

Pension Fund Regulatory and Development Authority
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Institutional Area, Phase II, New Delhi-110070



CIRCULAR

PFRDA/CIR/1/Corporate-CG/1

Date: 18th October 2012

SUBJECT: Change in Central Government Investment Model for the Corporate Sector

Under the NPS-Corporate sector model, the Corporates have been provided option to select the Central Govt. Investment model if the investment option is exercised by the corporates for their underlying employees. The subscriber's contribution is distributed among the three PFMs (SBI, LIC and UTI) and the asset allocation replicates the scheme as applicable to the central Govt. employees.
(Refer page No-10 of NPS corporate sector brochure)

2. In terms of the PFRDA circular No- PFRDA/CIR/1/PFM/1 dated 31.08.12, with effect from 1st November 2012, the private PFMs will be free to decide the Investment Management Fee within the upper ceiling of 0.25% p.a. prescribed by PFRDA at present.

3. Due to this differential Fee offered by the PFMs from 1st November 2012, a new scheme called 'Corporate-CG scheme' will be introduced w.e.f. 1st November 2012. The Scheme will follow the Central Govt. investment guidelines issued from time to time. The salient features will be as under:

- a) This scheme will be offered by only public sector PFMs, who have obtained registration under the PFRDA (Registration of Pension Funds for Private Sector) Guidelines – 2012.
- b) The system of distribution of funds among three PFMs, as at present, will no longer be available for the corporates under CG scheme and the Corporate will have to choose only one PFM offering this scheme.

4. Existing Corporate Sector Subscribers under the CG Scheme:

- a) The existing three public sector PFMs (SBI, UTI & LIC) offering CG scheme will introduce the new scheme 'corporate-CG scheme' w.e.f. 1st November 2012 with units of face value of Rs.10.00 and an initial NAV of Rs. 10.00 per unit. The funds / assets in the existing CG Scheme in respect of Corporates will be transferred to the new scheme and proportionate units in the new Corporate CG Scheme will be allotted.
- b) The existing corporates under CG scheme are allowed a time period of 60 days from 1st Nov 2012 i.e. up to 31st December 2012 to choose any one PFM for shifting their assets. Till such times, the fee chargeable to them will be as applicable to the Central Govt. employees, whereafter charges applicable to Pvt. Sector shall be levied.



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