

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

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**LOK SABHA**  
**UN STARRED QUESTION NO. 2954**  
**TO BE ANSWERED ON DECEMBER 28, 2018/PAUSHA 7, 1940 (SAKA)**  
**NATIONAL PENSION SYSTEM**

2954. Shri L.R. Shivaram Gowda,  
Shri Tej Pratap Singh Yadav,  
Shrimati Anju Bala,  
Shri Virender Kashyap,  
Shri D.K. Suresh

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is planning to reconsider the Old Pension Scheme on optional basis for Central Government Employees on heavy demand of employee associations across the country and if so, the details thereof;
- (b) whether the Government has received any representation from various State Governments and employees' associations in this regard and if so, the details thereof along with the other major changes demanded by the employee associations and the reaction of the Government thereon;
- (c) Whether the Government has decided to raise the Government contribution in National Pension System (NPS) to 14 per cent from existing 10 per cent and if so, the details thereof along with the increased financial liabilities of the Government thereon;
- (d) The details of cases of family pension sanctioned so far to the families of deceased Central Government employees and the payment of compensation made for non-deposit or delayed deposit of contributions under the NPS;
- (e) whether the Government has decided to stop pension scheme to all the Government employees including Government/Public Undertakings organization, if so, the details thereof and the reasons therefor; and
- (f) The amount/percentage of the budget consumed every year to pay pensions to employees serving in Government jobs in the country?

**ANSWER**

The Minister of State in the Ministry of Finance  
(Shri Shiv Pratap Shukla)

(a) and (b) Representations have been received which inter alia also include the demand that the Government may revert to old defined benefit pension system. However, due to rising and unsustainable pension bill and competing claims on the fiscal, there is no proposal to replace the National Pension System (NPS) with old pension scheme in respect of Central Government employees recruited on or after 01.01.2004.

(c) Yes, the mandatory contribution by the Central Government for Tier I accounts of its employees covered under NPS has been enhanced from the existing 10% to 14%. The employees' contribution rate would remain at the existing 10%. As informed by the Department of Expenditure, the impact

on Government exchequer on account of enhancing the mandatory contribution by the Government for its employees covered under NPS from 10% to 14% is estimated to entail an additional financial impact of Rs. 2840 crores on Central Government in the next immediate financial year (2019-2020).

(d) Number of Family Pensioners getting pension through Central Pension Accounting Office (CPAO) by authorised Bank under National Pension System- Additional Relief (NPS-AR) as on 30.11.2018 is 4,779.

(e) The Government of India vide notification dated 22.12.2003 had introduced the National Pension System (NPS) (earlier known as New Pension Scheme) for its employees and made it mandatory for all new recruits of the Central Government (excluding armed forces) who joined service on or after 01.01.2004. The old defined benefit scheme was withdrawn by the Government for Central Government employees (excluding armed forces) joining service on or after 01.01.2004. There is no proposal to stop the pension scheme for Government employees.

(f) As informed by the Department of Expenditure, the details of Budget consumed during 2017-18 to pay pension to pensioners and Budget for financial year 2017-18 are as under:

Budget consumed

Head of Accounts	Amount (in crores) (Provisional)
2071 Pension & other retirement benefits	145745.07
3001-101 Indian Railways Pensionary charges	366.85
3002-11 Indian Railways Pensionary charges	1996.97
3003-11 Indian Railways Pensionary charges	21.07
3201-07 Pension-Postal Services	8511.33
Grand Total	156641.29

Budget for the financial year 2017-18 under NPS-AR is as under:

Budget Estimate 2018-19	Expenditure 2018-19	Budget Estimate 2017-18	Expenditure 2017-18
Rs. 90.20 cr	Rs. 59.71 cr (as on 30.11.2018)	Rs. 66.21 cr	Rs. 65.65 cr

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