
No.1258

AMARAVATI, TUESDAY, OCTOBER 31, 2023

G.1103

NOTIFICATIONS BY GOVERNMENT

--X--

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Pensions - Andhra Pradesh Guaranteed Pension System (APGPS), 2023 – Orders
- Issued.

FINANCE (HR-III-PENSION & GPF) DEPARTMENT

G.O. Ms. No. 116

Date: 24.10.2023

Read the following:-

1. G.O.(P)No.88 Finance & Planning (FW. Pension-I) Department, dated 26.03.1980
2. G.O.Ms.No.653, Finance (Pension-I) Department, dated 22.09.2004
3. G.O.Ms.No.654, Finance (Pension-I) Department, dated 22.09.2004
4. G.O.Ms.No.655, Finance (Pension-I) Department, dated 22.09.2004
5. G.O.Ms.No.121, Finance (HR.V-Pension, GPF) Department, dated 08.07.2017
6. G.O.Ms.No.107, Finance (HR.V-Pension-I) Department, dated 29.06.2017
7. G.O.Ms.No.1747, G.A. (Cabinet-I) Department, dated 01.08.2019
8. G.O.Ms.No.2675, G.A. (Cabinet-I) Department, dated 27.11.2019
9. The Andhra Pradesh Guaranteed Pension System (APGPS) Act, 2023 (Act No.31 of 2023)

ORDER:

In the State of Andhra Pradesh, the pensionary benefits of the employees recruited on or before 31-08-2004, are governed by the provisions of the Andhra Pradesh Revised Pension Rules, 1980, issued in the reference 1st read above, as amended from time to time. The aforementioned Rules follow the framework of a 'Defined Benefit' (DB) scheme.

2. The Government of India has replaced the existing Old Pension Scheme (OPS), a 'Defined Benefit' scheme financed on a pay-as-you-go basis, with a 'Defined Contribution' (DC) scheme viz. the New Pension Scheme (Contribution based Pension Scheme), now called the National Pension System (NPS), for the Central Government employees, vide the Notification No. 5/7/2003-ECB & PR, dated 22-12-2003, of the Department of Economic Affairs, Ministry of Finance, GoI. The NPS was made mandatory for all new recruits to the Central Government service (except the armed forces) w.e.f. 1st January, 2004.

3. After the enactment of the PFRDA Act, 2013, as per Section 20 of the Act, the pension scheme notified on 22-12-2003 has become the National Pension System (NPS) under the Act. The NPS is now regulated under the PFRDA Act, 2013 & the regulation framed thereunder by the Department of Financial Services and PFRDA.

4. The Government of Andhra Pradesh (GoAP), in the references 2nd to 4th read above, has adopted the Government of India's National Pension System (NPS), also known as the Contributory Pension Scheme (CPS), based upon the Defined Contribution architecture, for the employees of the State recruited on or after 01-09-2004. Further, in the reference 4th read above, the option to receive invalidation pension or family pension was extended in the case of premature exit

due to invalidation/death & in the reference 5th read above, the benefit of retirement gratuity/death gratuity was extended to the NPS subscribers.

5. After the adoption of the National Pension System (NPS) framework, the GoAP has received several representations from the employees associations of the State Government for de-adoption of CPS & restoration of OPS. To address the concerns of employees, to review CPS Scheme, and to assess the options available, an Expert Committee was constituted under the Chairmanship of Sri S.P. Tucker, IAS (Retd.), former Chief Secretary to Government of Andhra Pradesh, vide the G.O. Rt.No.2052, Finance (HR-3-Pension-I) Department, dated 28-11-2018.

6. In the aforementioned context, the GoAP, in the reference 7th read above, has constituted a Group of Ministers (GoM) to review the Expert Committee report and furnish its recommendations to the Government for taking a decision in the matter, & in the reference 8th read above, has also constituted a Working Committee to advise the GoM. The GoAP has also engaged services of specialised agencies for undertaking detailed studies in the matter. After a thorough examination of the various issues by the GoM & the Working Committee, & multiple discussions with the Employees Associations & other stakeholders, the GoAP has formulated the Andhra Pradesh Guaranteed Pension System (APGPS), that seeks to replace the uncertainty of not knowing what one would receive as pension from a fully market-linked CPS, with a scheme where the pension is known during service and is guaranteed. To ensure the financial security of the CPS employees, the Andhra Pradesh Guaranteed Pension System (APGPS), also seeks to address certain genuine concerns of the current CPS subscribers, which are not addressed in the existing National Pension System (NPS) framework, viz. spouse pension upon death of the retired APGPS subscriber, cost of living adjustment, a monthly minimum guaranteed pension, & health care scheme for the retired APGPS subscribers.

7. The Government, after a careful consideration of the entire matter, and keeping in view the welfare of the employees under the Contributory Pension Scheme, while also ensuring fiscal sustainability & inter-generational equity, hereby order to implement the Andhra Pradesh Guaranteed Pension System, 2023, notified vide the reference 9th read above, as detailed hereunder.

- i. It shall extend to all the employees who are recruited on or after 1-9-2004 and whose pay and allowances are drawn from the Consolidated Fund of the State, including all the tiers of all the Rural and Urban Local Bodies, Universities, etc., and have opted to subscribe to the Andhra Pradesh Guaranteed Pension System.
- ii. It shall come into force with immediate effect.
- iii. The APGPS Subscriber shall be guaranteed the following benefits under the Act, subject to the provisions of sub-section (4) of Section 6 of the Act.
 - a. Top-up amount to ensure a monthly Guaranteed Pension at the rate of fifty percent (50%) of the last drawn basic pay, in case of a shortfall in the annuity received by the retired APGPS Subscriber.

- b. Top-up amount to ensure a monthly spouse pension at the rate of sixty percent (60%) of the Guaranteed Pension, in case of a shortfall in the annuity received by the spouse of the deceased APGPS Subscriber.
 - c. Cost of Living Adjustment on the last drawn basic pay as per inflation adjusted dearness relief, as per the rules notified under this Act.
 - d. Top-up amount to ensure a monthly minimum Guaranteed Pension of Rs.10,000/- (Rupees Ten thousand only) in case of short fall in the annuity received by the APGPS subscriber.
 - e. Health Care Scheme for the retired APGPS subscribers.
- iv. Conditions of eligibility for availing benefits under APGPS
 - 1. The APGPS Subscriber shall become eligible to receive the benefits under the Guaranteed Pension System subject to sub-section (3) of Section 6 of the Act and the following conditions:
 - a. Rendering of a minimum of ten (10) years of qualifying service, if retiring on superannuation.
 - b. Rendering of a minimum of twenty (20) years of qualifying service, if retiring from service on voluntary retirement.
 - c. Rendering of a minimum of thirty-three (33) years of qualifying service, if retired by the Government in the public interest.
 - d. Rendering of a minimum of ten (10) years of qualifying service, if retiring from service on Medical Invalidation.
 - 2. The APGPS Subscriber shall not be entitled to the benefits of APGPS in the following situations.
 - a. Retired from service due to resignation.
 - b. Dismissal from service, removal from service & compulsory retirement arising from disciplinary action.
 - 3. If there are any disciplinary or judicial proceedings pending against the APGPS subscriber at the time of retirement, the benefits specified under Section 3 shall become payable only after conclusion of the disciplinary /judicial proceedings, as per the rules notified under the Act.
 - 4. In case the APGPS subscriber dies while in service, the conferment of benefits shall be as prescribed under the rules.
- v. Registration into APGPS.
 - 1. The existing NPS subscribers shall exercise the option to subscribe to APGPS within the period as prescribed in the rules under APGPS Act,2023.
 - 2. Employees who join service after notification of the Act shall exercise the option to subscribe to the APGPS at the time of joining the service.

3. The detailed process and procedure for APGPS Registration shall be detailed in the Rules notified under this Act separately.
 4. Subscribing to APGPS shall not affect in any way, the monthly contributions made to the NPS by the employees and the employer as per the relevant Rules and executive instructions in force.
- vi. Amount of Guaranteed Pension and the Methodology.
1. Upon retirement of the employee, the purchase of the annuity plan from an Annuity Service Provider shall be made in accordance with the rules notified under this Act, duly utilizing the accumulated pension corpus in the individual pension account.
 2. The Guaranteed Pension shall consist of the Annuity Component and the Top-up Component as specified below:
 - a. The Annuity Component is the annuity receivable by the APGPS subscriber based on the annuity plan selected as per sub-section (1) of Section 6 above.
 - b. Top-up Component is the amount receivable by the APGPS subscriber, if any, so that the subscriber receives Guaranteed Pension as specified under this Act.
 3. Calculation of Guaranteed Pension and the Top-up Component shall be as prescribed in the rules notified under this Act.
 4. The part withdrawals and the final withdrawal made by the APGPS subscriber shall result in a proportional reduction in the Guaranteed Pension as prescribed in the rules notified under this Act.
 5. It shall be competent for the Government to withhold or withdraw the Top Up component or a part therefrom, in accordance with the prescribed rules.
- vii. Spouse Pension upon death of the retired APGPS subscriber.
1. In the case of death of the retired APGPS subscriber, the spouse shall receive Spouse Pension at the rate of sixty (60%) of the Guaranteed Pension, consisting of the Annuity Component and the Top- up Component as specified below:
 - a. The Annuity Component is the annuity receivable by the spouse based on the annuity plan selected by the APGPS subscriber as per sub-section (1) of Section 6 of the Act.
 - b. Top-up Component is the amount receivable by the spouse, so that he/she receives the Spouse Pension as specified under the Act.
 2. The process, procedure and conditions for determination, processing, sanction, authorization & disbursal of the Spouse Pension shall be governed by the prescribed rules under the APGPS Act, 2023.

- viii. 1. The authorities concerned with registration, processing, sanction, authorizing and disbursement of the benefits to the APGPS subscribers under the Act shall be prescribed under the rules.
2. The Government shall designate an office to perform the functions of record keeping, accounting, administration and grievance redress for APGPS subscribers.
8. Government will issue the rules separately for implementation of the APGPS Act 2023 duly following the stipulated procedure.
9. A copy of this order is available at <http://apegazette.cg.gov.in>.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**SHAMSHER SINGH RAWAT
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To

The Principal Accountant General(A&E), Andhra Pradesh
The Principal Accountant General(Accounts), Andhra Pradesh
The Director of Treasuries and Accounts, Andhra Pradesh
The Pay & Accounts Officer, Andhra Pradesh
The Director of State Audit, Andhra Pradesh
The Director of Works Accounts, Andhra Pradesh
The Director, APGLI, Andhra Pradesh
The CEO, APCSS
All Special Chief Secretaries/Principal Secretaries/Secretaries to Government
All the Departments of Secretariat (10 copies each)
The Registrar General, High Court of Andhra Pradesh
The Resident Commissioner, Andhra Pradesh Bhawan, New Delhi.
All the Heads of Departments.
All District Collectors.
All District Judges of Andhra Pradesh.

Copy to:

The Chief Secretary to the Government of Andhra Pradesh
The Principal Secretary to Governor, Andhra Pradesh, Vijayawada
The Principal Secretary to Chief Minister & Private Secretaries to all Ministers.
The Secretary, Andhra Pradesh Public Service Commission
All the District Treasury Officers (with copies for Sub-Treasury Officers)
The Chairman & Managing Director of Andhra Pradesh GENCO/TRANSCO
All District Educational Officers
All the District Development Officer Zilla Praja Parishads.
All District Panchayat Officers.
All Principals of Junior & Degree Colleges of Andhra Pradesh.
All Mandal Development Officers
All Secretaries of Zilla Grandhalaya Samsthas through Director of Public Libraries, Andhra Pradesh.
All Secretaries of Agricultural Market Committees through Commissioner and Director of Marketing, A.P.,
All Commissioners/Special Officers of Municipal Corporations & Municipalities.
The Commissioner Printing, Stationery and Stores Purchase, Andhra Pradesh (with a request to notify in the A.P., Gazette)
The General Administration (Cabinet) Department.

The General Administration (SW) Department
The Finance (BG) Department.
The Registrars of all the Universities in Andhra Pradesh
All Recognized Service Associations.
All Recognized Pensioners Associations.
SF/S.Cs.

//FORWARDED :: BY ORDER//

M. Suneetha
SECTION OFFICER