

F No. 5(31)/2005-F/B&PR  
 Government of India  
 Ministry of Finance  
 Department of Economic Affairs  
 ECB & PR Division

48, North Block, New Delhi  
 Dated: 30.9.2005

To,

Shri Arun Sharma,  
 Joint Controller General of Accounts,  
 Office of Controller General of Accounts,  
 Ministry of Finance  
 Department of Expenditure,  
 Lok Nayak Bhawan,  
 New Delhi.

Subject: Clarification regarding method of calculation of interest on NPS accumulations.

Dear Sir,

I am directed to refer to your D.O. Letter No. 1(7)(2)/2005/main File TA/652 dated 13-08-2005, on the above mentioned subject and to say that the Department of Expenditure (EV Division), has drawn attention to the notification dated 21.4.2005 issued by the Budget Division (copy enclosed) wherein it was stated that accumulations on the credit of subscribers to the New Pension System shall carry interest @ 8% p.a. The Department of Expenditure has stated that the idea clearly was to maintain parity with interest @ 8% p.a. on the GPF accumulations under the GPF cum pension system. They have advised that GPF Rules stipulate calculation of interest on subscriptions on monthly basis and as such the same may need to be adopted to accumulations under NPS.

Yours faithfully



(Anu P. Mathai)  
 Deputy Director (PR)  
 Tel.No. 23092682/23092465  
 Fax No. 23092271

Copy to:

1. Ms. Vandana Sharma, Chief Controller (Pension), Central Pension Accounting Office, Department of Expenditure, Ministry of Finance, Trilok-2, Bhikaji Cama Place, New Delhi, for further necessary action in the matter.
2. Shri Gyan Bhushan, OSD, PFRDA, Ground Floor, Jeevan Bharti Building, Tower-1, Connaught Place, New Delhi - 1100 001.



(Anu P. Mathai)  
 Deputy Director (PR)

18/10/05  
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