

F. No. 1 (3)/EV/2020
Government of India
Ministry of Finance
Department of Expenditure

North Block, New Delhi
Dated the ^{21st} August, 2021

OFFICE MEMORANDUM

Subject: Applicability of Gazette Notification No.1/3/2016-PR, dated 31.01.2019 issued by the Deptt of Financial Services (DFS), Ministry of Finance to the employees of Central Autonomous Bodies covered under NPS.

The undersigned is directed to refer to Department of Financial Services' Gazette Notification No.1/3/2016-PR dated 31.01.2019, inter-alia, enhancing the employer's share of contribution for Central Government NPS subscribers from 10% to 14% w.e.f. 01.04.2019. Consequent upon issuance of the said notification, PFRDA as well as Ministries/Department have sought clarification from this Department, if the notification dated 31.01.2019 is applicable to the NPS borne employees of the Central Autonomous Bodies.

2. The employees of Central Autonomous Bodies (CABs) are not Central Government employees and therefore the afore said provisions of the notification dated 31.01.2019 is not directly and automatically applicable in respect of CAB employees. Also, as CABs are financially dependent on grant-in-aid from the Central Government for this administrative and establishment expenditure any such enhancement in the employer's contribution having budgetary implications warrants prior approval of the Central Government. It may be noted that NPS was introduced in respect of employees of CABs through a separate order of this Department O.M. No. 1(13)/E.V/2001 dated 13.11.2003.

3. However, it has been observed that despite no prior sanction from the Ministry of Finance, the employer's contribution was enhanced to 14% of Pay & DA in respect of employees of a number of CABs. It is brought to notice that such internal and suo-moto decisions by the CABs/Administrative Ministries are contrary to the Delegation of Financial Powers and tantamount to unauthorized expenditure. Any recurrence of such unauthorized and improper decision will result in enforcement of personal accountability of the administrative and financial staff of the organization/Ministry and the Head of the organization thereof through disciplinary action and/or financial recoveries.

4. The issue has further been examined by this Department and taking in to consideration all the factors, it has been decided that the notification dated 31.01.2019 may be extended to the employees of Central Autonomous Bodies. The date of effect will be same as applicable in case of Central Government employees i.e. 01.04.2019. The administrative Ministry/Departments are directed to ensure that while implementing the enhanced share of contribution among the autonomous bodies, the financial implications shall be borne by the Government in the same manner, as was decided to be borne while implementing the pay revision benefits to employees of autonomous bodies in terms of the 7th CPC recommendation as enumerated vide this Department's order No.1/1/2016-E.III(A), dated 13.01.2017.

4. This has the approval of Hon'ble Finance Minister.



(B. K. Manthan)

Deputy Secretary to the Govt. of India
Tele No: 2309 4545

FAs of all Ministry/Department as per standard list

Copy to:

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