



**INDL.RELATIONS SECTION, HR DIVISION
CORPORATE OFFICE, NOIDA**

HO/19/IR/NPS

September 04, 2018

CIRCULAR NO. - 627

Sub: Implementation of National Pension System (NPS) in KRIBHCO-reg.

The Management is considering implementation of National Pension System (NPS) for the benefit of the employees of KRIBHCO. The benefits of NPS are as under :-

Benefit on NPS

NPS offers the following benefits:-

1. Prudentially Regulated under PFRDA Act 2013, Low Cost, Portability across jobs and location, Flexibility with investment choice, Market linked return, No entry or exit loads.
2. No approval from Income Tax authority is required for NPS Corporate enrolment.
3. No need to establish and manage your TRUST like Superannuation Trust.
4. NPS corporate enrolment is absolutely cost free.
5. Contribution by employer to NPS a/c of employees, up to 10% of Basic and DA can be accounted as business expenses u/s 36(1)IV(A) of Income Tax Act.
6. Tax deduction for individuals on contribution of Rs.1,50,000 u/s 80C.
7. Additional Tax deduction for individual of Rs. 50,000/- u/s 80CCD1B.
8. Self contribution by employee – Tax deduction u/s 80CCD1.

9. Employer contribution – Tax deduction u/s 80CCD2.
10. Tax benefit u/s 80CCD (1B) and 80CCD(2) are over and above limit u/s 80C.
11. No service tax on annuity through NPS unlike immediate annuity.
12. Minimum 40% and upto 100% of corpus tax exempt on annuitisation. UP to 40% of corpus tax exempt on withdrawal. Upto 60% of corpus will be withdrawn on superannuation.
13. Option of paying self contribution by online/Cheque/DD/NACH.
14. Deferment to start annuity, for three years and deferment of withdrawal till 70 years of age.
15. Aadhar based NPS account opening through Stock Holding.
16. **Flexible** : The employer can have the option to select the investment choice for all its employees or may give the option to the employees. The employees have the option to choose from an assortment of asset classes (Equity, Corporate Debt & Government Securities) and can have the freedom to invest in a variety of Pension Funds.
17. The NPS can be operated from anywhere in the country even in one changes the job location or the job itself.

NPS shall be operated by Stock Holding Corporation of India Ltd. (Stock Holding) a Government company, promoted by leading Financial Institutions.

Other features to operate the scheme shall be as under :-

1. As per discussions with the stock holding representatives, the employees who are already having their NPS account may also come under the ambit of Corporate account i.e. operated by KRIBHCO.
2. This Scheme shall not be mandatory. It will be optional to the employees of KRIBHCO.
3. All the permanent employees of KRIBHCO and Management trainees can become member of NPS as per the rules of the NPS.
4. The employer's contribution equivalent upto 10% of Basic shall be taken from the perks/allowances of the employees. For example at present 25% allowances are paid to the employees and after implementation of this scheme allowance s shall be reduced to 15% and NPS contribution will be 10%.

5. No financial implication shall be borne by KRIBHCO.
6. Charges such as initial subscription, fund maintenance/ management charges or any other charges applicable shall be borne by the employees.
7. The scheme can also be reviewed on the Website of Stock holding i.e. www.stockholding.com.
8. In the event of implementation of this scheme the perks shall be revised, the tentative perks after implementation of this scheme may be as under :

S. No.	Particulars	Grade D (AGM) & above		Grade H to D (DGM)		Grade R to H1 (HO/CMO/FMO)		Grade R to H1 (Plant)	
		Existing (%)	Proposed (%)	Existing (%)	Proposed (%)	Existing (%)	Proposed (%)	Existing (%)	Proposed (%)
1	Reimbursement of Washing Expenses	4	4	3	2	3	2	3	2
2	Education Allowance	1	1	1	NIL	2	1	1	NIL
3	Reimbursement of Expenses for Newspaper and Periodicals	4	4	3	2	3	2	3	2
4	Canteen subsidy/ Meal Coupons (at employee's option)	2	2	3	2	3	2	3	2
5	Transport Allowance	NIL	NIL	2	NIL	2	NIL	2	NIL
6	Reimbursement of Conveyance Expenses	NIL	NIL	7	7	2	2	7	7
7	Furnishing Allowance	8	2	NIL	NIL	NIL	NIL	NIL	NIL
8	LTC/LTE (Yearly)	6	2	6	2	10	6	6	2

This scheme will be implemented w.e.f. 01.01.2019.

All the employees of the society are requested to review the above scheme and submit their option within 10 days from the issue of this circular. On the basis of consent form received from the employees, the scheme shall be considered for implementation. After implementation, in case any employee wants to withdraw from the scheme, he/she has to submit his/her request letter by 28th February of the each year so that contribution from 1st April of the next financial year can be discontinued and the employee will be out of the employer scheme. The request for withdrawal, in between the financial year will not be entertained.



(POONAM SHARMA)
General Manager (HR)

DISTRIBUTION : -

- EDs
- All CGMs/GMs
- All AGMs/DGMs
- All CMs/Chief SMMs
- All SMs/Sr. SMMs
- All Area Managers
- Administrator – SAP
- GS- KAS/AIKEU
- All employees/Notice Board

CC : Office of MD/FD/Mktg. Director