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SCHOOL & MASS EDUCATION DEPARTMENT

NOTIFICATION

The 28th April, 2014

S.R.O. No.176/14─ Whereas the draft rules further to amend the Orissa Aided Educational Institutions' (Non-Government Fully Aided Primary School Teachers') Retirement Benefit Rues, 1986 was published as required by sub-section (1) of Section 27 read with sub-section (1) of Section 10 of the Orissa Education Act,1969 (Orissa Act 15 of 1969), in the Extraordinary issue No.2348 of the *Odisha Gazette* dated. 20th December, 2012, in the notification of the Government of Orissa in the School & Mass Education Department No. 31599-I-SME (G)-211/2012/SME., dated the 17th December, 2012 as S.R.O. No.651/2012, inviting suggestion or objections from all persons likely to be affected thereby, till the expiry of a period of thirty days from the date of publication of the said notification in the *Odisha Gazette*,

And, whereas, no suggestion or objection has been received on the said draft by the State Government.

Now, therefore, in exercise of the powers conferred by Section 27 read with sub-section (1) of Section 10 of the said Act, the State Government do hereby make the following rules to amend the Orissa Aided Educational Institutions' (Non-Government Fully Aided Primary School Teachers') Retirement Benefit Rues, 1986, namely:─

1. *(1)* These rules may be called the Odisha Aided Educational Institutions' (Non-Government Fully Aided Primary School Teachers') Retirement Benefit (Amendment) Rules, 2014.

(2) They shall be deemed to have come into force on the 1st day of January, 2005.

2. In the Orissa Aided Educational Institutions' (Non-Government Fully Aided Primary School Teachers') Retirement Benefit Rules, 1986, after rule-3, the following rule shall be inserted, namely :—

"3A Notwithstanding anything contained in these rules, all persons appointed to services and posts in Aided Educational Institutions on or after the 1st day of January, 2005 shall not be eligible for pension as defined under rule 3 of the said rules but shall be covered by the New Restructured Defined Contribution Pension Scheme as specified below:—

(i) The monthly contribution would be 10% of the Salary and Dearness Allowance to be paid by the employee and the Government / Employer would also provide a matching contribution. The contribution so made would be deposited in a non-withdrawable pension tier-I account. Such funds will be invested by pension fund managers as approved by Pension Fund Regulatory and Development Authority (PFRDA) under different categories of scheme which would be a mix of debt and equity. The fund managers would give out easily understood information about the performance of different investment schemes so that individual employee would be able to make informed choices about which scheme to choose.

(ii) In addition to the above provision, each individual may also have a voluntary tier-II withdrawable account at his option. This option is provided as General Provident Fund will be withdrawn for employees recruited to the services with effect from 1st January, 2005. The Government / Employer will make no contribution into this account. In tier-II system, the individual may subscribe 10% of his salary and these assets would be managed through exactly the above procedure. However, the employee would be free to withdraw part or all of second tier of his money at any time. This withdrawable account does not constitute pension investment and would attract no special tax treatment.

(iii) At the time of retirement, the employee will receive the lump sum amount of 60% deposited in pension tier-I account as pension wealth and it is mandatory to the employee to invest 40% of his pension wealth to purchase as annuity from an Insurance Regulatory and Development Authority–regulated life insurance company. The annuity shall provide for pension for the life time of the employee and his dependent parents and his spouse at the time of retirement. The individual would receive lump-sum of the remaining pension wealth, which he would be free to utilise in any manner. Individuals would have the flexibility to leave the pension system prior to age of 58 years or 60 years as the case may be. In such case the mandatory annuitisation would be 80% of the pension wealth".

[No.8528-I-SME-(G)-211/2012/SME.]

By Order of the Governor

USHA PADHI

Commissioner-*cum*-Secretary to Government.

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