



ALL INDIA STATE BANK OFFICERS' FEDERATION

(Registered under the Trade Unions Act 1926, Registration No: 727/MDS)
Central Office: State Bank Buildings, St. Mark's Road, Bangalore-560 001
Registered Office: 22, Rajaji Salai, Chennai- 600 001

**CIRCULAR NO. 61
TO ALL OUR AFFILIATES**

DATE: 14.11.2024

**URGENT REQUEST FOR IMPLEMENTATION OF CHOICE OF FUND OPTION
FOR DEFINED CONTRIBUTORY NATIONAL PENSION SYSTEM (NPS) FOR
BANK EMPLOYEES AND OFFICERS**

We reproduce below the text of AIBOC Circular No. 2024/29, dated 13.11.2024 on the captioned subject, the contents of which are self-explanatory.

#OurUnityLongLive

With Greetings,

Yours Comradely,

**(Deepak Kumar Sharma)
General Secretary**

Dear Comrades,

**We reproduce below the text of our letter no AIBOC/2024/24 sent to the
Chief Executive, Indian Banks Association**

To
Chief Executive,
Indian Banks' Association,
World Trade Centre Complex, Centre 1, 6th Floor,
Cuffe Parade, Mumbai - 400 005.

Dear Sir,

**URGENT REQUEST FOR IMPLEMENTATION OF CHOICE OF FUND OPTION
FOR DEFINED CONTRIBUTORY NATIONAL PENSION SYSTEM (NPS) FOR
BANK EMPLOYEES AND OFFICERS**

We wish bring to your immediate attention an issue that affects the financial well-being and superannuation benefit accruing to officers and employees under the Defined Contributory National Pension System (NPS).

The PFRDA Act, 2013, provides for a “choice of multiple pension funds and multiple schemes” for subscribers of NPS, allowing them the flexibility to select

asset allocations based on their individual risk tolerance and financial goals. Since January 31, 2019, this option has been made available to Central Government employees. Such flexibility and enhancements are instrumental in helping employees/ officers to take control of their financial futures.

As a regulator, PFRDA has acknowledged the grievances received from bank employees and has formally advised IBA to review the current arrangements. Accordingly, IBA have been advised by the Pension Fund Regulatory and Development Authority (PFRDA) to provide NPS subscribers the option to choose their preferred fund manager and investment scheme.

However, the implementation of this option has yet to take effect, leading to substantial losses in the accumulated returns on contributions made by our officers and employees.

Moreover, it has been observed that there are often delays in crediting the NPS subscriptions deducted from officers' and employees' salaries. These delays cause significant financial disadvantage as contributions remain uninvested for extended periods, resulting in lost growth opportunities for the subscribers. We request that an advisory be issued to ensure the timely credit of all NPS deductions with value dating. By backdating the credits to the actual deduction date, we can mitigate the impact of these delays and prevent our employees from incurring financial losses due to administrative lag.

We kindly urge you to address these concerns by facilitating the prompt implementation of fund choice options as advised by PFRDA. Furthermore, we request your support in issuing directives to all banks under IBA's purview to arrange for real-time crediting or value-dated crediting of NPS deductions without delay.

We trust that the IBA will prioritize this matter and take prompt action to ensure the best financial outcomes for our NPS opted officers and employees.

Yours sincerely,

Sd/-
(Rupam Roy)
General Secretary

At the Service of Members for more than 5 Decades

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