

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



Circular No. : 390

Ref No. : 03/76

Date : 14.12.2012

Reg: Salient Features of the new Pension Scheme introduced 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' Organization, employees joining the services of banks on or after 01.04.2010 shall be eligible for Defined Contributory Pension Scheme. It is mandatory that all employees who have joined the service of the Bank on or after 01/04/2010, enroll themselves as members of this scheme which entails obtaining of Permanent Retirement Account Number [PRAN] from NSDL who are the Central Record Keeping Agency [CRA].

For the benefit of all the fresh recruits the annexure to 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 of the scheme.

All employees who have joined the Bank on or after 01/04/2010 are required to submit the prescribed registration form, duly filled-in after ensuring the following so as to expedite the process of PRAN registration:

- 1) The Registration form should be complete in all respects.
- 2) Photograph should be affixed at the appropriate place.
- 3) Signature should be made in black ink only.
- 4) Ensure enclosures of:
 - i) Latest Bank account statement.
 - ii) Photo Identity proof.
 - iii) Address proof.

It may be noted that the monthly contributions of the concerned employees under the NPS can not be uploaded into the NPS architecture unless the process of registration for PRAN is completed and PRAN account is opened. ***Till such time, their contributions will not fetch any return.***

Branches where new employees under New Pension Scheme join, should ensure that they submit the filled-in PRAN registration form along with the necessary enclosures to PF section-HR Department, Head Office before the disbursement of their first salary so that their PRAN accounts will be ready for transfer of their contributions.

[R.PADMANABHAN]
GENERAL MANAGER [H.R]

ANNEXURE

SALIENT FEATURES OF THE NEW PENSION SYSTEM [NPS]:

1. 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' Organization, employees joining the services of banks on or after 01.04.2010 shall be eligible for Defined Contributory Pension Scheme. These 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.
2. The Defined Contributory Pension Scheme is the one as governed by the provisions of National Pension System [NPS] introduced for employees of Central Government with effect from 01.01.2004 and as modified from time to time.
3. The scheme is 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.

4. NPS ARCHITECTURE:

In NPS architecture, each function is performed by different entities.

- a. Pension Fund Regulatory and Development Authority [PFRDA] is the regulator for the NPS. They are responsible for appointment of various intermediaries in the system, such as Central Record Keeping Agency [CRA], NPS Trust, Trustee Bank, Pension Fund Managers, Custodians, Points of Presence (POP) and monitor their performance.
- b. Central Record keeping lies with NSDL. As CRA, its functions include record keeping, administration and customer service functions, issue of Permanent Retirement Account Number [PRAN] to each subscriber and maintain a database of all PRANs issued and recording transactions relating to each subscriber's PRAN. They also act as an operational interface between PFRDA and other NPS intermediaries.
- c. The NPS Trust established by PFRDA is administered by the Board of Trustees as constituted by PFRDA. This Trust would be responsible for taking care of the funds under the NPS. The Trust would hold an account with a bank and this bank would be designated as NPS Trustee Bank. Presently, Bank of India is functioning as Trustee Bank.
- d. Funds are managed by six Fund Managers from Public and Private sector with proven track record.
- e. Stock Holding Corporation of India Ltd., functions as custodian for NPS.
- f. Points-Of-Presence [POP] are the first point of interaction between the subscriber and the NPS architecture. They perform the functions relating to registration of subscribers, undertaking Know Your Customer [KYC] verification, receiving contributions and instructions from subscribers/corporate and transmission of the same to designated NPS intermediaries. Banks can also get themselves registered as POP.

Contd Page:2

As per IBA guidelines, all the nationalized Banks have adopted the uniform structure called "The corporate Model" under NPS.

Salient features of the "Corporate Model" adopted by us are:

- 1) Administered by PFRDA.
- 2) Available to all entities registered under Companies Act.
- 3) Contributions are made equally by employer and employee.
- 4) Corporate should enroll their employees through Point-Of-Presence [POP] and obtain Permanent Retirement Account Number [PRAN] for each employee. Banks can also get themselves registered as POPs.
- 5) **Investment Choice:** Corporate default option where corporate decides on behalf of all underlying subscribers [Option 2:].
- 6) **Choice of Scheme:** Scheme defined for Central Govt. Employees, in which investment norms are in accordance with Ministry of Finance guidelines.
- 7) Employees would be free to carry their PRANs to new employments or continue as individuals after change of employment status.

INSTRUCTIONS TO FILL IN REGISTRATION FORM FOR PRAN ACCOUNT:

The forms are processed by NSDL by way of scanning. Since the entire process is in electronic mode, employees are advised to strictly adhere to the instructions provided and not to deviate any of them, failing which the forms are liable for rejection from NSDL.

General Instructions to fill up Registration Form:

- Application should be in the standard format prescribed by NSDL.[CS-S1].
- Each registration form should necessarily be accompanied with the Declaration-cum-consent letter of the employee.
- Instructions given in Page-5 of the form should be thoroughly read before filling the form.
- The colour photograph should be as per specification mentioned in the form.
- The application form comprises of **five sections** Section-A to Section-E.
- In Section-A, Employee's Personal Details are to be filled. Ensure that Name, Date of Birth, Father's Name, Address fields are filled-in correctly and matches with the proof enclosed.

Contd Page:3

Page:3

- In Section-B, Employment details are to be filled. Please enter date of joining and employee code number. Corporate Registration Number allotted by CRA is pre-stamped in the form. Our Corporate Branch Registration Number is : **6500421**.
- In Section-C, Nomination details are to be furnished. Though it is optional, it is suggested that the employee fill in the nomination details.
- Section-D is about the scheme selection of Investment choice. This section should not be filled by the employee.
- Section-E contains the declaration and authorization clause. It is mandatory that the employees should fill in the declaration under PML act,2002 and affix their signature.
- The POP details in Page-4 of the form is pre-stamped. Our POP Registration number is: **5000472**.
- All Employees are advised to apply and obtain their respective PAN cards at the time of reporting to their Zonal Offices. However, do not with hold the Registration form for the sake of non-availability of PAN card.
- All employees have to immediately open their salary account at their respective branch/link branch as soon as they report at their place of posting and fill the Bank details in the form.
- All employees are advised to send the filled-in registration forms along with relevant documents along with joining report to their respective Zonal Office-HR section.

Important Dos:

1. Do write in legible handwriting and in block letters.
2. Do use Black ink pen only.
3. **Do sign in black ink only, in the box below color photo** and in all required places, within the box provided.

Important Don'ts:

1. Do not overwrite.
2. Do not forget to enclose supporting/proof documents.
3. Do not fill in Section-D of the form for Investment Choice.
- 4. Do not sign or stamp across the photograph.**
5. Do not leave the mandatory fields blank.
6. Do not sign beyond the box provided for signature.
7. Do not staple or clip the photograph to the form.

Mandatory enclosures:

1. PAN card copy duly attested.[If Pan card is available]
2. Bank statement with latest 3 months' transactions duly attested.
3. Blank and cancelled cheque.
4. Address [as furnished in the form] proof copy duly attested.