

**GOVERNMENT OF NAGALAND
FINANCE DEPARTMENT
(ESTABLISHMENT BRANCH & ROP CELL)**

NOTIFICATION

Dated Kohima, the 28th ¹⁵ January' 2010

NO.FIN/ESTT-3/04 (Pt) :: The Governor of Nagaland is pleased to adopt the new restructured Defined Contribution Pension Scheme of the Government of India in respect of all new entrants to the service of the State Government of Nagaland **with effect from 1st January 2010.**

2. For the purpose of operation of the scheme, the State Government of Nagaland shall join the Central Record Keeping arrangements as entered between the Pension Fund Regulatory Development Authority (PFRDA) and the National Securities Depository Limited (NSDL) for the Central Government employees.

3. With the introduction of this scheme, all persons appointed in the service of the State Government of Nagaland with effect from 1st January 2010, shall not be eligible for pension under the existing Pension Rules, but shall be covered by the Defined Contribution Pension Scheme as specified below:

- (i) A monthly contribution of 10% of the basic pay and Dearness Allowance (including Dearness Pay) to be paid by the employee towards the Pension Fund and the State Government would also provide a matching contribution as employer's share. The contribution so made would be deposited in a non-withdrawable pension tier-I account. Such funds will be invested by Pension Fund Managers as approved by Pension Fund Regulatory Development Authority (PFRDA) under different categories of scheme which would be a mix of debt and equity. The Fund Managers would give out easily understood information about the performance of different investment schemes so that individual Government employee would be able to make informed choices about which scheme to choose. The entire amount lying in his pension tier-I account at the time of retirement will be the pension wealth of the retiring Government servant.
- (ii) In addition to the above provision, each individual may also have a voluntary tier-II withdrawable account at his option. This option is provided as General Provident Fund will be withdrawn for employees recruited to the State Government Service with effect from 1st January, 2010. The State Government will, however, make no contribution into this tier-II account. In tier- II system, the individuals may subscribe 10% of his salary (basic pay + DP+DA) and these assets would be managed through exactly the above procedure. However, the employee would be free to withdraw part or all of second tier of his money at any time. This withdrawable account does not constitute pension investment and would attract no special tax treatment.

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- (iii) At the time of retirement, Government servant will receive a lump sum payment equivalent to 60% of his pension wealth and it is mandatory for the retiring Government servant to invest the remaining 40% of his pension wealth to purchase an annuity from a Life Insurance Company regulated by Insurance Regulatory and Development Authority. The annuity shall provide for pension for the life time of the employee and his dependent parents and his spouse at the time of retirement. However, the individual would be free to utilize the lump sum 60 % of his pension wealth in any manner. Individuals would have the flexibility to leave the pension system prior to age of 60 years or 35 years of service as the case may be. In such case, the mandatory annuitisation would be 80% of the pension wealth.
4. Detail instruction on operation of the scheme, as well as, forms to be used and records to be maintained and rendered by the subscriber, the DDOs, the Treasury, the Department etc. for realization of contributions and its further investment and accounting shall be issued by the State Government separately.

Sd/-
(LALTHARA)
Chief Secretary

NO.FIN/ESTT-3/04 (Pt)

Dated Kohima, the 28th January 2010

Copy to:-

1. The Chief Secretary, Government of Nagaland, Kohima.
2. All Additional Chief Secretaries/ Principal Secretaries/ Commissioner & Secretaries/ Secretaries/ Additional Secretaries to the Government of Nagaland, Kohima.
3. The Commissioner, Nagaland, Kohima.
4. The Accountant General, Nagaland, Kohima.
5. The Commissioner & Secretary to the Governor of Nagaland, Raj Bhavan, Kohima.
6. The Commissioner & Secretary to the Chief Minister, Nagaland, Kohima.
7. The Senior PS/PS to all Ministers/Parliamentary Secretaries, Nagaland Kohima.
8. The Secretary, Nagaland Legislative Assembly, Kohima.
9. The Secretary, NPSC, Nagaland, Kohima.
10. All Heads of Department (They are requested to circulate this notification to all their subordinate Offices).
11. All DCs /ADCs in Nagaland.
12. All Treasuries/ Sub-Treasuries in Nagaland.
13. The President, Nagaland Pensioners Association, Kohima.
14. The S.I.O. NIC, Nagaland Civil Secretariat with the request to post this in the Government of Nagaland website.
15. The Publisher, Nagaland Gazette with the request to publish this notification in the Gazette publication.
16. All local Newspapers.

(TOSHAIER)

Addl. Chief Secretary & Finance Commissioner