GOVERNMENT OF MANIPUR
SECRETARIAT : FINANCE DEPARTMENT
(PAY IMPLEMENTATION CELL)

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NOTIFICATION

Imphal, the 31st December, 2004.

No. 9/44/2004-FD(PIC) : The Governor of Manipur is pleased to adopt the new restructured Defined Contribution Pension Scheme of the Government of India mutatis mutandis in respect of the new entrants to the service of the State Government of Manipur with effect from 1st January, 2005 with the conditions that wherever the word/words **"Central Government"**, **"defined benefit pension system"**, **"Ist January 2004"**, **"salary"** and **"age 60"** has/have been referred to the Notification bearing F.No.5/7/2003-ECB&PR, dated 22/12/2003 issued by the Government of India, Ministry of Finance, Department of Economic Affairs, ECB & PR Division (copy enclosed for reference), the same shall be construed as referring to **"State Government"**, **"Manipur Civil Services (Pension) Rules, 1977"**, **"Ist January 2005"**, **"Pay"** and **"age 58 or 60 as the case may be"**.

2. Further, all the appointing authorities should make it clear in the offer of appointment to the new entrants/recruits on or after 01/01/2005 that the existing Manipur Civil Services (Pension) Rules, 1977/Family Pension Scheme/General Provident Fund will not be applicable to them.

3. Detailed guidelines will be issued separately.

Sd/-

Saichhuana
Additional Chief Secretary,
in-charge Finance Department,
Government of Manipur.

Memo No.9/44/2004-FD(PIC) : Imphal, the 31st December, 2004.

Copy to :-

1. The Secretary to the Governor, Manipur.
2. The P.S. to the Chief Minister, Manipur.
3. All P.Ss. to Minister/Minister of State, Manipur.
4. The P.S. Ld. Advocate General, Manipur.
5. The Joint Secretary, Ministry of Finance, Department of Economic Affairs, ECB & PR Division, Government of India, New Delhi. He is requested

Annexure to Notification No. 9/44/2004-FD(PIC), dated 31/12/2004.

MINISTRY OF FINANCE
(Department of Economics Affairs)
(ECB & PR Division)

NOTIFICATION

New Delhi, the 22nd December, 2003.

F. No. 5/7/2003-ECB & PR.- The Government approved on 23rd August, 2003 the proposal to implement the budget announcement of 2003-2004 relating to introducing a new restructured defined contribution pension system for new entrants to Central Government service, except to Armed Forces, in the first stage, replacing the existing system of defined benefit pension system.

(i) The system would mandatory for all new recruits to the central Government service from 1st of January 2004 (except the armed forces in the first stage). The monthly contribution would be 10 percent of the salary and DA to be paid by the employee and matched by the Central Government. However, there will be no contribution from the government in respect of individuals who are not Government employees. The contributions and investments returns would be deposited in a non-withdrawal pension tier-I account. The existing provisions of defined benefit pension and GPF would not be available to the new recruits in the Central Government service.

(ii) In addition to the above pension account, each individual may also have a voluntary tier-II withdrawable account at his option. This option is given as GPF will be withdrawn for new recruits in Central Government service. Government will make no contribution into this account. These assets would be managed through exactly the above procedures. However, the employees would be free to withdraw part or all of the 'second tier' of his money anytime. This withdrawable account does not constitute pension investment, and would attract no special tax treatment.

(iii) Individual can normally exit at or after age 60 years for tier-I of the pension system. At exit the individual would be mandatorily required to invest 40 percent of pension wealth to purchase an annuity (from an IRDA-regulated life insurance company). In case of Government employees the annuity should provide for pension for the lifetime of the employees and his dependent parents and his spouse at the time of retirement. The individual would received a lump-sum of the remaining pension wealth, which he would be free to utilize in any manner. Individuals would have the flexibility to leave the pension system prior to age 60. However, in this case, the mandatory annuitisation would be 80% of the pension wealth.

Architecture of the New Pension System.

(iv) It will have a central record keeping and accounting (CRA) infrastructure, several pension fund managers (PFMs) to offer three categories of schemes viz. option A, B and C.

(v) The participating entities (PFMs and CRA) would give out easily understood information about past performance, so that the individual would able to make informed choices about which scheme to choose.

2 The effective date for operationalisation of the new pension system shall be from 1st January, 2004.

Sd/-
U.K. SHINA.,
Joint Secretary to the
Government of India.
Ministry of Finance
Department of Economics Affairs
(ECB & PR Division),
New Delhi.