

## **PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA**

Subject: Procedure for effecting NPS deductions of Government employees on Foreign Service to Boards/ Corporations/ Societies/Universities/ State Aided Institutions/State Autonomous Bodies under all Ministries and Departments of State Government and transfer of these funds to Trustee Bank following the NPS architecture set up by Pension Fund Regulatory Development Authority (PFRDA) reg.

Reference: 1) G.O. No. FD (SPL) 04 PET 2005 Bangalore, Dt:31.3.2006.  
2) G.O. No. FD (SPL) 28 PEN 2009 Bangalore, Dt:19.1.2010.  
3) G.O. No. FD (SPL) 28 PEN 2009 Bangalore, Dt:29.3.2010.  
4) G.O. No. FD (SPL) 01 PEN 2010 Bangalore, Dt:20.10.2010.

\*\*\*\*\*

Government of Karnataka has approved Defined Contribution Pension System, known as the New Pension System, for its employees joining Government Service on or after 01.04.2006, vide G.O. at ref (1). Accordingly NPS is implemented and made operational for Government employees coming under the purview of the above mentioned G.O and whose salaries are disbursed through Treasuries vide Government orders (2), (3) & (4) above.

State Government employees and All India Service officers/officials, borne on Karnataka cadre, are on Foreign Service from time to time to various Boards/ Corporations/Societies/Universities/Aided institutions/State Autonomous Bodies, coming under various Departments of the State Government. NPS deductions of these employees has to be continued during their Foreign Service period i.e., service in which a Government servant receives his substantive pay with the sanction of Government, from any source other than the Consolidated Fund of the State. Therefore, Government felt it necessary to detail the procedure for making NPS contributions of deputed employees, while they are working on Foreign Service in Boards/ Corporations/ Societies/ Universities/ Aided Institutions/ State Autonomous Bodies. Hence the following order:

### **Government Order No: FD (Spl) 219 PEN 2012 Dated:30/01/2014**

- I) To enable NPS deductions for State Government employees, who have joined Government Service on or after 01.04.2006 and All India Service Officers, who have joined Central Government service on or after 01.01.2004 and are on deputation to various Boards/Corporations/Societies/Universities/Aided Institutions/State

Autonomous Bodies, under various Departments of the State Government (hereafter referred as organizations), the following procedure has been prescribed.

## **II. Adopting PFRDA designed NPS Architecture by Organizations for employees on deputation from Government Department:**

- a. Organizations that have Government employees and AIS Officers working on Foreign Service and who come under the purview of NPS shall adopt the NPS architecture set up by PFRDA, for effecting NPS deductions and other related activities of such employees.
- b. Such Organizations shall be governed in Toto by the NPS Architecture and other regulatory parameters, directions, regulations, guidelines etc., issued from time to time by PFRDA for operationalising NPS for the officers on deputation.
- c. The organization sign Letter of Consent with Central Record Keeping Agency (CRA) as appointed by PFRDA which is presently National Securities Depository Limited (NSDL).
- d. The CRA service charges as detailed in G.O at ref (2) and subsequent amendments/addendums to this G.O will be applicable for the period when a Government employee is on deputation to that organization. The service charges, employer's contribution and other charges attracted by agency shall be borne by the organization and shall not be deducted from employees' salary.
- e. Allocation of funds among Pension Fund Managers will be as in G.O at ref (2) and subsequent amendments/addendums to this G.O made by the State Government from time to time.

## **III. Procedure for Operationalisation of NPS:**

- a. The concerned Chief Accounts officer/Accounts Officer (CAO/AO), of the organization or any other Officer who deals with salary matters may be designated as the Non Treasury Pay & Accounts Officer (PAO) and DDO for effecting NPS deductions.
- b. The designation of nominated officer of the organization as Non Treasury PAO & DDO shall be communicated to the NPS Cell, Directorate of Treasuries by the Head of the organization for allotment of Non Treasury PAO & DDO Code. A Government Order in this regard would be issued by the concerned Department under whose administrative jurisdiction this organization lies.

- c. On receipt of this order, a unique PAO & DDO code shall be allocated by NPS Cell, Directorate of Treasuries to the Non-Treasury DDO.
- d. The PAO & DDO codes provided by NPS Cell shall be communicated to HRMS, e-Governance Department by the NPS Cell with a request to extend the services of the HRMS to the Organization for performing NPS related activities for government employees on Foreign Services, through a separate Portal (hereafter referred to as HRMS portal)
- e. The Non Treasury PAOs & DDOs shall register themselves with the CRA through NPS Cell by submitting Annexure N2 available in Non HRMS Portal.
- f. CRA will then register these PAO in its system and allot a unique number called a PAO registration number and in addition the CRA will also register these as DDO in its system and allot a unique number called DDO registration number and communicate it to the NPS Cell and concerned organization.
- g. NPS Cell shall forward the PAO & DDO registration No. allotted by CRA to HRMS for updating in HRMS & HRMS Portal. The Organization shall use this PAO & DDO Registration number for all purposes relating to NPS activities of State Government/AIS Officers/ State Government Employees on deputation.
- h. The Non Treasury DDOs will be identified in HRMS Portal through the DDO registration number allotted to them by the CRA, to enable them to carry out NPS related activities. Further all activities related to NPS shall also be done from the HRMS portal only.
- i. Once Non Treasury DDO is registered with the CRA as PAO & DDO he/she shall create the database of NPS employees working in their respective organization in HRMS. If the employee details already exists in HRMS, then the Non Treasury DDO can import the basic data from HRMS.
- j. The process of data entry/import of data from HRMS shall be made with respect to all Government employees eligible for NPS on deputation to the respective Organization by the Non treasury DDO. The employee wise data shall be updated from time to time with respect to designation, Basic pay, increments received, penalty imposed if any, etc.

- k. Such updating will get mirrored in the main HRMS including the NPS related deductions.
- l. In the event that the Government employee on Foreign Service coming under NPS is not registered with the CRA, then the Non treasury DDO shall arrange for the same by submitting AnnexureS1 available in HRMS portal. The procedure involved in Subscriber registration is as in the government circular No. FD (Spl) 1 PEN 2010 dated 10<sup>th</sup> January 2012, wherein DDOs and Treasury Officers role will be carried out by the Non Treasury DDOs for State Government employees on foreign service to the respective Organization.

#### **IV. Procedure for effecting Regular Contribution:**

- a) The Regular monthly contribution of the Government employee on Foreign Service to Tier-I of the NPS shall be 10% of his or her Basic and DA deducted from the employees' salary. The Organization shall contribute every month equal matching contribution as that of the employee. Contribution shall be made by the organization for the entire period of the employee's deputation to the organization. The contributions through salary deductions shall become due from the salary of the month, following the month in which the Government servant has joined the service, unless the date of joining happens to be the 1<sup>st</sup> of the month. In the latter case, deductions shall start from the same month itself.
- b) The Non Treasury DDO shall enter the salary details of the employee for the particular month in HRMS Portal. The system will calculate NPS amount to be deducted from employee's salary and Organization's contribution. The non treasury DDO shall verify the statement and approve the same in HRMS Portal by generating Schedule I (Foreign Service), copy of the schedule I (FS) shall be marked to NPS Cell & employee's Parent Department for record purpose.
- c) On approval of the NPS deductions a Subscriber Contribution File (SCF) containing the NPS contribution details in HRMS Portal will be generated. The non treasury DDO shall run it through the File Validation Utility (FVU) of the Central Record Keeping Agency (CRA) available in the HRMS Portal. The validated SCF shall then be uploaded to the NPSCAN of CRA.

- d) A unique Transaction ID is generated in NPSCAN on successful upload of SCF.
- e) The Non Treasury DDO shall then take a printout of the Contribution Subscriber File (CSF) generated in NPSCAN and shall draw a single DD equaling the amount in the CSF, in favour of the Trustee Bank of NPS, and remit the amount to NPS Trust account at Trustee Bank, with a request to the transmitting bank to mention the correct Transaction ID printed on the CSF, in the prescribed message format in the Sender's information field of NEFT/RTGS form.
- f) The concerned Organization shall bear the NEFT/RTGS service charges if any separately and it should not be deducted from the Contribution (employee's & Organization's) amount.
- g) The subscription shall be remitted to NPS Trust account on day to day basis.
- h) The Transaction ID shall be entered in the HRMS Portal in the form provided for the purpose, in order to maintain a record of each and every SCF uploaded to the CRA by the Non Treasury DDO.
- i) Certified copies of the relevant schedules, DD, CSF, Trustee Bank payment record etc., shall be maintained by the Non Treasury DDO. NPS schedules I and monthly bank statements of all NPS transactions shall be submitted to the NPS Cell on a monthly basis.
- j) Statement of deduction from salary of deputed employees, statement showing contribution made by the organization and Schedule of Transaction (SOT) of the employees for the period of service in the organization shall be maintained in the Organization and copies sent to NPS Cell & to parent department, when the employee is repatriated back to Government/or deputed to another organization.

**V. Procedure for effecting Backlog Contribution:**

- a) Backlog contribution is the NPS contribution due from employee and equal matching contribution from Government/Organizations from 01.04.2006 or date of joining to government service whichever is later prior to the month of the commencement of regular contribution for the employee.

- b) The procedure for calculation of backlog amount of employee and Organization, options for payment of employee backlog shall be as in G.O. at ref (3) & (4).
- c) Backlog arrears of NPS employee shall be entered by the Parent Department in the Form provided in HRMS and a signed copy of the salary drawn statement of the employee shall be forwarded for the backlog period shall be sent to the Organization. The non-treasury DDO shall download the backlog arrears form entered by parent department and verify the date of increment, promotion date, change of pay scale, suspension, etc., with the salary drawn statement received from the employee's parent department.
- d) The employee backlog payment is carried out based on the option preferred by the employee in the Backlog Option Form as prescribed in G.O. at ref (3). The organization shall maintain a copy of the Backlog Option Form in the personal file and Service Register of the employee. There may be employees having backlog in any one of the following status:
  - i) Backlog is approved by DDO but both Employee Backlog and Government/Employer Backlog contribution has not started.
  - ii) Backlog is approved by DDO and Government/Employer Backlog is paid in full but Employee backlog is partially paid/not paid.
  - iii) Backlog is not approved and Employer's contribution is due either from Government, different Organizations and present Organization/any one of them, or all of them for different periods.
  - iv) Backlog is approved, Employee Backlog is paid & Government backlog is not paid.
  - e) Employee backlog shall be deducted from the salary, if the employee has opted for single installment payment per month or multiple installments in one month. In case the employee wishes to pay the entire backlog in a lumpsum payment outside the salary, this facility should be provided to him and his backlog amount should be remitted to the Trustee Bank.

f) The treatment of employer backlog is as follows:

If the employee has served in different organizations/government prior to working in the organization where backlog is not (being) approved, present organization shall approve backlog based on the hard copy of the pay drawn details received from employee's Parent Department and generate employer's backlog Schedule IV (Foreign Service) & V (Foreign Service) and forward to NPS Cell for making employer's entire backlog contribution i.e., even for the service period of the employee in other organizations and for the period he served in the Government along with service in existing organization. Copies of the Schedule IV (FS) & V (FS) shall be maintained in the Personal file of the Present Organization's Office, by marking copies to the concerned employee, Parent Department of the employee and to organizations wherein employee has served previously.

g) For employer's share of backlog contribution an amount equal to 10% of the basic pay and DA of the employee with 8% compound interest for the term of the employee's service in that Organization till the commencement of the regular contribution shall be calculated in HRMS Portal and backlog schedules (IV FS & V FS) shall be sent to NPS Cell for further necessary action.

h) The NPS Backlog schedules to be generated in HRMS Portal are as listed below:

- i) Schedule I (FS) - Employee Regular contribution deducted through salary.
- ii) Schedule II (FS) – Employee Backlog contribution deducted through salary in EMI
- iii) Schedule III (FS) – Employee Backlog contribution in lumpsum paid outside salary.
- iv) Schedule IV (FS) – Employee wise Employer Backlog Schedule.
- v) Schedule V (FS) – DDO wise (Organization) Employer Backlog schedule (Non Try DDO wise).

- i) The procedure for SCF generation, SCF upload and fund transfer for employee backlog will be similar to the procedure prescribed in the case of regular contribution.
- j) On receipt of Schedules IV (FS) & V (FS), NPS cell shall upload the SCF to CRA and shall then transfer the amount of employer's backlog contribution to the NPS Trust account at Trustee Bank by following the procedure detailed for government employees working in government offices in G.O. at ref (3).
- k) Thereafter NPS Cell shall intimate immediately to the concerned Organizations to remit the backlog that the organization had to contribute with respect to the service rendered by the employees in their Organization for the period by drawing a DD for the backlog amount in favour of Director of Treasuries, who inturn will remit the DD to Government HOA 0071 as deduct refund. In case such amounts are not remitted back to Government by respective organizations within 45 days, NPS cell would bring it to the notice of concerned Administrative Department and Finance Department, so that necessary directions shall go from concerned Administrative Department to Organizations to submit DD for organization's share (Backlog) to Director of Treasuries for onward remittance to government.
- l) Details of matching and booking of employer's Backlog shall be provided to the concerned Organization by the NPS cell for confirming the transfer of funds to the employee's Permanent Retirement Account.

**VI) Procedure for effecting Arrears of Regular NPS Contribution of employee/employer (Missing credits):**

In case where the NPS contributions of a Government Servant have ceased after his services were lent on Foreign Service to an Organization, from a Government Department, where his NPS deductions had commenced, there will be missing contributions. In such cases the Organization where the subscriber is serving presently shall follow the following process to transfer the missing contributions:

- a) Receive salary drawn statement of the employee from organizations where the employee had served for the period for which salary was drawn without NPS deduction.



- b) Generate schedules for the months for which NPS contribution is missing but salary has been drawn, based on salary drawn statement provided by the concerned organization & confirm the employee and employer contribution in the HRMS portal.
- c) Receive the due amount in the form of a DD from the employee for 10% Basic & 10% DA of the salary for the months for which employee contribution is due and then obtain due matching contributions from other organizations where employee has served earlier (if applicable) and also provide matching contribution for the period in which the employee has served. Upload SCF to CRA, on successful upload CSF is generated with unique transaction ID.
- d) Submit CSF generated and the DD to the transmitting bank to transfer the amount to NPS account at Trustee Bank.
- e) The Present organization shall inform employee wise & Organization wise details of DD received, Transaction ID, and Fund Transfer Details of the funds transferred to Trustee Bank to the NPS Cell.

**Note:** A user manual for Non Treasury DDOs would be made available in HRMS Portal.

By Order and in the name of the  
Governor of Karnataka.



(PADMAVATHI)  
Special Officer & Ex-Officio  
Deputy Secretary to Government (Pension),  
Finance Department.

**To,**

1. The Chief Secretary to Government, Vidhana Soudha, Bangalore.
2. The Accountant General (A&E)/Principal Accountant General, (Audit-1) Bangalore.
3. The Additional Chief Secretary to Government, Vidhana Soudha, Bangalore.
4. The Development Commissioner, Vidhana Soudha, Bangalore.
5. All Principal Secretaries/Secretaries to Government.
6. Secretary, State Legislature, Vidhana Soudha Bangalore.
7. Secretary Karnataka Public Service Commission, Park House

- Bangalore.
8. Registrar, Karnataka Lokayukta, M.S. Building, Bangalore.
  9. Registrar, High Court of Karnataka, Bangalore.
  10. Registrar, Karnataka Administrative Tribunal, Kandaya Bhavan, Bangalore.
  11. All Heads of Departments & DDOs
  12. All Deputy Commissioners.
  13. All Chief Executive Officers of Zilla Panchayats
  14. All Boards/Corporations/Societies/Universities/State Aided Institutions/State Autonomous Bodies.
  15. Director of Treasuries, Bangalore & District Treasury Officers & Sub-Treasury Officers.
  16. Deputy Director, Government of India, Planning Commission Unique Identification Authority of India (UIDAI), Regional Office, Khanija Bhavan, Race Course Road, Bangalore-560001.
  17. Secretary, e-Governance, HRMS, M.S. Building Dr. Ambedkar Veedi, Bangalore-560001.
  18. Controller, State Accounts Department, Cauvery Bhavan,, 6<sup>th</sup> Floor, Bangalore.
  19. Director, Planning Department, Urban & Rural, M.S. Building, Bangalore.
  20. Secretary, Kannada Development Authority, Vidhana Soudha, Room No.263, Bangalore.
  21. Secretary, Fiscal Reforms, Finance Department, M.S. Building, Bangalore.
  22. Weekly Gazette/Section Guard File.

**Visit: [www.finance.kar.nic.in](http://www.finance.kar.nic.in)**