भारत सरकार **GOVERNMENT OF INDIA**
रेल मंत्रालय **MINISTRY OF RAILWAYS**
रेलवे बोर्ड **(RAILWAY BOARD)**

RBA No. 5 /2014

No. 2010/AC-II/21/18

New Delhi, dated: 31.03.2014

General Managers/FA&CAOs/CPOs
All Indian Railways/PUs.

Sub: Accountal of withdrawal of erroneous contributions received into NPS instead of GPF.

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A number of cases exist on Railways wherein employees initially covered under New Pension System were later on covered under old pension scheme due to various administrative reasons like counting of previous service etc. During this period the NPS subscription of these employees were remitted to the Trustee Bank.

PFRDA, vide their letter dated 22.01.2013 circulated to Railways vide Board's letter of even no. dated 02.07.2013, have now clarified that such cases will be treated as erroneous transfer and 100% withdrawal of accrued pension wealth is allowed in such cases, subject to the condition that such proceeds shall mandatorily be transferred back to the concerned PAO/DDO from whom the request for withdrawal has arisen.

Accordingly, Railways are processing the applications receieved from such employees and the accrued pension wealth is being returned to the Railways. In this regard, some of the Railways have sought clarification regarding the accounting treatment of the amounts so refunded. The matter has been examined in consultation with the Finance Dte and the position is clarified as under:-

Government Contribution:-

The Government Contribution, alongwith interest thereon received back, may be credited to Pension Fund since the pension expenditure of such staff shall eventually be borne by Pension Fund.

Employees Contribution:-

The contribution made by the employee towards NPS alongwith interest thereon may be credited to the employee's PF account against compulsory subscription and the balance amount may be returned to the employee (or) be treated as VPF subscription, if so opted by the employee.

Kindly issue necessary instructions to the concerned officials and ensure compliance.

(Sanjeev Sharma)
Joint Director Accounts
Railway Board