



**CENTRAL WAREHOUSING CORPORATION
(A GOVT. OF INDIA UNDERTAKING)**



4/1, Siri Institutional Area, August Kranti Marg,
Hauz Khas, New Delhi-110 016

No. CWC/I-RO-PS/Rectt./2009

Dated 24th January, 2013

CIRCULAR

**SUB: INTRODUCTION OF CONTRIBUTORY PENSION SCHEME IN
THE CORPORATION**

The Department of Public Enterprises vide its OM dated 26.11.2008 and 02.04.2009 provided for introduction of a Pension Scheme for the officials of CPSEs. In pursuance of the same, a Defined Contribution Pension Scheme was prepared and after adoption of the same by the Board of Directors of the Corporation was sent to the Administrative Ministry for Government's approval. The Government conveyed its approval for the proposed Pension Scheme vide its letter dated 05.10.2012, which has been perused by the Board of the Corporation again in its 301st meeting held on 12.12.2012. The salient features of the Contributory Pension Scheme and action to be taken are as under:-

1. The Scheme is effective from 01.01.2007 applicable for the regular employees, who were on the rolls of the Corporation as on 1.1.2007 and for the employees recruited thereafter.
2. The Scheme is applicable to only those employees who have put in a minimum of 15 years service in the corporation prior to superannuation except in the case of Board level executives provided that their total period of service rendered in continuity in the previous CPSEs including the period at Board level in the corporation is not less than 15 years. Service rendered in the Government prior to joining CPSEs shall not count towards computation of 15 Years service.
3. The Scheme is optional for the regular employees on the rolls of the Corporation as on 1st January, 2007 and obligatory for the regular employees joining thereafter.
4. The Scheme shall be administered by a Trust to be formed by the Corporation and Registered with Income Tax Authorities.
5. The Scheme is defined "Contributory Pension Scheme" and the pension of the eligible employee after retirement shall be based

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on the amount standing to his credit on the date of superannuation.

6. The Corporation, as an employer, will presently contribute 10% of Basic Pay + D.A. per month of the eligible **regular employees** and each eligible employee opting for the scheme shall have to contribute 5% of Basic Pay + D.A. per month w.e.f. 1st January, 2007.

The **employees joining the Corporation after 01.01.2007** shall be eligible to become member of the scheme from the date of joining and the employee and employer's contributions to the scheme shall be effective from the date of their joining in the Corporation.

7. The voluntary contribution may also be paid by the members in the form of lump sum payment or otherwise in addition to 5% of Basic Pay + DA as mentioned in Para (6) or such other percentage as may be fixed by the Corporation from time to time. Voluntary contribution shall also, be accepted as percentage of Basic Pay + DA, to be opted by the employees and recovered by the Corporation every month from the salary payable to the member. The employee shall be entitled to **change the percentage of contribution** on 1st April and 1st September of every year and the option once exercised shall be irrevocable during its validity of six months.
8. The Contributory Pension Scheme is also available to the **such ex-employees** of the Corporation, who retired during period 01.01.2007 to 31.12.2012 and as such they may also become member of the Pension Scheme on voluntary basis by paying their own contribution @ 5% of Basic Pay and DA for the period from 01.01.2007 till the date of retirement.

Such retired employees **who do not want to become a member** of the Pension Scheme by contributing 5% of Basic Pay and DA shall be paid lump sum of Corporation's contribution if they had rendered more than 15 years of service on the date of retirement or falls in the category where condition of minimum service of 15 years is not applicable.

9. The rate of contribution by the Corporation shall be reviewed periodically to keep the superannuation benefits comprising of Contributory Provident fund, Gratuity, Pension and Post Retirement Medical Benefits within the present ceiling of 30% of pay and DA towards retiral benefits or such other ceiling or guidelines issued by the Government from time to time in this regard.

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10. First monthly contribution of the employees opting for the Scheme will be recoverable from the salary of February, 2013.

The contribution for the period from **1st January, 2007 to 31st January, 2013** shall be recovered in 12 equal monthly installments from March, 2013 onwards along with the monthly regular contribution of 5 % of the basic pay plus DA from the employees opting for the scheme. The amounts due for the period from 1.01.2007 to 31.01.2013 from the opting employees shall be calculated by concerned Account Sections of Corporate Office, Regional Offices and Construction Cells.

In case any employee wants to deposit his/her contribution for the period from 01.01.2007 to 31.01.2013 in one lump sum or in lesser instalments instead of 12 instalments, the same is also permissible.

11. The Contribution for the period from 01.01.2007 to 31.01.2013 from the opting employees retiring within the period of 12 months from 01.01.2013 shall also be recovered in the stipulated monthly installment as stated in para (10) and the remaining balance amount, if any, shall be recovered in full from his/her terminal benefits.
12. The Corporation shall not make any contribution in respect of employees, who do not opt for the scheme (wherever applicable) or who are not willing to make monthly contribution of 5% of their pay and DA as also the arrears due towards their contribution from 01.01.2007 onwards under this scheme except the cases expressly mentioned in the Pension Scheme.
13. As mentioned in para 3 above, the Contributory Pension Scheme is optional for the employees, who are on the rolls of the Corporation as on 1st January, 2007 and obligatory for employees recruited after 1st January, 2007. Hence, if any employee, who was on rolls of Corporation as on 01.01.2007, but do not want to join the scheme should specifically exercise the option in writing to this effect to the DGM(Pers)/concerned Regional Managers/Construction Cell Heads by 8th February, 2013 positively, failing which the employee concerned shall be treated to have opted for the Pension Scheme and his contribution would be recovered from his salary as mentioned above. Personnel Division (Corporate Office)/Regional Offices/Construction Cells should obtain such information and provide the same to the Finance Division by 15th February, 2013.

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14. The Corporation and the members are required to make full contribution to the Pension Scheme for the period of any type of leave with or without pay and for the period of suspension.
15. Cases of VRS/VSS for which specific scheme have been framed will be examined in terms of such specific schemes of VRS/VSS of the Government applicable irrespective of employees of CPSEs. Benefits under this Pension Scheme will not accrue to VRS/VSS optees automatically.
16. In case of resignation (excluding resignation covered under "Technical formality clause") and Compulsory Retirement, removal, dismissal because of disciplinary proceedings, pension annuity would be based only on members contribution, if any, and interest accrued thereon.

The admissibility of pension benefit to the employees against whom disciplinary proceedings are pending at the time of superannuation, will be regulated as per the Conduct, Discipline and Appeal Rules of CWC.

17. It is requested that Regional Managers, Construction Cell heads/Divisional Heads at Corporate Office may apprise/educate all employees about the contents of the circular as also Pension Scheme to all employees working under their control.
18. The detailed Pension Scheme is available on the website of the Corporation for information and guidance of the employees.

Pawan Kant
24/1/13

(Pawan Kant)
Dy. General Manager(Pers.)

Distribution:

1. All Head of Divisions, CWC, Corporate Office, New Delhi
2. All Regional Managers, CWC, Regional Offices } with the request
3. All Construction Cell Heads, Construction Cells } to take necessary action.

Copy to:

1. PA to Chairman, PS to MD/Director (Pers.), PA to Director(MCP), PS to Director (Fin), CWC, CO, New Delhi
2. PS to CVO, CWC, CO, New Delhi
3. Federation of CWC Employees Unions, New Delhi