

**GOVERNMENT OF ASSAM  
FINANCE (BUDGET DEPARTMENT)**

No.BW.7/2008/Pt./40

Dated, Dispur the 6<sup>th</sup> October, 2009

**OFFICE MEMORANDUM**

**Sub : Introduction of New Defined Contribution Pension Scheme.**

Government of Assam in Finance Department under circular No. BW.3.2003/Pt.II/1 dated 25.01.2005 decided to formulate introduction of **Contributory Pension Scheme** for the employees joining the State Government Services on or after 01.02.2005 in the line of Government of India . Accordingly, the Governor of Assam is pleased to introduce “**The New Defined Contribution Pension Scheme**”. This Scheme would be applicable to all new entrants joining State Government services on regular basis against vacant sanctioned post(s) on or **after 01.02.2005**.

The salient features of the New Defined Contribution Pension Scheme are as under :

1. The aforesaid New Pension will work on Defined Contribution basis and will be two Tier i.e. Tier-I & II. Contribution to tier-I is mandatory for all Government servants joining Government Services on or after 01.02.2005 while Tier-II will be optional and at the discretion of Government servants.
2. In Tier-I, government servants will have to make a contribution @10 % of his/her basic pay plus Dearness Allowances which will be deducted from his/her salary bill every month by the **Drawing & Disbursement Officer (DDO)** concerned. The Government will make an equal matching contribution.
3. Contribution under **Tier-I** (and the investment returns) will be kept in a **non-withdrawable Pension Account**. For **Tier-II-separate instruction and guidelines will be issued in due course**.
4. **The existing provision under Defined Benefits Pension and GPF would not be applicable to new Government servants joining Government service on or after 01.02.2005**
5. There shall be a **Central Record-keeping Agency (CRA)** and several **Pension Fund Managers**.
6. The amount of such contribution recovered from the Government Servant and the equal matching Government's contribution shall finally be transferred to the **Pension Fund Managers** for investment **through Pensio Fund Regulatory Development Authority**.
7. A Government servants can exit **after attaining the age of superannuation from the Tier-I of the Scheme**. At the time of exit it would be mandatory for him to invest **40% of Pension Wealth** for purchase of an Annuity (from an Insurance Regulatory Development Agency(IRDA) regulating Life Insurance coverage) which will provide for Pension for the lifetime of the employee and his/her dependents (Parents /Spouse).In the case of Government Servants who is required t leave the Scheme before attaining the age of superannuation, the mandatory annuitisation should be **80% of the Pension Wealth**.
8. **The deduction of employee's contribution or the New Defined Contribution Pension Scheme in respect of Government servant joining State Government services on or after 01.02.2005 will be effected from the salary of the month of January,2010.**

contd..2/-

9. As an interim measure, the amount of contribution so deducted from employees salary will be kept in the Public Accounts of the State Government of Assam till the accumulated funds are transferred to the Pension Fund Regulatory Development Authority (PFRDA). Government will pay interest @ 8% per annum and until further orders.
10. Necessary Permanent Pension Account (PA) No. will be issued in favor of each employee for crediting their contribution along with State Government's matching contribution. This may be confirmed by every DDOs prior to the deduction of contribution.
11. The payment of arrear contribution towards the New Defined Contribution Pension Scheme from the month following the month of their date of joining will however be optional. Government servants joining State Government services on or after 01.02.2005 may pay their entire arrear contribution from the month following the month of their date of joining at a time or in monthly installment basis. Government will pay matching contribution accordingly. In case of Government servants who are not willing to pay arrear contribution, no matching contribution will be paid by the Government. Their cases will be treated as per guidelines of the Scheme.
12. Detailed Guidelines for the New Defined Contribution Scheme is appended herewith.

Principal Secy. to the Govt. of Assam,  
Finance Department

Memo No.BW.7/2008/Pt./40-A

Dated, Dispur the 6<sup>th</sup> October, 2009

Copy to:

1. The Accountant General (A&E/Audit), Assam Maidamgaon, Beltola, Guwahati-29.
2. All Addl. Chief Secretary/ Principal Secretary/ Commissioner & Secy./ Secretary to the Govt. of Assam.
3. All Divisional Commissioners.
4. The Principal Secretary, KAAC/NCHAC/BTC/RHA/MAC/TAC/SKAC/DAC/TKAC.
5. S.O. to Chief Secretary, Government of Assam, Dispur.
6. All Administrative Departments.
7. All Heads of Departments.
8. All D.Cs/S.Dos.
9. All T.Os.
10. Resident Commissioner/Resident Representative, Assam Bhawan, New Delhi/Mumbai/Kolkata.
11. Care-Taker, Assam House, Shillong.

By orders etc,

Officer-on-Special Duty,  
Finance (Budget) Department