

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

MANAGEMENT OF FUNDS UNDER NPS

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The investment of pension funds of Government employees, who are covered as subscribers to the New Pension System (NPS), was hitherto being made through a pooling arrangement whereby the funds of such employees were credited to a pool account (pending reconciliation of subscribers' contribution details) from which such funds were allocated to pension fund managers for immediate investment in the best interest of the subscribers. These funds of the Government employees are being managed based on the investment Pattern prescribed by the Government.

The pension funds of the Government employees, who are covered by NPS, are managed by three pension fund managers, namely, SBI Pension Funds (Pvt.) Limited, UTI Retirement Solutions Limited and LIC Pension Fund Limited.

The Pool account is proposed to be discontinued from 1st May, 2012. Thereafter, it would be possible for the individual subscribers to exercise their individual choices regarding investment pattern and the pension fund manager.

NPS is a defined contribution based pension system where the actual returns would be determined by the market based returns.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to a question in the Rajya Sabha today.

DSM/SS/SL