

## **CONTRIBUTORY PENSION SCHEME(CPS)**

Some of the Frequently Asked Questions (FAQ's), about the Contributory Pension Scheme (CPS) of the Government of Tamil Nadu, with relevant answers/clarifications are shown below for information of the public and employees in particular.

### **Q1 Eligibility criteria:**

The Contributory Pension Scheme of the Government of Tamil Nadu came in to effect through the Government Order, 430, Finance (Pension) Department, dt. 6<sup>th</sup> August, 2004. It is applicable to all the employees of the Government of Tamil Nadu, who have joined the government service in regular time-scale on or after 1<sup>st</sup> April, 2003.

Office of the Accountant General (A & E) will receive applications and allot CPS Index Number for State Government Departments, only, for those categories of employees whose GPF accounts are presently maintained.

As per, the G O No. 201, Finance (Pension) Department, Dt. 21<sup>st</sup> May, 2009, ([http://www.tn.gov.in/gosdb/gorders/finance/fin\\_e\\_201\\_2009.pdf](http://www.tn.gov.in/gosdb/gorders/finance/fin_e_201_2009.pdf)) the following employees, (whose CPS accounts are not maintained by this office), have to send their CPS admission applications to the Govt. Data Center, Kotturpuram, Chennai, as the work of assigning CPS Index Numbers, has been entrusted to them.

- a. Teachers of Panchayat Union Schools
- b. Teachers of Aided Schools/Institutions
- c. Non-Teaching Staff of Panchayat Union Schools
- d. Municipal Corporation and Municipal Employees
- e. Non-Provisionalised Employees of Town Panchayats
- f. Non-Provisionalised Employees of Panchayat Unions

Employees drawing consolidated pay are not eligible to join CPS. These employees are eligible only when their services are regularized and brought under time scale of pay (Vide Letter No. 92399/Pension/2005-01, Dated, 13<sup>th</sup> April, 2006)

### **Q-2 Eligibility to join GPF/CPS in case of employees who are recruited prior to 01-04-2003, and joined on or after 01-04-2003?**

The government in letter No. 47286/Allowances/06-1 Dt. 07-09-2006, has clarified that candidates who have been selected by Tamil Nadu Public Service Commission prior to 01-04-2003 and joined in service after 01-04-2003, should be brought under CPS only and cannot be allotted GPF account numbers.

### **Q-3 How to join the CPS?**

For assigning of CPS index number, a completely filled application and signed by the applicant in the prescribed format as given in Annexure I of GO 430, may be forwarded through

the DDO(Drawing and Disbursing Officer) concerned. The application can be down loaded from(<http://www.tn.gov.in/gosdb/gorders/finance/fin-e-430-2004.htm>) and sent to The Accounts Officer, GPF14/CPS, O/o The Pr.Accountant General, A & E , Tamil Nadu, 361, Anna Salai, Teynampet, Chennai 600 018.

**Q-4 Deduction or Quantum of Contribution by the enrolled employee?**

The government has **fixed 10% of the Basic Pay+ Grade Pay+ Dearness Allowance**, as the mandatory amount of contribution to the Scheme. No excess or lesser amount should be deducted from the salary. It is the responsibility of the DDOs, for the correctness of the deduction. If, say, the total of BP+GP+DA is Rs 13410, than only 1341/ (@10% of 13410/-) should be deducted from the salary. For any deviation, in the deduction, the DDO concerned would be held responsible.

**Q-5 Quantum of Contribution by the employer or the Government of Tamil Nadu?**

The Government of Tamil Nadu is also contributing the amount, which is equivalent to that of contribution made by employee, every month.

**Q-6 Month from which deduction has to be effected?**

The eligible state government employee shall commence contribution to CPS, after allotment of CPS account no. by this office, from the first month of joining the government service, as 'Arrear'. This will also be deducted @ 10% of the BP+GP+DA, of the particular month.

**Q-7 How to deduct the 'Arrear' contribution?**

'Arrear' contribution would have to be deducted in as many installments, as the number of months are due, starting from the month of joining CPS, to the month of 'First contribution' is made by the DDO, after getting the CPS INDEX NUMBER.

Illustration: If month of joining is January, 2007 and month of first deduction, after getting CPS INDEX NUMBER, is January, 2009, the total arrear months are 24, and arrear has to be deducted as 1/24 in January, 2009, 2/24 in February, 2009, 3/24 in March, 2009.....up to 24/24 in Dec, 2010.

This amount has to be shown separately, as 'ARREAR' along with current month's CONTRIBUTION'. (I.e. one subscription for current month and one additional for subscription arrears).

For 'Arrear' contribution also, equivalent amount would be contributed by the employer.

**Q-8 How to deduct other Arrears such as Pay Commission Arrears/DA Arrears etc?**

Other arrears such as PC arrears or DA arrears should be deducted in the month of account and SHOWN SEPARATELY AS 'OTHER ARREARS' in installments only.

**Q-9 Head of Account?**

'8342-00-120-BZ' is the head of account, in to which the employee contribution should be booked, for any deduction such as 'Contribution' or 'Arrear' or 'Other Arrears'.

**Q-10 Eligibility to join GPF, in case of the employee who already holds another PF account and joins the GOVERNMENT SERVICE on or after 1 st April, 2003 on transfer/Promotion/absorption/Up-gradation from Municipal/Panchayat/Aided/Corporation?**

Any person, who already holds a GPF account and in pensionable service prior to 1-04-03, and join the new post without any break in service, can continue in the pension scheme or GPF as the case may be. To continue in the pension scheme an employee should have entered in the pensionable government service before 01-04-2003 and should have entered in to another pensionable Government service on or after 01-04-03 without any break in service(Vide Letter 12473/Finance(Pension)/2009, dt. 27/05/2009. Intervening govt. holidays and closed holidays such as Saturdays/Sundays, are not considered as break in service. [http://www.tn.gov.in/gosdb/gorders/finance/fin\\_e\\_34911\\_2009.pdf](http://www.tn.gov.in/gosdb/gorders/finance/fin_e_34911_2009.pdf)

**Q-11 Eligibility to join GPF/CPS in case of 10 (a) (1) candidates who were ousted and reinstated in to service by the Tamil Nadu Administrative Tribunal Orders/Court Orders with retrospective effect?**

10 (a) (1) candidates regularly appointed before 01-04-2003 are eligible for old pension scheme. If they are regularly appointed on or after 01/04/2003, will come under CPS even though they have been allotted GPF number temporarily. (Vide Letter 12473/Finance (Pension)/2009, Dt. 27/05/2009.

**Q-12 What if, DDO has deducted contribution, in excess of mandatory 10% of BP+GP+DA?**

Any, excess contribution which has been made, the same would be adjusted against future month contributions. (Vide Letter No.92399/Pension/2005-01 Dated 13<sup>th</sup> April, 2006.

**Q-13 How to prepare CPS Schedule?**

DDOs should prepare the schedule as per Annexure II of the GO 430, Dated 6<sup>th</sup> August, 2004, which is easily distinguishable from GPF schedule and sent separately to CPS section, showing clearly the CPS Index number, Name with Initials. Also, furnishing of additional details such as, Date of Birth of the account holder would help a great way in reducing wrong credit postings.

**Q-14 How to know about the balance at credit in a CPS account?**

This office is generating and dispatching the Annual Accounts Statements (AAS) for all the account holders, to respective DDOs, every year after closure of accounts.

**Q-15 What is the rate of interest for CPS credits ?**

Interest would be calculated at the prevailing rate applicable to GPF which is now at 8%. Interest is given for current credits from the month of contribution. For arrear credit, interest is from the month of transaction, though arrear may relate to previous months.

**Q-16 How adjustment of Missing Credits, shown in the AAS, are made?**

Missing credits are exhibited in AAS, which can be accounted for, on receipt of necessary details such as Head of Account, Month of transaction, Name of Treasury, Sub-account, Voucher No. and forwarded through the concerned Treasury Officer.

**Q-17 Whether any Advances or Withdrawals are allowed in CPS?**

At present, there is no government order permitting any advance or withdrawal from the CPS accounts.

**Q-18 Whether Final Closure of CPS Account holder is made now?**

The Government of Tamil Nadu, has clarified that CPS account may be closed on the death of the employee.

As per the Government of Tamil Nadu, letter No. 29593A/Finance (Pension)Department/2009, dated 25-08-2009, has said that employees' own contribution plus Government matching contribution plus interest on both, calculated @8% p a may be paid under CPS, to the nominee or in the absence of any nomination to the legal heirs of the deceased employee. Some clarifications regarding definition of 'Family', maximum interest to be allowed from the month of event etc., is awaited from the Govt. after which authorizations would be issued.

**Q 19 Current status of Credit postings under CPS:**

---To be updated regularly--(As floating data)

Annual Accounts Statements (AAS) for the year 2007-08, have already been dispatched. Credit postings for 2008-09, is in progress.

NOTE: Please mention correct CPS Index number, correct name with exact spelling, initials, DOB and DOJ of the account holder, in their correspondence, to enable this office, to serve them better and quickly.

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