



PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

PRESS RELEASE

Conference on National Pension System

Role of FAs/ CCAs of the Central Government Ministries in implementation of NPS

A conference for Central Government ministries was organized by PFRDA on 29th January 2015, at New Delhi to discuss on the important role of the Financial Advisors & Chief Controller of Accounts (FAs/CCAs) of the Central Government Ministries in the implementation and monitoring of the National Pension System. Shri Jayant Sinha, Minister of State (Finance) was the Chief Guest at the conference. Others at the conference included, Shri Ratan P Watal, Secretary, Department of Expenditure, Shri Hemant Contractor, Chairman, PFRDA, Shri R V Verma, Whole Time Member (WTM- Finance) - PFRDA and Dr. B S Bhandari, WTM (Economics)- PFRDA.

Shri Jayant Sinha, Minister of State (Finance), while commending PFRDA for putting up a highly efficient technology platform under the NPS architecture emphasised the need for innovative product development in an ever expanding capital market. He stressed the aspect of empowerment and not empty entitlements as the core philosophy of the Government and commended NPS as a scheme in the background highlighting the strong features and its universal appeal. He urged the Central government ministries to maximise the number of members in NPS. He stressed that the Government would strive to provide all possible enablers. The workers in the unorganised sector through Swavalamban would be supported through the social security net. He added that NPS would effectively address the pension issue of approximately 10-12 million young work force being added on an annual basis. Addressing the issue of future course of action, Shri Sinha urged PFRDA to provide enabling framework for more products and wider coverage of the population with pension products. Further the regulator may consider alternative investment funds like Venture Capital funds and Growth Capital Funds which are important to encourage entrepreneurship in our country.

Chairman PFRDA, Shri Hemant Contractor, while welcoming the participants to the conference commended the substantial improvement in performance of Central Government Ministries under NPS. He stated that the attractive market based returns have added to the stakeholder confidence. He



raised two pertinent issues for the participating members which impact the final pension receivable by the Government subscriber- efficiency in handling of subscriber contribution & its timely deployment for investment, and ensuring full coverage of all government subscribers including autonomous bodies.

Shri Ratan P Watal, Secretary, Department of Expenditure, Ministry of Finance stated that pension under the defined benefit category had an adverse implication for the government exchequer and was therefore fiscally unsustainable in the medium to long term. On account of the strain that the pension outlays had on fiscal management, it has been replaced by contributory pension regime viz. NPS. He emphasised on the dual responsibility of PFRDA as a regulator and developer of the pension industry, Shri Watal stressed the process orientation of NPS and emphasised the important role of FAs/CCAs in terms of early enrolment and timely contribution, upload and redressal of subscriber grievances. He further advised the FAs/CCAs to carry out periodic reviews on the implementation of NPS and performance of the scheme under the above parameters specifically.

Shri R. V. Verma while summing up emphasised the need for discipline of remitting of the subscriber contribution especially in view of the enhanced role of the Government nodal officers as envisaged in the regulations and the provisions of the Act. He sought the cooperation of Government of India to suggest the way forward for providing individual choices of pension funds and investment pattern for government subscribers. He stressed on the need for enhancing capacity building of the nodal officers so that they could in turn enable the financial literacy and awareness of the subscribers.

Currently, NPS has more than 80 Lakh subscribers with total Asset Under Management (AUM) of more than Rs.76,000 crores.

Place: New Delhi

Date: 29-01-2015