier-I of NPS.

Now, in line with the above Government of India Gazette Notification, in partial modification of para 2(i) of Finance Department Notification No-44451/F dated 17.09.2005, the following provisions shall be inserted after 12th line of para 2(i) of the said notification, namely: -

Choice of Pension Fund and Investment Pattern in Tier-I of NPS as under:

1. Choice of Pension Fund : The Government subscribers shall be allowed to choose anyone of the pension funds including private sector pension funds. They can change their option once in a year. However, the current provision of combination of Public Sector Pension Funds will be available as default option for existing as well as new Government subscribers.

2. Choice of Investment Pattern : The following options for investment choices shall be offered to Government subscribers:

- i. **Default Scheme:** The existing scheme in which funds are allocated among three Public Sector undertaking fund

managers shall continue as default scheme for both existing and new subscribers.

- ii. **Scheme G:** Employees who prefer returns with comparatively less amount of risk shall be given an option to invest 100% of the funds in Govt. securities. (Scheme G)
- iii. **Auto Choice Life Cycle Funds:** Employees preferring better returns with comparatively higher risk shall be given the options of the following Life Cycle based schemes-
 - a. **Conservative Life Cycle Fund** with maximum exposure to equity capped at 25%- **LC-25 Scheme.**
 - b. **Moderate Life Cycle Fund** with maximum exposure to equity capped at 50% **LC- 50 Scheme.**

The Government subscribers may exercise one of the above choices of Investment pattern twice in a financial year.

3. Implementation of choices to the legacy corpus : Transfer of huge legacy corpus in respect of the Government subscribers from the existing Pension Funds 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 is allowed in respect of the incremental flows only.

4. Transfer of Legacy corpus in reasonable time frame : PFRDA shall draw up a scheme in due course 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 Pension Funds or investment pattern shall be allowed in respect of the accumulated corpus in accordance with that scheme.

5. Procedure for exercising the above option : the NPS Subscribers shall opt for change in pension fund manager and change in investment pattern through online in CRA-NSDL portal which shall be duly approved by concerned District Treasury/Special Treasury as the case may be.

By order of the Governor

Principal Secretary to Government