

## **Pension Fund Regulatory & Development Authority**

The Pension Fund Regulatory & Development Authority (PFRDA) Act was passed on 19th September, 2013 and the same was notified on 1st February, 2014. PFRDA is regulating NPS, subscribed by employees of Govt. of India, State Governments and by employees of private institutions/organizations and unorganized sectors. The PFRDA is ensuring the orderly growth and development of pension market.

The Government of India had, in the year 1999, commissioned a national project titled “OASIS” (an acronym for old age social & income security) to examine policy related to old age income security in India. Based on the recommendations of the OASIS report, Government of India introduced a new Defined Contribution Pension System for the new entrants to Central/State Government service, except to Armed Forces, replacing the existing system of Defined Benefit Pension System. On 23rd August, 2003, Interim Pension Fund Regulatory & Development Authority (PFRDA) was established through a resolution by the Government of India to promote, develop and regulate pension sector in India. The contributory pension system was notified by the Government of India on 22nd December, 2003, now named the National Pension System (NPS) with effect from the 1st January, 2004. The NPS was subsequently extended to all citizens of the country w.e.f. 1st May, 2009 including self - employed professionals and others in the unorganized sector on a voluntary basis.

### **Objectives of PFRDA**

The broad objectives of the PFRDA are contained in the Preamble to the PFRDA Act 2013 as under:

- a. To provide for the establishment of an Authority to promote old age income security by establishing, developing and regulating pension funds,
- b. To protect the interest of subscribers to schemes of pension funds and for matters connected therewith and incidental thereto.

## **Vision of PFRDA**

The vision of PFRDA is to be a model Regulator for promotion and development of an organized pension system to serve the old age income needs of people on a sustainable basis.

## **Composition of the Authority**

The Authority shall consist of a Chairperson and not more than six members, of whom at least three shall be Whole-Time Members, to be appointed by the Central Government.

### **Source:**

- [www.pfrda.org.in](http://www.pfrda.org.in)
- Annual Report PFRDA 2017-18
- Financial Markets and Institutions (Taxmann's) by Dr. Vinod Kumar, Atul Gupta and Manmeet Kaur (January 2018)
- Financial Markets and Institutions (Galgotia Publishing Company) by Dr. Kalpana Kataria and Dr. Arshi Zareen (2018).

### **Disclaimer:**

1. These notes are only for the students.
2. These notes are prepared after referring various books and websites.