



# Bank of Maharashtra Officers' Organisation

(Affiliated to NOBO & BMS)

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Ref: BOMOO/HR/NPS/1/2021-22

Date: 25/01/2022

To,  
The General Manager,  
Human Resource Management  
Bank of Maharashtra  
H.O. Pune

Dear Sir,

**Sub: Streamlining the implementation of National Pension Scheme (NPS).**

**Ref : Notification no 1/3/2016-PR dated 31.01.2019 by Ministry of Finance**

With reference to the above subject, we would like to inform you that all employees who have joined Bank of Maharashtra as well as other PSBs after 31.03.2010 are covered under National Pension Scheme (NPS) which is being regulated by PFRDA. The scheme related guidelines have been issued by the Govt, of India which have been further modified/ amended from time to time as per the feedback and grievances received from the subscribers in the best possible interest of the subscribers.

NPS is being regulated by PFRDA and there are multiple fund managers which are managing these NPS schemes on behalf of subscribers in order to generate/create the corpus for subscriber for their retirement. Since after discontinuation of Old Pension Scheme and Provident Fund Schemes, the only Corpus under NPS will be available for the employees at the time of retirement through which they will be able to withdraw certain percentage and rest will be used for Pension/annuity. Hence, selection of fund manager is one of critical factor to generate the better returns as a Single BPS difference in return percentage will be very critical in order to generate the Corpus in long term. Accordingly, Govt. Of India and PFRDA has modified the guidelines vide above notification and permit the subscriber to change the Fund Manager as well as Allocation of fund/investment pattern based on their performance to generate the good corpus for their future.

Bank of Maharashtra has uniformly chosen LIC Pension Fund Limited Scheme- Corporate CG for all its employees under NPS. While in all other PSBs, the Fund Managers are being chosen by the subscribers along with choice to allocate the funds in various categories i.e. Equity, Corporate Bonds and Government Securities. It is also pertinent to inform you that Govt of India. vide its Gazette Notification dated 31.01.2019 also amended/modified the guidelines In line with private

sector whereby permitted the Govt. Employees to choose the Pension Fund as per their choice along with option to choose the allocation of funds into equity and other options.

The NPS Scheme chosen by Bank of Maharashtra is able to generate a return of 9.96% p.a. since inception while there are multiple other schemes which have given the returns upto 16.37% since inception. Further, even the most secured option i.e. Government Securities being managed by LIC have given a return of 10.60% p.a. which is more than the one chosen by the BOM.

From above, it may be seen that NPS scheme chosen by Bank of Maharashtra is under performing as compare to other options which is adversely impacting and will also impact the growth of NPS corpus of our bank's employees. Being an employer, it is the prime responsibility of the bank to give the best available option to its employees under NPS so they can choose the Best Fund Manager with their customize investment pattern/allocation of fund with best returns at their own end as per the future needs and risk appetite to secure their future. In the FAQs related to NPS, it is clearly mentioned in point no 7 and point no 19 that flexibility of selecting a fund manager is available at both corporate level as well as employee level and had an option to switch annually.

This issue was also been raised by BOMOO in the recent IR meeting held with the Management considering the impact and benefits to the employees. BOMOO hereby request to kindly change the option of selection of fund manager at Employer Level and permit all existing as well as new employees to choose the NPS fund Manager and Investment Pattern at their own end in line with Govt. Of India and PFRDA guidelines.

The above mentioned Gazette Notification, PFRDA guidelines, FAQs along with Performance of Various NPS scheme is being attached for your kind reference.

On this backdrop, we request you to look into the matter on priority and do the needful in the interest of the employees.

Thanking you in anticipation.

Yours faithfully



(S. K. Gadade)  
General Secretary

CC to : Hon'ble Executive Director(HRM), Bank of Maharashtra, Head Office, Pune.