

Dear Subscriber,

Welcome to the *Newsletter for SG Employees* under National Pension System (NPS).

As a subscriber of NPS, you would have earlier received a welcome kit containing your PRAN Card, Internet Personal Identification Number (I-PIN) and Tele-query Personal Identification Number (T-PIN) when you joined the system. This newsletter is an initiative to create an ongoing platform for an engagement with you.

***“An informed person is an empowered person”.***

Taking this maxim as our guiding light, consider this correspondence, as the first of many interactions we will have over time. Through this message, we as the regulator, would like to inform, notify, educate, empower and cooperate with you- a subscriber of the NPS, to make this system more robust, alert and interactive.

NPS is Defined Contribution Pension System; keeping aside the technical jargon, let us understand what the NPS is all about and what & where your money goes, who manages your money etc. This first communiqué deals with the first of the few primary questions that we feel, you as a subscriber should have answers to. The forthcoming communications, which you will receive over the next few months, would be on other topics related to NPS.

• ***What is NPS?***

Consider your pension account in NPS i.e. PRAN- Permanent Retirement Account Number, as a *sapling*, which is planted when you, as a Government employee join NPS. It is watered (*with your half of NPS contribution i.e. 10% of Basic Pay + DA*), manured (*with Government's matching half of contribution*) and exposed to sunlight (*invested in pension funds for growth*); over a period, it grows into a giant flourishing tree (*your NPS corpus*). At your retirement, this tree along with the fruit it bears, is yours to benefit from.

• ***Where is your money invested?***

As per conscious decision of the Government of India towards mitigating the risk, bulk of the funds of the Government subscribers are invested in Government securities & Debt instruments (*comparatively safe investments*) and the exposure to Equity is also made to maximize returns. This is done with a view to balance your returns with the risk. The CAGR of the SG Scheme as on March 31<sup>st</sup> 2014 is 8.6% (since inception) and this return is calculated based on scheme NAVs and the securities held under the scheme portfolio valued on marked-to market (MTM) basis.

• ***Who manages your investments?***

Your contributions are allocated to three Public Sector Pension Funds, viz. SBI Pension Funds Private Limited, UTI Retirement Solutions Limited and LIC Pension Fund Limited. The functioning of these PFs are overseen both by the PFRDA and by the NPS Trust.

• ***What are your points of interaction with the System?***

You, as subscriber, can interact with the System at/ through two levels- at the Government Nodal office level and through the CRA- Central Recordkeeping Agency- the intermediary entrusted with the record keeping of the data of individual subscribers. By Nodal office we mean the office with which your PRAN is linked and who, on your behalf interacts with the System.

• *What are your rights as a subscriber?*

It is your right and consequently your Nodal office's responsibility that your NPS contributions are remitted to the system for investment - in full and in a timely manner.

For further details you may [Click FAQs](#).

We trust you have been receiving emails, SMSs and your SoTs (Statement of Transactions) from the CRA from time to time. We have earlier sent an information brochure to you which, we are attaching again for your perusal. [Click Brochure](#).

In case, you require any further information you may contact PFRDA (*For details [Click here](#)*) or the CRA- Central Recordkeeping Agency (*For address & other details [Click here](#)*).

Yours Sincerely

*Hemant G. Contractor*

Chairman, PFRDA