

REGISTERED

No. 2/5/2010-1Pension

From

The Financial Commissioner & Principal Secretary,
to Government Haryana, Finance Department.

To

M/s Alankit Assignments Ltd.,
Alankit House, 2E/21, Jhandewala Extn,
New Delhi-110055.

Dated, Chandigarh, the 12th January, 2012


Subject:- Introduction of Mahatma Gandhi Swavalamban Pension Scheme-2011 for Unorganized Sector Workers in Haryana State-Frequent Answered Questions (FAQ).

Sir,

I am directed to invite your attention towards FD's notification issued vide No. 2/5/2010-1Pension, dated 3-5-2011 on the subject cited above and to say that copy of Frequent Answered Questions (FAQ) in respect of above said scheme is sent to you to avoid any kind of inconvenience to subscribers.

DA/as above

Yours faithfully,


Under Secretary Finance (Pension)
for Financial Commissioner & Principal Secretary,
to Government Haryana, Finance Department.


No 2/5/2010-1Pension

Dated, Chandigarh, the 12-1-2012

A copy alongwith copy of FAQ is forwarded to the following for information and further similar necessary action :-

1. The Financial Commissioner & Principal Secretary to Government Haryana, Cooperation Department, New Secretariat, Sector-17, Chandigarh.
2. The Financial Commissioner & Principal Secretary to Government Haryana, Agriculture Department, New Secretariat, Sector-17, Chandigarh.
3. The Financial Commissioner & Principal Secretary to Government Haryana, Women and Child Development Department, New Secretariat, Sector-17, Chandigarh.
4. Director,
Women and Child Development Department,
Haryana, Bays 15-20, Pocket-II, Sector-4, Panchkula.

5. The Managing Director,
Dairy Development Cooperation Fed. Ltd.,
Sehkarita Bhawan, Bays No. 21-22, Sector-2, Panchkula.
6. The Managing Director,
Federation of Cooperative Sugar Mills Ltd.
Bays 49-52/2 Panchkula.


Under Secretary Finance (Pension)
for Financial Commissioner & Principal Secretary,
to Government Haryana, Finance Department.

No 2/5/2010-1Pension

Dated, Chandigarh, the 12-1-2012

A copy alongwith copy of FAQ is forwarded to the following for information and further similar necessary action :-

1. Accounts Officer (NPS)
Director, Treasuries & Accounts,
Haryana, 30 Bays Building, Sector-17,
Chandigarh.
2. In-charge, Computer Cell (FD) for placing the same on FD's website
i.e. www.finhry.gov.in.

Faqiri Chand
Under Secretary Finance (Pension)
for Financial Commissioner & Principal Secretary,
to Government Haryana, Finance Department.

Internal Distribution

1. PS/FCF
2. PA/SSF

Frequent Asked Question (FAQ) in respect of Mahatma Gandhi Swavalamban Pension Scheme (MGSPS-2011) introduced for unorganized sector workers in Haryana State.

Q.No.1	What is Mahatma Gandhi Swavalamban Pension Scheme (MGSPS-2011)?
Ans:	This scheme is a special benefit provided by State Government on similar lines as NPS-Lite introduced by Government of India for specified unorganised sector workers who do not have any other pension or provident fund benefit.
Q.No.2	Will I get any guaranteed or fixed returns on my savings?
Ans:	No. The rate at which your savings in MGSPS-2011 will grow is not fixed or guaranteed. The returns and the value of your savings can go up or down over time.
Q.No.3	Can I withdraw my MGSPS savings before retirement age?
Ans:	The exit from the Scheme would be subject to the terms and conditions that is, exit at age 60 with 40% minimum annuitisation of pension wealth and exit before age 60 with 80% minimum annuitisation of pension wealth. However, the exit would be subject to the overriding condition that the amount of pension wealth to be annuitised should be sufficient to yield a minimum amount of Rs. 1,000 per month. If the annuitised pension wealth does not yield an amount of Rs. 1,000 per month, the percentage of pension wealth to be annuitised would be increased so that the pension amount becomes Rs. 1,000 per month, failing which the entire pension wealth would be subject to annuitisation. This minimum pension ceiling may be revised from time to time. However, in case of exit at age of 60, if 100% annuitisation does not yield an amount of Rs. 1000/- per month then member will have the option to either continue with such annuitisation or make a lump sum withdrawal of entire amount.
Q.No.4	On the death of a person at what stage nominee will get the amount?
Ans:	On death due to any reason, option will be available to the nominee to receive 100% of the pension wealth in lump sum. However, if the nominee wishes to continue with the Scheme, he/she shall have to subscribe to the Scheme individually after following due procedure and the corpus of the deceased would be transferred to this new account.
Q.No.5	What should I do if I don't have a bank account in my own name?
Ans:	Then you will need to open a bank account in your own name.
Q.No.6	How much pension will I get when I am old?
Ans:	Your pension will depend on (1) how much you have saved per month, (2) the number of years over which you have saved, and (3) the returns that are earned on your savings. If you save more, and if you save regularly every month for many years, you are likely to get a higher pension when you are old but at this stage no specific amount can be quoted.
Q.No.7	What is the procedure for joining MGSPS?
Ans:	You will need to fill one simple application form. You will need to also submit (a) two copies of your photo ID, (b) two copies of your age and address proof, and (c) two recent colour photographs. You will also need to provide your mobile or land-line contact number. These details need to be provided to the aggregators as approved by Government.
Q.No.8	What interest, subscriber will get at the end of scheme?
Ans:	No such specified/definite rate of interest/return can be quoted.
Q.No.9	If anybody stops contribution, what & when he will get?
Ans:	Subscriber can stop his contribution but he will get lump-sum amount or annuity only after he exits from the scheme by specifically applying for the same or 60 years of age whichever is earlier. State Government contribution & Central Government contribution will be as defined in Clause 5 to 7 of notification dated 3-5-2011 on this scheme.

Q.No.10	Who is a nominee?			
Ans:	A nominee can be the spouse or children or other person to whom you would like to receive benefits in case of your untimely death. You will need to provide your nominee's full details in your MGSPS Application Form. This is mandatory.			
Q.No.11	What fees or charges would I have to pay?			
Ans:	The subscriber will bear the AMC and other charges under the MGSPS-2011 as determined by the Pension Fund Regulatory & Development Authority (PFRDA), New Delhi for its NPS-Lite Scheme. Schedule of charges under MGSPS			
	Intermediary	Activity	Charges	Method of Deduction
	Central Record Keeping Agency (CRA)	Account Opening Charges	Rs. 35/- (Digitization will be carried out by CRA-FC)	Through cancellation of units from each subscriber pension account.
		Annual Maintenance ¹	Rs. 70/- per annum with 12 free subscriber contribution per financial year.	
		Transaction Charges ²	Nil for first 12 transactions and Rs. 5/- per transactions beyond 12 free subscriber contribution upload	
	Trustee Bank	Per transaction emanating from a Non RBI location ³	Rs. 15/- (Trustee Bank, levies collection charges of Rs. 15 per transaction for collection of funds, only at Non RBI Centers).	Through NAV deduction
	Custodian⁴ (On asset value in custody)	Asset Servicing Charges	0.0075% p.a. for Electronic segment & 0.05% p.a. for Physical Segment	Through NAV deduction
	PFM	Investment Management Fee ⁵	0.0009% p.a. (PFMs get a fee of Rs. 90,000 for every Rs. 1000 crores of corpus they manage)	Through NAV deduction

***Service tax and other levies, as applicable, will be levied as per the existing tax laws.**

¹When the number of accounts in CRA reaches 15 lakh the service charges, exclusive of Service Tax and other taxes as applicable will be reduced to Rs.50 (Rupees fifty only) for annual PRA maintenance per account. CRA's charge for maintenance of permanent retirement account includes charges for maintenance of electronic information of the balances in PRA, for incorporating changes to PRA details received by the CRA in electronic form, for sending annual account information once a year in printed form etc.

²Transaction cost will be reduced to Rs. 4/- and Rs. 3/- per transaction when the thresholds of 15 lakh and 30 lakh subscribers respectively are attained.

³Trustee Bank charges are not charged to subscriber directly. Transaction refers to the entire chain of activities starting from receipt of electronic instructions/receipt of physical instrument to transfer of funds to the designated PFMs. On the outflow side, it would include all activities leading to credit of beneficiary account.

⁴Charges for Demat/Remat, Receipt of shares & SEBI charges are extra.

⁵The Investment Management Fee is inclusive of all transaction related charges such as brokerage, transaction cost etc. except custodian charges and applicable taxes. The Investment Management Fee is calculated on the average monthly assets managed by the Pension fund.

