

No. - 57/03/2022-P&PW(B)/8361(2)
Government of India
Ministry of Personnel, Public Grievances and Pensions
Department of Pension and Pensioners' Welfare

3rd Floor, Lok Nayak Bhavan, Khan Market,
New Delhi, Dated the 07th October, 2024

OFFICE MEMORANDUM

Subject: Contribution by the Government to the National Pension System in respect to Central Government employees covered under NPS.

The undersigned is directed to say that Department of Pension and Pensioners' Welfare has notified the Central Civil Services (Implementation of National Pension System) Rules, 2021 to govern service related matters of Central Government civil employees covered under National Pension System. Rule 7 of these rules deals with contributions by the Central Government into the National Pension System.


2. In accordance with rule 7 of the Central Civil Services (Implementation of National Pension System) Rules, 2021, the National Pension System shall work on defined contribution basis. The Central Government shall make contribution of fourteen per cent or such other percentage as may be notified from time to time, of the emoluments of a Government servant to the Individual Pension Account of the Central Government employee every month. The amount of contribution payable shall be rounded off to the next higher rupee.

3. No contribution shall be made by the Government for the period during which the Government employee is not required to make contribution in accordance with these rules. However, in cases where the leave is granted to the Subscriber on medical ground or due to his inability to join or rejoin duty on account of civil commotion; or for pursuing higher studies considered useful in discharge of his official duty, and during such leave, leave salary is not payable or is payable at a rate which is less than full pay, the Government shall make contribution equal to fourteen per cent or such other percentage as may be notified from time to time, of the notional emoluments comprising the amount representing pay and dearness allowance in the leave salary, non-practicing allowance referred to in rule 5 of these rules.

4. In the case of a Government employee under suspension, contribution shall be made by the Government on the basis of the emoluments determined by taking into account the subsistence allowance paid to the employee during the period of such suspension. No contribution shall be made by the Government during the period of suspension where the Subscriber had opted not to pay his contribution during the said period of suspension.

Contd.

5. However, if in the final orders passed by the Government on conclusion of the inquiry, the period spent under suspension is treated as duty or leave for which leave salary is payable, contributions by the Government to the National Pension System shall be determined based on the emoluments which the Subscriber becomes entitled to for the period of suspension. The difference of the amount of contribution to be deposited by the Government and the amount of contribution already deposited during the period of suspension, shall be credited to the Individual Pension Account of the Subscriber along with interest. The rate of interest for this purpose would be the rate of interest as decided by the Government from time to time for the Public Provident Fund deposits.
6. Contribution by the Government to the Individual Pension Account during foreign service in India or outside India, including deputation to United Nations' Secretariat or other United Nations' Bodies, the International Monetary Fund, the International Bank of Reconstruction and Development, or the Asian Development Bank or the Commonwealth Secretariat or any other International organisation, shall be regulated in accordance with the orders issued by Department of Personnel and Training from time to time and the procedure laid down by the Authority.
7. The provisions regarding time line as applicable in the case of remittance of contribution by the Subscriber would also be applicable for remittance of contribution by the Government. In case there is a delay in crediting of contribution to the Individual Pension Account of the Subscriber beyond the prescribed timeline due to factors not attributable to the Subscriber, the amount shall be credited to the Individual Pension Account of the Subscriber along with interest for the delayed period, as determined in accordance with rule 8 of these rules.
8. All Ministries/Departments are requested that the above provisions may be brought to the notice of the personnel dealing with the NPS matters of employees in the Ministry /Department and attached /subordinate offices thereunder, for strict implementation.


(S. Chakrabarti)

Under Secretary to the Govt. of India

To

All Ministries/Departments/Organisations,

(As per standard list)