

तार : 'फूडकोर्प'

Gram : 'FOODCORP'

फैक्स नं: एचएफसीआई एन डी

Fax No.: HFCI ND

भारतीय  
खाद्य  
निगम



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CORPORATION  
OF INDIA

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Ref: HQ/ACCTS/FCI/PENSION/2016

Date: 30.12.2016

## CIRCULAR NO: FCIDCPS- 01/2016/ACCTS

### Subject: Introduction of FCI Defined Contribution Pension Scheme

- 1.0 In line with the guidelines issued by the Department of Public Enterprises (DPE), Memorandum of Understanding (MOU) signed between Management and Unions for Revision of Pay and benefits w.e.f 01.01.2007 & approval of Government of India on dated 10.8.2016, communicated vide Department of Food and Public Distribution (DFPD), Ministry of CA, F&PD, GoI letter dated 8.9.2016, the “**FCI Defined Contribution Pension Scheme**” (**Pension Scheme**) is introduced in FCI with effect from 01-12-2008. The final Pension Scheme has also been approved by the Board of Directors of FCI on 28.9.2016 and the DFPD intimated vide its letter dated 11<sup>th</sup> November 2016. The Pension Scheme is attached to this Circular at Annexure-I.

The salient features of the scheme are:-

- 2.0 **Effective Date:** The Pension Scheme shall be effective from **01-12-2008**.

**Coverage and Eligibility :** The scheme covers all **Category I, II, III & IV Employees** on regular rolls of the Corporation as on the effective date i.e. 01-12-2008 and those joining subsequent thereto subject to their eligibility as follows:-

- 2.1 All Category I, II, III & IV Employees on regular rolls of the Corporation as on the effective date i.e. on 01-12-2008, shall be admitted to the benefits of the Scheme as per the provisions of the Pension Scheme, provided that their continuous service in the regular scale of pay on the effective date plus continuous service to be rendered thereafter till the normal date of their superannuation is not less than 15 years.
- 2.2 All employees except trainees and adhoc/contractual employees, joining the Corporation on regular rolls on or after the effective date i.e. 01-12-2008 shall become members of the Scheme from the date of joining the Corporation, provided that their continuous service in the regular scale of pay from the date of joining the Corporation till the date of their superannuation is expected to be not less than 15 years.
- 2.3 Trainees shall join the scheme on successful completion of training and upon regularization in the regular scale of pay, on the regular rolls of the Corporation provided their continuous service, in the regular scale of pay, from the date of joining the regular scale till their normal date of superannuation is expected to be not less than 15 years.

- 3.0 **Administration of the Scheme:** Pension Scheme shall be administered through “**FCI Defined Contribution Pension Trust**” (**Pension Trust**), positioned centrally at FCI, Headquarters. Trust Deed shall be registered and approval of the Pension Fund shall be sought from Commissioner of Income Tax, Delhi under the Income Tax Act’1961. Trust Deed and Rules shall be notified in due course. Pension Trust shall be an autonomous body fully administered and managed by its Board of Trustees as per the Rules of the Trust and requirement of the relevant laws.
- 4.0 **Nomination of Fund Manager:** - LIC of India is nominated as Fund Manager of the Pension Scheme, initially for a period of one year or till the appointment of a regular Fund Manager, whichever is earlier, on nomination basis.
- 5.0 **Employer’s Contribution:** FCI shall contribute towards Pension Scheme @10% of (Basic Pay + DA) of eligible employees or such other percentage as may be notified by the Corporation with the approval of Central Government from time to time, subject to the condition that the total post-retirement benefits comprising of Gratuity, Provident fund, Post-Retirement Medical benefits and Contributory Pension shall not exceed 30% of Basic Pay and DA or such other percentage as may be fixed by the Government from time to time.
- 5.1 Arrears of employer’s contribution for the period w.e.f 01-12-2008 to 31-12-2016 shall be paid in two equal annual instalments.
- 5.2 The regular employer’s monthly contribution towards the Pension Scheme shall be drawn in payroll w.e.f. January, 2017 and be remitted to the Pension Trust by 15<sup>th</sup> of the succeeding month.
- 6.0 **Member’s Contribution:** All eligible employees shall contribute at the rate of 2% of (Basic Pay+ DA) or such other percentage of (Basic pay + DA) as may be fixed by the Corporation as mandatory contribution towards pension with effect from 01-12-2008. However, no past service contribution shall be collected from the spouse of an eligible employees who expired while in service of FCI on or after 01-12-2008 and from the spouse of an employee who superannuated on or after 01-12-2008 but is not alive as on the date of issue of this Circular.
- 6.1 Arrears towards the past service contribution i.e. contribution for service for the period from 01-12-2008 to 31-12-2016, in respect of the existing employees shall be recovered in of 15 monthly instalments or up to the date of Superannuation, whichever is earlier. However, an employee can exercise option (on or before 15<sup>th</sup> January’2017) to recover the arrears of employee contribution in 10 equal monthly instalments or deposit in lump-sum (**Form-1**). In case of superannuation before recovery of arrears of employees’ contribution, the balance arrear amount shall be recovered from the superannuation benefits of the said member for which an “Undertaking” has to be submitted to the head of office by the member (**Form-2**).
- 6.2 The regular employee’s monthly contribution towards the Pension Scheme shall be drawn in payroll w.e.f January’2017 and shall be remitted to the Pension Trust by 15<sup>th</sup> of the succeeding month.

- 6.3 **Voluntary/additional contribution by Member:** Each eligible employee shall have an option to make voluntary contribution over and above the mandatory limit of contribution towards Pension Scheme as fixed percentage of (Basic pay + DA) by way of deduction from his / her salary subject to a maximum of 25%. Initial option for voluntary contribution shall be exercised on or before 15<sup>th</sup> March, 2017 and thereafter option can be revised once in a financial year on or before 15<sup>th</sup> March to be effective from 1<sup>st</sup> April of the following year (**Form-3**). Option once exercised cannot be altered / revoked during the concerned Financial Year.
- 6.4 Member shall have an option to contribute part / full of his / her terminal benefits to the Pension Scheme for which option shall be exercised in advance before his / her superannuation from FCI (**Form-4**).
- 6.5 In case of death in service the spouse of deceased member can opt to contribute part / full of the terminal benefits of his / her spouse to Pension Scheme (**Form-5**).
- 7.0 Regular member's Contribution including voluntary contribution shall be deducted by the Corporation from the salary of eligible employees and remitted to the said Pension Trust along with the Employer's Contributions by 15<sup>th</sup> of the succeeding month.
- 8.0 **Membership Fee:** - Since the cost of administration of Pension Trust shall be borne by the Trust itself, one-time non-refundable "Membership Fee" of Rs.100 (Rupees One Hundred only) shall be collected from each eligible member. Membership-fee shall be recovered from the arrear contribution of the initial members and from the 1<sup>st</sup> month contribution of new members on their joining the Pension Scheme.
- 9.0 Pension Scheme is also available to eligible ex-employees of the Corporation (including spouse of the deceased employee), who retired / expired during the period from 01-12-2008 to 31-12-2016. Such ex-employees shall have option (**Form-6**) (to be exercised on or before 31<sup>st</sup> March'2017) to become member of the Pension Scheme and avail pension benefits **on voluntary basis** by depositing their own contribution with the Corporation @2% of (Basic Pay+D.A) for the period from 01-12-2008 to the date of retirement. Such employees shall deposit their own contribution in lump-sum in the office from where they retire from FCI on or before 31.03.2017. Ex-members / spouse of deceased employees shall have option to contribute voluntarily to the Pension Scheme in lump-sum before 31<sup>st</sup> March'2017.

Such eligible ex-employees (including the spouse/beneficiaries of the deceased employee) who do not want to become a member of the Pension Scheme by contributing 2% of (Basic Pay+D.A) shall be paid the Corporation's contribution in lump-sum if they had rendered more than 15 years of service on the date of retirement or falls in the category where condition of minimum service of 15 years is not applicable (**Form-7(a) &7(b)**).

## 10.0 Pension Benefits:-

- 10.1 Pension shall be payable in the form of an annuity on Superannuation provided the employee has rendered not less than 15 years of continuous service in the Corporation.
- 10.2 Pension shall also be payable only if the member has put in a minimum of fifteen (15) years continuous service in Corporation including continuous service rendered, if any, in any other Central Public Sector Enterprises (CPSEs) only, prior to joining the Corporation provided that the CPSE from which the employee joins the Corporation on the regular scale is having similar defined contribution Pension Scheme and his/her contribution to the scheme along with the earlier Employer's Contribution are transferred to the FCI Pension Scheme within a period of 6 months from the date of joining the Corporation.
- 10.3 Condition of minimum fifteen (15) years of service is, however, not applicable in case of death while in service or total permanent disablement leading to cessation of service in the Corporation.
- 10.4 In case of separation of an employee on account of resignation, termination, dismissal/ removal etc., payment of pension benefit shall be computed based on member's contribution only, if any, and interest accrued thereon.
- 10.5 In the event of member leaving the services of the Corporation under Voluntary Retirement Scheme / Voluntary Separation Scheme, the Pension shall be regulated in terms of such schemes applicable to such employees as notified by the Corporation.

## 11.0 Pension payable: Pension shall be payable in the form of Annuity by the Annuity Service Provider(s).

- 11.1 Annuity Purchase Price shall be based on the Accumulated Corpus in the Member's Pension Account including or excluding the Corporation Contribution and the interest accrued thereon at the time of separation/ vesting of benefits, as the case may be, as per rules subject to any statutory deduction(s).
- 11.2 Member may opt for any one of the Annuity Service Provider (ASP) and any one of the annuity options and pension payment frequency, from the list of available options of the ASP. Pension benefits shall be payable in India only.

## 12.0 Commutation of Pension: Commutation is not permissible under the Scheme/ Rules.

## 13.0 Deduction against under Income Tax Act / Other Statutory dues: Applicable taxes on Employer's and Employee's contribution shall be levied as per the provisions of the Income Tax Act 1961. In any case, where the Corporation/Trust or the ASP is liable to deduct Income Tax on any payment due under the Scheme, Corporation or the Trust or the ASP shall deduct the same and remit it to the Income Tax Authorities. Any other statutory dues or deductions at any point of incidence which shall become payable as per prevalent provisions shall be abided by the member.

- 14.0 **Member not to withdraw:** No member shall be allowed to withdraw his/her membership of the Pension Scheme during his/ her employment with the Corporation.
- 15.0 **Appointment of beneficiary/nominee:** Every member shall submit his/her nomination in the prescribed format, **(Form-8)** nominating thereby one or more beneficiaries from amongst his/her spouse, child/ children or dependents, under the Rules, to receive the pension benefits in the event of death of the member through its controlling office.
- 15.1 If a member has a Family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his/her family. Any nomination made by such member in favour of a person not belonging to his/her family shall be invalid. Family shall mean the family as defined in the Provident Fund Rules of the Corporation.
- 15.2 Nomination is to be given in the prescribed form. Further, a fresh nomination shall be made by the member on his/her marriage and in such cases any nomination made before such marriage shall be deemed to be invalid.
- 15.3 **Change of nomination:** A member may apply in the prescribed nomination form to change the beneficiary (s) at any point of time during service.
- 16.0 Above mentioned provisions/ regulations are only the salient features of the Pension Scheme and its implementation in the Corporation. For exact provisions, reference should be made to the Trust Deed & Pension Scheme / Rules. In case of any issue of interpretation/ dispute, Trust Deed and Scheme / Rules shall be final and shall prevail.
- 17.0 Heads of Administration of all Zones / Regions / Districts shall ensure that necessary communication regarding introduction of Pension Scheme is sent to all employees who have separated prior to issue of this Circular and are eligible for Pension benefits as per the Rules of the Pension Scheme and for accepting members' past service contribution or voluntary contribution etc. Thereafter, Pension claims of all such employees shall be sent to the Pension Trust in a time bound manner for settlement of their pension claim as per the procedures notified by the Pension Trust. Heads of Administration shall also ensure that nomination of beneficiary as per the rules of the Pension Scheme are made by all employees on regular rolls of FCI, within a time bound manner.

This issues with the approval of the Board of Directors.

16/3/2014

(B.S.Mohapatra)  
Executive Director (Finance)

**Note:** The Pension Scheme (Annexure-I) is ~~being~~ uploaded and Forms stated in the circular are being notified separately in FCI website only.

Hindi version will follow.