

NO. 1(2)/L.V./2007  
Government of India  
Ministry of Finance  
Department of Expenditure

New Delhi, the 30<sup>th</sup> June, 2009

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22/07/09  
Dir (Fin)

**OFFICE MEMORANDUM**

Subject: Transition from contributory Provident Fund to Defined Contribution Pension Scheme for the employees of Autonomous Bodies.

Proposals from various autonomous bodies are being received in the Ministry of Finance with the request for a shift from Contributory Provident Fund to QPF-cum-Pension Scheme or for creation of a Pension Fund in respect of employees who joined before 1-1-2004.

2. The employees of Autonomous bodies who have joined on or after 1/1/2004 have been already covered under the New Pension System (NPS). It has now been decided that these organization may also be permitted to shift to a defined contribution pension scheme i.e NPS in respect of employees who have joined before 1-1-2004. The salient features of the scheme are as under:

- (i) The existing corpus of Contributory Provident Fund [both employees & the employers'] would be moved over to the Trust Fund accounts under the New Pension Scheme.
- (ii) In order to facilitate the transition from Contributory Provident Fund to Defined Contribution Pension Scheme, the autonomous body would make, in addition, one time ex-gratia payment of 10% of the employers' contribution for each of the employees opting to switch over to the NPS.
- (iii) Recurring monthly contribution by employee @ 10% of Basic Pay + DA and a matching contribution by the Autonomous organizations @ 10% of Basic pay + DA would be payable. The employer's contribution would be made from the month the organization/employee shifts over to NPS and would be limited to 10% of Basic Pay + DA.
- (iv) The procedure for NPS would be identical to that presently applicable for employees appointed on or after 01-01-2004. In this context, PERDA may be consulted for further details on the implementation of the scheme. Reference is invited to our earlier OM No. 1(13)F.V./2008 dated 28th November, 2008 detailing the procedure for NPS in respect of employees of autonomous bodies appointed on or after 01-01-2004.
- (v) The employees recruited prior to 01-01-2004 may be given an option either to remain in the existing CPF scheme or move over to the NPS.

*Madhulika P. Sukul*  
(Madhulika P. Sukul)  
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To

All the Ministries/Departments.