

**ANDHRA BANK**  
(A Govt. of India Undertaking)  
Head Office  
**HYDERABAD**  
**Department : HUMAN RESOURCES**



Circular No. : 372

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**Reg: Introduction of new Pension Scheme for employees joining the Bank on or after 01.04.2010 in terms of Memorandum of Settlement and Joint Note dated 27.04.2010 at industry level.**

In terms of Memorandum of Settlement dated 27.04.2010 signed with Representative Workmen Unions and Joint Note dated 27.04.2010 signed with Representative Officers' Organisation, employees joining the services of banks on or after 01.04.2010 shall be eligible for Defined Contributory Pension Scheme. Our Bank has already introduced the scheme since October-2010. Employee's contribution of DCPF along with matching Bank's contribution is being collected every month with effect from 01/04/2010 from those employees who joined our Bank on or after 01/04/2010.

This circular contains a brief introduction of the New Pension Scheme, its salient features pertinent to the employees along with details of registration procedure to be adhered by them in order to enroll themselves as members to the scheme.

**WHAT IS NPS:**

The Defined Contributory Pension Scheme introduced will be one as governed by the provisions of New Pension Scheme [NPS] introduced for employees of Central Government w.e.f 01.01.2004, available under "All Citizens Model" and as modified from time to time.

There shall be no separate Provident Fund for employees joining the services of the bank on or after 01.04.2010.

The employees joining the services on or after 01.04.2010, Who are called "Subscribers" of the scheme, **shall contribute 10% of the Basic pay and Dearness Allowance towards the Defined Contributory Pension Scheme and the bank shall make a matching contribution in respect of these employees.**

**WHO REGULATES THE NPS SCHEME:**

The scheme shall be regulated and administered by Pension Fund Regulatory And Development Authority (PFRDA) which has been established by the Government of India, Ministry of Finance vide notification dated 10.10.2003, to promote old age income security.

**BANK'S ROLE IN IMPLEMENTATION OF THE SCHEME:**

IBA vide their letter dated 08.10.2011 informed that Banks can join National Pension Scheme (NPS) directly through Point-Of-Presence [POPs]. Banks desirous of extending NPS to their employees need to tie up with any of the approved POPs under NPS through MOUs or can register themselves as POPs with PFRDA.

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**WHAT IS POP:**

Point of Presence (POP) is the first point of interaction between the subscriber and the NPS architecture. POP–Service providers (POP–SPs) are designated branches of registered POPs to extend the reach of NPS. POP / POP-SP performs the functions relating to registration of subscribers, undertaking KYC verification, receiving contributions and instructions from subscribers / corporates and transmission of the same to the designated NPS intermediaries.

Our Bank is registered POP with PFRDA and has been allotted registration code:04411. We, as the designated POP accept and consolidate monthly DCPF contributions from our employees. This consolidated data and aggregated funds will be sent to Central Recordkeeping Agency [CRA] and Trustee Bank respectively for upload.

**TYPES OF NPS ACCOUNTS:**

Under NPS, following two types of accounts are available :-

**Tier – I Account:** Employer / employee can contribute for retirement into this non withdrawable account. Income Tax benefits as per the Income Tax Act, 1961 are available to both employer and employee contributions. Employees shall contribute 10% of the Basic pay and Dearness Allowance towards the Defined Contributory Pension Scheme and the bank shall make a matching contribution in respect of these employees.

**Tier – II Account:** This is a voluntary facility where the subscriber can get fund management facility at very low cost. Subscriber will be free to withdraw savings from this account whenever they wish. This is applicable only if there are voluntary DCPF contributions made by the employees.

**HOW TO JOIN NPS AND OBTAIN PRAN:**

It is mandatory that all employees who have joined the services of the Bank on or after 01/04/2010 should enroll themselves in the NPS. To enroll themselves, employees (subscribers) need to submit the duly filled-in Composite Registration Form (UOS-S1) to Andhra Bank-HR Dept-PF section-Head Office since our Bank is registered POP.

Upon Registration, Employees will be provided with a unique Permanent Retirement Account Number called PRAN. This account number will be the primary means of identifying and operating the account. Employees [subscribers] will also receive a Telephone Pass Word [TPIN] which can be used to access their accounts on the call centre number: 1-800-222080.

National Securities Depository Limited [NSDL] has been appointed as the CRA where the Permanent Retirement Account will be maintained. The record keeping, administration and customer service functions for all subscribers of NPS shall be centralized and performed by the CRA. The CRA shall also provide periodic, consolidated PRAN statements to each subscriber.

**Account Portability**

Employees would be free to carry their PRANs to new employments or continue as individuals after change of employment status.

**Statement of transactions:**

The statement of transactions would be dispatched individually to each employee [subscriber] by the CRA.

**Exit from NPS**

Exit from NPS would be governed by employer – employee relation but within the overall rules prescribed for the individual subscribers under ALL CITIZENS MODEL i.e.

• **On attaining Normal Retirement Age (NRA) of 60 years:**

Subscriber will be required to compulsorily annuitize atleast 40% of his pension wealth and the remaining 60% can be withdrawn as a lump sum or in a phased manner.

In case the subscriber opts for a phased withdrawal:

- a. Minimum 10% of the pension wealth should be withdrawn every year.
  - b. Any amount lying to the credit at the age 70 should be compulsorily withdrawn in lump sum.
- Withdrawal any time before 60 years of age:- In such case, subscriber will have to compulsorily annuitize 80% of his / her accumulated pension wealth. The remaining 20% can be withdrawn as a lump sum.
  - Death due to any cause:- In such an unfortunate event, option will be available to the nominee to receive 100% of the NPS pension wealth in lump sum. However, if the nominee wishes to continue with the NPS, he / she shall have to subscribe to NPS individually after following due KYC procedure.

As per IBA guidelines, vide their letter dated 30.11.2011 Banks have to initiate the process of early implementation of National Pension Scheme in co-ordination with PFRDA, New Delhi.

As the first step of implementation of the Scheme, We have, vide our letter dated 29/12/2011, dispatched the registration forms [UOS-S1] to all the employees who joined our Bank on or after 01/04/2010. We furnish hereunder few important points of clarification for the benefit of employees while filling up the registration forms.

1. Employees need to fill-in the Personal Details in Page-1 and Page-2 only.
2. Page-3 details need not be filled by the employee. This is for the purpose of office use only. Declaration on Page-5 should be signed by the employee.
3. Employees desirous of opening Voluntary contributions of DCPF need to furnish Tier-II details in Page-4.
4. Proof of document copy in support of Date of Birth and copy of PAN card are mandatory enclosures to the registration form.
5. Employees may enter their staff code number at the right side top corner of Page-1 of the application form.

All the branches, particularly newly recruited employees who have joined our Bank on or after 01/04/2010 are requested to carefully go through this circular and expedite submission of Registration Forms to PF Section-Human Resources Department-Head Office-Hyderabad, in order to obtain the PRAN cards at the earliest.

Employees, desirous of more information on this New Pension Scheme (NPS) are suggested to visit the following websites:

**[www.pfrda.org.in](http://www.pfrda.org.in)**  
**[www.npscra.nsdl.co.in](http://www.npscra.nsdl.co.in)**

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