

## D. NEW PENSION SCHEME

In terms of Bipartite Settlement and Joint Note dated 27.04.2010 between IBA and Employees' Organizations' on extending another option for pension, employees joining the services of the Bank on or after 1.4.2010 are eligible for the Defined Contributory Pension Scheme, which will be introduced by the Banks in terms of the Joint Note/Settlement dated 27.04.2010, similar to the one governed by the provisions of New Pension Scheme introduced for the employees of Central Government w.e.f. 1.1.2004 and as modified from time to time. Hence they are not eligible for becoming members of Bank's Provident Fund Scheme and Pension Scheme. These employees are not eligible to join Bank's Provident Fund not they are eligible for Pension under Bank of Baroda (Employees') Pension Regulations, 1995.

In view of above, in respect of employees of the Bank who have joined the services of the Bank on or after 01.04.2010, deduction towards New Pension Scheme at the rate of 10% of Pay and Dearness Allowance from the salary with a matching contribution from Bank.

As envisaged in the Joint Note and Memorandum of Settlement signed at Industry Level, Bank had implemented the scheme as per Government Sector Model.

### **SALIENT FEATURES OF THE SCHEME FOR EMPLOYEES OF THE GOVERNMENT ARE AS UNDER:**

The New Pension Scheme will work on defined contribution basis and will have two Tiers - Tier I & II.

The contribution to Tier-I will be mandatory and to Tier-II it will be optional and at the discretion of the employee.

Contribution in Tier I is non- withdrawable.

Tier-II Contribution will be withdrawable at the option of the employee. Bank will not make any contribution to Tier-II account.

Employees can exit at or after 60 years of age from Tier-I. 40% of pension Wealth Fund is mandatory for investment on exit. This will provide for pension for lifetime and his/her dependant. Detailed guidelines in these regard will be issued by PFRDA from time to time.

To leave the scheme before 60 years of age, 80% of the Pension Wealth Fund mandatory for investment. Detailed guidelines in these regard will be issued by PFRDA from time to time.

### **DO'S AT THE BRANCHES/ OFFICERS**

From each of the eligible employees who joins the services of bank on or after 1.4.2010, composite application form for Subscriber Registration should be obtained along with the KYC documents for onward submission to Central Record Keeping Agency i.e. NSDL. CRA will be issuing PERMANENT RETIREMENT ACCOUNT NUMBER (PRAN) and shall also provide PRAN CARD to employees' along with TPIN for accessing the account on line. The Form which should be used is Form **CSRF 1** and the same can also be downloaded from the website of NSDL i.e.

<http://www.npscra.nsdl.co.in>. Details of KYC documents to be obtained are also available in the Form. While submitting the form, COPY OF PAN CARD AND CANCELLED BLANK CHEQUE ARE MANDATORY over and above other KYC Documents

The Subscriber Registration Form along with KYC documents should be forwarded to Head Office, Baroda House, Mandvi, Baroda 390006 immediately within 15 days of joining of the employee.

**WITHDRAWAL FROM THE ACCOUNT:**

At any point in time before 60 years of Age	Employee would be required to invest at least 80% of the pension wealth to purchase a life annuity from any IRDA – regulated life insurance company. Rest 20% of the pension wealth may be withdrawn as lump sum.
On attaining the Age of 60 years and up to 70 years of age	At exit employee would be required to invest minimum 40 percent of your accumulated savings (pension wealth) to purchase a life annuity from any IRDA-regulated life insurance company. Employee may choose to purchase an annuity for an amount greater than 40 percent. The remaining pension wealth can either be withdrawn in a lump sum on attaining the age of 60 or in a phased manner, between age 60 and 70, at the option of the subscriber.
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.

**QUERIES RELATING TO NPS / PRAN ACCOUNT**

As the contribution employee and bank will be remitted to PFRDA, for any queries relating to the NPS, following avenues are available.

Employee can obtain the status of his/her application from the CRA website or through the respective employer.

For more information

<http://www.npscra.nsdl.co.in>

Call: 022-24994200

E-mail [info.cra@nsdl.co.in](mailto:info.cra@nsdl.co.in)

Central Recordkeeping Agency, National Securities Depository Limited, 4th Floor, „A“ Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013.