

No. 1(7)/2019/TA-III/12  
Ministry of Finance  
Department of Expenditure  
Controller General of Accounts  
Mahalekha Niyantak Bhawan  
'E' Block, GPO Complex, INA  
New Delhi – 110022

Dated: 7<sup>th</sup> January, 2020

OFFICE MEMORANDUM

**Subject: Compensation for Non-deposit or Delayed Deposit of Contribution under National Pension System during 2004-12 – Reg.**

Reference is invited to Department of Expenditure (DoE), Ministry of Finance OM No. 1(21)/EV/2018 dated 12<sup>th</sup> April, 2019 (copy enclosed) which, inter-alia, includes decision of the Department of Financial Services (DFS), Ministry of Finance vide clause 1(2)(x), 1(2)(xi) and 1(2)(xii) of Gazette Notification dated 31.01.2019 regarding compensation for Non-deposit or delayed deposit of contribution under National Pension System during 2004 to 2012.

2. In pursuance of instructions/guidelines contained in DoE OM No. 1(21)/EV/2018 dated 12<sup>th</sup> April, 2019, the following guidelines for implementation of the decision contained in DFS Notification dated 31.01.2019 are hereby issued:

**(a) In all cases, where the NPS contributions were deducted from the salary of the Government employee but the amount was not remitted to Central Record Keeping Agency (CRA) system or was remitted late:**

The amount of contributions may be credited to the NPS account of the employee along with interest for the period from the date on which the deductions were made till the date the amount is/was actually credited to the NPS account of the employee, as per the rates applicable to GPF from time to time, compounded annually.

The period of delay shall be reckoned from the last working day of month of deduction of NPS contributions till the same were remitted to CRA system. Similarly, in case of month of March, the period of delay shall be reckoned from the first working day of April of the respective financial year.

The interest shall be calculated by the present DDO of the employee concerned on the basis of data provided by the Central Record Keeping Agency (NSDL) in confirmation with service records of the employee. A confirmation to the correctness of data/records may also be obtained from the employee concerned.

In case any discrepancy is reported by the employee for a period not falling under the current DDO, the DDO shall go ahead with available records and calculate the interest and proceed further to avoid any delay.

The reported discrepancy shall, however, be verified by the current DDO on the basis of PBR(s) available with previous DDO(s) and corrective action, if required, may be taken at later stage.

After calculating the interest, the DDO shall prepare and prefer the bill to PAO/CDDO clearly mentioning the employee details viz. PRAN, period and interest amount etc.

The PAO/CDDO shall, after reconciliation of the bill details with data received from the NSDL upload the Subscriber Contribution Files (SCFs) into NSDL system. The interest amount shall be debited to a new sub-head (to be opened) under "2071-Pensions and Other Retirement Benefits, 117-Government Contribution for Defined Contribution Pension Scheme" and crediting the Head "0071-Contributions and Recoveries towards Pension and Other Retirement Benefits, 500-Receipts Awaiting Transfer to other Minor Heads (RAT)".

The aforesaid new sub-head - "Interest on Non-Deposit or Delayed Deposit of NPS Contributions" shall be opened by this office to ensure uniformity across all pension accounting organizations and timely implementation of the decision.

The PAO/CDDO shall make payment of interest by minus crediting the 'RAT' and remit the interest amount to the NPS trustee bank through the accredited bank ensuring that there are no balances under RAT by end of the month of transaction.

**(b) All the cases where the NPS contributions not deducted from the salary of the government employee for any period during 2004-12:**

The employee may be given option to deposit amount of employee contribution now. In case he opts to deposit the contribution now, the amount may be deposited in one lump sum or in monthly installments. The amount of installment may be deducted from the salary of the Government employee and deposit in his NPS account. The same may qualify for tax concessions under Income Tax Act as applicable to the mandatory contribution of the employee.

In case the employee opts for depositing the amount in one lump sum, the DDO shall work out the amount in confirmation with the service records of the employee. On receipt of such amount from the employee, the DDO shall deposit the same into accredited bank through challan with a copy endorsed to the PAO/CDDO along with details of employee viz. PRAN, amount and period of contributions etc.

On receipt of Receipt Scroll from the accredited bank the PAO/CDDO shall after reconciliation of data provided by the DDO and CRA book the receipt by crediting the Head "0071-Contributions and Recoveries towards Pension and Other Retirement Benefits, 500-Receipts Awaiting Transfer to other Minor Heads (RAT)", upload the SCFs into CRA system and remit the amount to the NPS trustee bank through accredited bank by minus crediting 'RAT' ensuring that there is no balance under 'RAT' at end of the month of the transaction.

If the employee opts for payment in installments, the DDO shall, work out the amount in confirmation with service records of the employee and deduct the same from the salary bills in installments and prefer the bills to PAO/CDDO indicating employee details viz. PRAN, period of pending contributions, number of installments etc. The PAO shall after proper reconciliation upload the SCFs into CRA system clearly indicating "employee's arrear contributions". Subsequently, the PAO/CDDO shall pass the bill by debiting the respective "Salary Head" and crediting "0071-Contributions and Recoveries towards Pension and Other Retirement Benefits, 500-Receipts Awaiting Transfer to other Minor Heads (RAT)" and remit the amount to NPS trustee bank through the accredited bank by minus crediting 'RAT' ensuring there is no balance under 'RAT' at the end of the month of the transaction.

**(c) In all cases where the government contributions were not remitted to CRA system or were remitted late (irrespective whether the employee contributions were deducted or not):**

The amount of Government contributions may be credited to the NPS account of the employee along with interest for the period from the date on which the Government contributions were due till the date the amount is actually credited to the NPS account of the employee, as per rates applicable to GPF from time to time.

The delay in this case shall be reckoned from the last working day of the month the government contribution became due. Similarly, in case of month of March, first working day of April of respective financial year may be reckoned for calculating period of delay.

In all such cases the DDO shall, on the basis of data provided by CRA and in confirmation with records of the employee, work out the amount of Government contributions and prefer the bill to PAO/CDDO. The PAO/CDDO shall, after due reconciliation of data, book the amount by debiting the head "2071-Pensions and Other Retirement Benefits, 117-

Government Contribution for Defined Contribution Pension Scheme" and crediting the Head "0071-Contributions and Recoveries towards Pension and Other Retirement Benefits, 500-Receipts Awaiting Transfer to other Minor Heads (RAT)". The PAO shall remit the amount by minus crediting 'RAT' to NPS trustee bank through the accredited bank ensuring that there is no balance under 'RAT' by end of the month of the transaction. The SCFs uploaded in this regard shall clearly indicate "Government's arrear contributions".

The procedure for calculating interest and payment/remittance to trustee bank may be followed in the same manner as prescribed in 2(a) above.

3. The NSDL shall identify from its records all such cases which are covered under the decision contained in the DFS notification dated 31.01.2019 and pass on such employees-wise details, on its own, to the concerned Head of Office and DDO/PAO, where the employee is currently posted. This data, however, is secondary in nature and, therefore, HoO/DDO/CDDO/PAO are required to reconcile the same with the data/records available with them before preferring/passing the bills for payment to trustee bank.
4. NSDL may also update their system with necessary technical modalities for capturing the details of employees arrear contributions, government arrear contribution, interest amount etc. in SCFs uploaded by the nodal offices to ensure seamless matching and booking of contributions and interest amount.
5. The period of 2004-2012 would be reckoned in term of calendar years i.e. 01.01.2004 to 31.12.2012. All cases of delay may be resolved within a period of three months.
6. This issues with the approval of the Controller General of Accounts.

  
(Sanjeev Shrivastava)


Joint Controller General of Accounts

To

All Pr. CCAs/CCAs/CAs with independent charge of Ministries/ Departments concerned.

Copy to:

1. The Secretary (Expenditure), for kind information.
2. Office of Comptroller & Auditor General of India.
3. Financial Advisors to all Ministries/Departments of Central Government.
4. JS (Pers.), Department of Expenditure, Ministry of Finance, North Block, New Delhi.
5. Sh. Madnesh Kumar Mishra, Jt. Secretary, Department of Financial Services, Ministry of Finance, New Delhi.
6. Controller General of Defence Accounts, Ulan Batar Road, Palam, Delhi Cantt., New Delhi-110010.
7. Principal Executive Director (Accounts), Railway Board, New Delhi.
8. Dy. Director General, Department of Post, Room No. 405, Dak Bhawan, New Delhi.
9. Dy. Director General (Accounts), Deptt. of Telecommunications, Room No. 1305, Sanchar Bhawan, 20 Ashok Road, New Delhi
10. Controller of Accounts, Govt. of NCT of Delhi, A-Block, Vikash Bhawan, I.P. Estate, New Delhi - 110110.
11. Ms. Sumeet Kaur Kapoor, CGM, PFRDA, B-14/A, Chhatrapati Shivaji Bhawan, Qutub Institutional Area, Katwaria Sarai, New Delhi - 16.
12. PAO, Lok Sabha/Rajya Sabha/President's Secretariat/Election Commission.
13. Sh. Prasenjit Mukherjee, Vice President, NSDL, Trade World, A wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai - 400013
14. ITD Section, O/o CGA with a request to upload the OM on CGA's website.

  
(Sanjeev Shrivastava)

Joint Controller General of Accounts

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No.1(21)/EV/2018  
Government of India  
Ministry of Finance  
Department of Expenditure  
(E-V Branch)

North Block, New Delhi,  
the 12<sup>th</sup> April, 2019.

OFFICE MEMORANDUM

**Subject: Compensation for non-deposit or delayed deposit of contribution under National Pension System during 2004-12**

The undersigned is directed to invite attention to the guidelines issued by Controller General of Accounts, Ministry of Finance, Department of Expenditure, vide OM No.1(7)/2003/TA/Part file/279, dated 02.09.2008 for streamlining of procedure for remittances of contributions under the National Pension System (NPS) by PAOs/CDDOs and NCDDOs which provides, inter-alia, the detailed procedure for the purpose of crediting of the NPS contribution to the NPS Trustee Banks so as to ensure that the contribution is credited to the NPS regulatory system as per the timelines prescribed therein without delay.

2. Based on the recommendations of the 7<sup>th</sup> Central Pay Commission and the recommendations of a Committee of Secretaries, as set up in pursuance of the decision of the Government contained in para 15 of the Resolution of this Department bearing No. 1-2/2016-IC dt. 25.7.2016 to suggest measures for streamlining the implementation of the NPS, the Department of Financial Services, Ministry of Finance, has issued a Notification F. No. 1/3/2016-PR dt. 31.1.2019, clause 1(2)(x), 1(2)(xi) and 1(2)(xii) thereof provides as under:

**Compensation for non-deposit or delayed deposit of contribution under National Pension System during 2004-12**

- (a) In all cases, where the NPS contributions were deducted from the salary of the Government employee but the amount was not remitted to CRA system or was remitted late, the amount may be credited to the NPS account of the employee along with interest for the period from the date on which the deductions

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were made till the date the amount was credited to the NPS account of the employee, as per the rates applicable to GPF from time to time, compounded annually.

(b) In all cases where the NPS contributions were not deducted from the salary of the Government employee for any period during 2004-2012, the employee may be given an option to deposit the amount of employee contribution now. In case he opts to deposit the contributions now, the amount may be deposited in one lump sum or in monthly installments. The amount of installment may be deducted from the salary of the Government employee and deposited in his NPS account. The same may qualify for tax concessions under the Income Tax Act as applicable to the mandatory contributions of the employee.

(c) In all cases where the Government contributions were not remitted to CRA system or were remitted late (irrespective whether the employee contributions were deducted or not), the amount of Government contributions may be credited to the NPS account of the employee along with interest for the period from the date on which the Government contributions were due till the date the amount is actually credited to the NPS account of the employee, as per the rates applicable to GPF from time to time. Instructions to this effect may be issued by the Department of Expenditure/Controller General of Accounts. All such cases of delay may be resolved within a period three months.

3. In pursuance of the aforesaid provisions of the said Notification dt. 31.1.2019, all the Ministries/Departments are required to ensure that the decisions, as contained therein insofar as these relate to the issue of delayed credit of NPS contribution to CRA system, are carried out in respect of Central Government employees under their administrative purview in consultation with the concerned Financial Advisors and the respective pension accounting organizations, i.e., Controller General of Accounts in respect of Central Civil Ministries/Departments, Railway Accounts in respect of Ministry of Railways, P&T Accounts in respect of employees of Department of Posts and Department of Telecommunication and the Controller General of Defence Accounts in respect of Defence Civilians.



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4. While carrying out the above decision contained in the aforesaid notification dt. 31.1.2019, it has to be ensured that the modalities for implementing the same are uniform across the pension accounting organizations and, therefore, for this purpose, the office of Controller General of Accounts of this Department shall be the nodal organization for laying down the modalities. Accordingly, the office of Controller General of Accounts shall issue guidelines for the purpose. The concerned Financial Advisor shall be the central point for the purpose in the respective Ministries/Departments.

5. It is likely that the concerned Ministries/Departments need data and information from the Central Recordkeeping Agency, namely, NSDL, to carry out the above decision in respect of employees under their administrative domain. In order, therefore, to facilitate such action by the Ministries/Departments, the CRA shall look into its record and in all cases which are covered under the decision contained in the aforesaid Notification dt. 31.1.2019, it shall pass on such employee-wise details, on its own, to the concerned Head of the Office and DDO/PAO, where the employee is currently posted within 15 days of the date of issue of these orders so that the desired and timely action gets initiated by the Ministries/Departments.

6. In their application to the employees working in the Indian Audit & Accounts Department, these orders issue in consultation with the Office of Comptroller & Auditor General of India.

7. Hindi version of this order is attached.

(Amar Nath Singh)  
Director

To,

1. All Ministries/Departments, as per standard mailing list
2. Financial Advisors of all the Ministries/Departments.
3. Pr. CCA/CCA of all the Ministries/Departments.
4. Controller General of Accounts
5. Controller General of Defence Accounts
6. UPSC
7. Office of C&AG.

8. NSDL for taking action as per para 5 of these orders.