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# Government of India National Pension System

Subscriber Information Brochure  
for Government Subscribers

**P**ension Fund Regulatory and Development Authority (PFRDA) is an Authority to promote old age income security by establishing, regulating and developing pension funds to protect the interest of subscribers in schemes of pension funds and for matters connected therewith or incidental thereto.

**N**ational Pension System (NPS) means the contributory pension system whereby contributions from subscribers along with matching contributions from respective governments as an employer, are collected and accumulated in an individual pension account. NPS uses a system of Government/ Autonomous Bodies' Nodal offices, a Central Recordkeeping Agency (CRA) and designated Pension Funds (PFs), as specified by the respective regulations from time to time to achieve synergy and maximum efficiency in operations.

**N**PS is mandatory to all employees joining services of Central Government (except Armed Forces) and Central Autonomous Bodies on or after 1st January 2004.

**A**lmost all State Governments have adopted NPS architecture and have implemented NPS mandatorily through Gazette Notifications for the State Government/ Autonomous body employees joining on or after their respective cut-off dates.

**A**s a subscriber under NPS you are provided with an individual pension account identified by Permanent Retirement Account Number (PRAN) which is unique & portable across locations and employments. The Card provided to you contains your PRAN, Father's name, Photograph and Signature/ Thumb impression.

**A**long with your PRAN card you are also provided with Internet Personal Identification Number (I-PIN) and Tele-query Personal Identification Number (T-PIN) through which you can access your pension account via internet (*through CRA website [www.npscra.nsdl.co.in](http://www.npscra.nsdl.co.in)*) or telephonically at CRA Helpline (*1800222080*), respectively.

#### **B**enefits of NPS:

- **Dual benefit of Low Cost & Power of Compounding:** The pension wealth accumulates over a period of time till retirement; grows with a compounding effect and the account maintenance charges being low, larger would be the eventual benefit of the accumulated pension wealth
- **Tax Benefits:** Benefits available under Section 80 CCD(1) and 80 CCD(2) as per relevant sections of Income Tax Act 1961, as amended from time to time.
- **Safety:** Regulated by the Pension Fund Regulatory & Development Authority (PFRDA) and introduced by the Government of India
- **Transparency:** Through online access to your pension account.
- **Portability:** Across all geographical locations and employments across India

**U**nder NPS, two types of accounts are available to you i.e., Tier I & Tier II

- **Tier I account** – where you and the Government contribute funds into your individual account. As a subscriber you contribute 10% of your Basic Pay and DA into your Tier-I account on a mandatory basis every month, which is invested along with the matching contribution from the employer. The regular NPS contributions and the accumulated amounts are reflected in your PRAN while you are in service and shall be used at retirement for procurement of your pension.
- **Tier II account** – a voluntary savings account from which you are free to withdraw the savings at your own choice. An active Tier I account along with PRAN is a pre requisite for opening of a Tier II. You can approach any Point of Presence- Service Provider (POP-SP- *list available at CRA website*

[www.npscra.nsdl.co.in](http://www.npscra.nsdl.co.in)) for activation of Tier II account along with a copy of PRAN card and PAN card. Furthermore, since Tier II is a voluntary savings account, the government does not contribute any amount into your Tier II account and no tax benefits are available for the contributions made.

**I**nvestments of NPS Contributions: Your contributions are allocated to three Public Sector Pension Fund Managers, viz. SBI Pension Funds Private Limited, UTI Retirement Solutions Limited and LIC Pension Fund Limited and each of the PFs invests the funds in the proportion of upto 55% in Government securities, upto 40% in Debt securities, upto 15% in Equity and upto 5% in Money Market instruments.

**S**tatement of Transaction (SOT): This contains the details of transactions carried out in your pension account. It contains details of contribution amount invested and units allocated during the financial year, unit holdings as on date across all PFs and any changes in your PRAN details. You can access your SOT through CRA website using your I-PIN. Also, the CRA sends a copy of the SOT annually to your mailing address registered with CRA.

**G**rievance Redressal: You can raise the grievance/complaint through CRA Call centre using your T-PIN or through the CRA website using your I-PIN under CGMS (Central Grievance Management System). A duly filled Form G1 (*available at CRA website*) may also be sent to CRA for lodging a grievance. You can also contact your Nodal office for resolving your grievance; the Nodal office may lodge the grievance on your behalf in CGMS. In case you are dissatisfied with the resolution of your grievance, you may write to Grievance Redressal Cell (GRC), PFRDA at the belowmentioned address for taking appropriate action.

**GRC-PFRDA Address:**

Grievance Redressal Cell, PFRDA, 1st Floor, ICADR Building, Vasant Kunj Institutional Area, Phase II, New Delhi 110070; Email: [grc@pfrda.org.in](mailto:grc@pfrda.org.in)

**W**ithdrawal & Exit: As per the guidelines for withdrawal stipulated by PFRDA and in terms of the exit regulations under NPS, the subscriber exits from National Pension System (NPS) in one of the following ways:

- **U**pon Normal Superannuation (retirement): At least 40% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and balance is paid as lump sum payment to the subscriber. However, the subscriber may opt for withdrawal of total pension wealth if it is less than Rs. 2 lakhs and in such a case no other benefit like pension etc are available.
- **U**pon Death: The entire accumulated pension wealth (100%) would be paid to the nominee/legal heir of the subscriber and there would not be any purchase of annuity/monthly pension.
- **E**xit from NPS before the age of normal superannuation (irrespective of cause): At least 80% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and the balance is paid as a lump sum payment to the subscriber

**A**nnuity: Annuity provides for monthly pay-outs to the individual in lieu of the lump sum amount paid to the Annuity Service Provider (ASP) from NPS scheme as per percentage specified by the subscriber at the time of exit.

**A**nnuity Service Provider and Annuity Scheme shall be provided strictly in accordance by choice made by the subscriber at the time of exit from NPS. The details of the empanelled ASPs, types of annuity offered and annuity calculators are available at web link on CRA website.

## QUICK LINKS

Particulars	Contact Details
<b>For viewing your Statement of Transaction (SOT)</b>	Login through your I-Pin in <i>CRA website</i>
<b>For updating your PRAN details</b>	Fill up Form S2 and submit the same to your Nodal office <i>Forms S2 available at CRA Website - &gt; Subscriber Corner -&gt; Forms</i>
<b>For opening Tier II Accounts</b>	Contact PFRDA registered POP-SPs. List available at <i>CRA website</i>
<b>For Lodgment of Grievance</b>	Raise the grievance/complaint through CRA Call centre using your T-PIN or through the CRA website using your I-PIN under CGMS  Or  PAO/ DTO may be contacted to resolve the grievance if possible at their end or may lodge the grievance on your behalf in Central Grievance Management System (CGMS)  Or  Send a duly filled Form G1 ( <i>available at CRA website</i> ) to CRA for lodging a grievance <i>Form G1 available at CRA Website - &gt; Subscriber Corner -&gt; Forms</i>
<b>Withdrawal &amp; Exit Processing</b>	You may contact:  NPS Claim Processing Cell, Central Record Keeping Agency, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.  Tel: 022-24994512, 022-24994862, 022-249904200 (Board)
<b>Annuity Service Providers</b>	List and Contact Details of ASP's available at CRA Website URL: <i><a href="https://www.npscra.nsdl.co.in/annuity-service-providers.php">https://www.npscra.nsdl.co.in/annuity-service-providers.php</a></i>

## **PFRDA CONTACT LIST**

### **Website**

[www.pfrda.org.in](http://www.pfrda.org.in)

### **Address**

Pension Fund Regulatory and Development Authority,  
First Floor, ICADR Building, Plot No. 6,  
Vasant Kunj Institutional Area,Phase - II,  
New Delhi – 110070  
Tel: +91-11-26897948/49,  
Fax: +91-11-26897938

### **NPS Information Desk Toll Free Number**

1800 110 708

## **CRA CONTACT LIST**

### **Website**

[www.npscra.nsdl.co.in](http://www.npscra.nsdl.co.in)

### **Address**

NSDL e-Governance Infrastructure Limited,  
1st Floor, Times Tower,  
Kamala Mills Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400013.  
Tel: (022) 2499 4200

### **CRA Call Centre**

1800222080

## Entry Norms

	Question	Answer
1.	<b>What is the role of PFRDA?</b>	As per <u>PFRDA Act 2013</u> , PFRDA is an Authority to promote old age income security by establishing, regulating and developing pension funds to protect the interest of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.
2.	<b>What is National Pension System?</b>	<p>“National Pension System” (NPS) means the contributory pension system whereby contributions from a subscriber are collected and accumulated in an individual pension account called PRAN using a system of points of presence, a central recordkeeping agency and pension funds as may be specified by regulations.</p> <p>The Central Government has introduced the Defined Contribution based Pension System known as the National Pension System (NPS) replacing the existing system of Defined Benefit Pension with effect from January 01, 2004 vide its notification Ministry of Finance (Department of Economic Affairs) <u>OM No 5/7/2003 PR D</u> <u>22/12/2003</u>.</p>
3.	<b>Who are covered by the NPS?</b>	NPS is applicable to all employees joining services of Central Government including Central Autonomous Bodies (except Armed Forces) on or after 1st January 2004. Many State Governments have adopted NPS architecture and implemented NPS mandatorily through Gazette Notifications for their employees joining on or after a cut-off date.
4.	<b>How does NPS differ from old pension?</b>	<p>The old pension scheme of Government of India, referred as Defined Benefit Pension System (DBPS) is based on the last pay drawn of the employee.</p> <p>NPS is referred as Defined Contribution Pension System (DCPS) in which the employer &amp; employee contributes for building a pension wealth payable at the time of retirement by way of annuity/ lumpsum withdrawal as per norms.</p>
5.	<b>What is a PRAN?</b>	PRAN is an acronym for Permanent Retirement Account Number, which is the unique and portable number provided to each subscriber under NPS and remains with him throughout.
6.	<b>Are bank details mandatory for opening NPS account?</b>	Yes. For subscribers, the Bank details are mandatory. In case, Bank details are not available at the time of filling the form, subscriber can provide a declaration for providing the Bank details within six months or on opening of Bank account whichever is earlier.
7.	<b>Can PRAN be generated in case of employees who expired/ left the organization?</b>	Retrospective registration of subscribers is not permitted under NPS.
8.	<b>Can a subscriber use the same PRAN if he shifts from one sector to another/Central Govt to State Govt/Private to Govt etc.</b>	As PRAN is unique and portable across employment & location, NPS contributions can be transferred by the prospective employer to same PRAN already allotted by previous employers after completion of <u>Inter-Sector Shifting (ISS)</u> , if required.
9.	<b>Can a subscriber obtain/ use more</b>	No, an individual is permitted to have only one PRAN which is unique, permanent

	<b>than one PRAN?</b>	and portable across jobs/employments and locations. If a subscriber possesses more than one PRAN by any chance, the concerned Nodal office can deactivate the duplicated PRAN by initiating a request with CRA.
<b>10.</b>	<b>Who can be a nominee and how are the details to be filled in the form?</b>	Only an individual can become a nominee. Subscriber can nominate a maximum of three nominees and a subscriber cannot fill the same nominee details more than once. Decimals/fractional values are not accepted in the nomination(s). Sum of percentage share across all the nominees must be equal to 100. If sum of percentage is not equal to 100, entire nomination will be rejected. If a nominee is a minor, then nominee's date of birth and guardian details shall be mandatory. The registration of nominee details will not be done unless all details are duly filled up in the form. A subscriber may refer the instructions for nominations available in the registration form <u>(S1 Form)</u>
<b>11.</b>	<b>What is IRA compliance? What are the advantages &amp; benefits of IRA compliance?</b>	IRA complied subscribers are those who have submitted <u>(S1 Form)</u> and whose address, photograph and signature (i.e. complete KYC details) are maintained in CRA system. Advantages & Benefits of IRA Compliance to Subscribers: 1. PRAN cards are issued to all IRA compliant subscribers. 2. Subscriber can check their account balance online using I-PIN. 3. Subscriber can lodge a complaint against any entity using I-PIN. 4. Subscriber can access CRA toll free helpline using T-PIN. 5. No proof of identity and address is required during activation of Tier II account. 6. Value Added Services like online email alerts, SMS alerts etc.
<b>12.</b>	<b>What one should do if there are changes in PRAN data?</b>	Subscriber can update his / her details in Tier I in CRA system by submitting a change request <u>Form S2</u> to the concerned office to which the subscriber is linked.
<b>13.</b>	<b>What are the roles of Principal Account Office (for CG) Directorate of Treasury &amp; Accounts (for SG) under NPS?</b>	The Principal Accounts Office (PrAO)/ Directorate of Treasury & Accounts (DTA) act as the oversight authority in NPS monitoring. As per the standard operating procedure for NPS, the PrAO/DTA is required to discharge several functions, most of which are in the nature of monitoring performance of the registered nodal offices under its jurisdiction. The nature of activities required to be carried out by the PrAO/DTA may be summarized as under: 1. Consolidate PAO/DTO/ Nodal Office registration form and forward it to CRA for registration. 2. Monitor the performance of PAO/DDO/DTO/ Nodal offices in discharging their responsibilities in CRA system. 3. Monitor the resolution of grievances raised against PAO/DTO/ Nodal office 4. Take necessary action to ensure compliance of PAO/DDO/DTO with the operational procedure of CRA system.
<b>14.</b>	<b>Is NPS applicable to employees of Central Autonomous Bodies?</b>	Yes. In line with the decision of GOI to introduce NPS for new entrants joining central government services on or after 1/1/2004, it has been decided vide <u>OM 1(13)/EV/2001 Dt 13/11/2003</u> Department of Expenditure, Ministry of Finance that all new entrants in all Autonomous Bodies under various Central

		Ministries/Departments recruited on or after 1/1/2004 will also be governed by the NPS.
15.	<b>How can the Central Autonomous Bodies join NPS?</b>	Department of Expenditure, Ministry of Finance , GOI vide its <u>OM No 1(13)/EV/2008 Dt 30/1/2009</u> advised all Central Autonomous Bodies to submit Letter of Consent (LOC) indicating their formal commitment towards discharging their obligations under NPS through the Financial Advisors of the respective Ministries/ Departments.
16.	<b>Is transition from contributory Provident Fund to Defined Contribution Pension Scheme permitted for the employees of Autonomous Bodies? What will be the date of effect in case of transition from CPF to NPS in case of employees who joined prior to 01.01.2004? What are the salient features of this scheme?</b>	<p>Yes. The organizations are permitted to shift to NPS in respect of employees who have joined before 1/1/2004 vide <u>OM dt 30/6/2009 No 1(2)/EV/2007</u> Department Of Expenditure Ministry of Finance. Date of effect will be the date when such option is exercised by the concerned employee.</p> <p>The other detailed operational features are as follows,</p> <ol style="list-style-type: none"> <li>The existing corpus of CPF (both employees and employers') would be moved over to the trust fund accounts under NPS.</li> <li>In order to facilitate the transition from CPF to NPS, the autonomous body would make in addition one time ex gratia payment of 10% of the employer's contribution for each of the employees opting to switch over to NPS.</li> <li>Recurring monthly contribution by employee @ 10% of Basic Pay + DA and a matching contribution by the autonomous body would be payable.</li> <li>The employer's contribution would be payable from the month the organization/employee shifts over to NPS and would be limited to 10% of Basic Pay + DA.</li> </ol>
17.	<b>Is NPS applicable to employees of State Autonomous Bodies?</b>	Many State Governments have adopted NPS architecture and implemented NPS for the employees of State Government as well as for the employees of Autonomous bodies, State PSUs, Corporations, Boards, if notified in their respective gazette notifications.
18.	<b>Is NPS applicable to Members of All India Service joining the All India Services on or after 1/1/2004</b>	Yes and contribution to NPS would be mandatory for all members of All India Services joining the service on or after 1/1/2004 as specified in <u>No 25014/14/2001- AIS II Dt 8/9/2009</u> issued by Ministry of Personnel, Public Grievances and Pensions.
<b>Accounts &amp; Upload</b>		
19.	<b>What is Tier I and Tier II account? Are they different?</b>	Under NPS, two types of account would be available to subscribers i.e., Tier I & Tier II; Tier I account – where a subscriber contributes his / her savings for retirement into a non-withdrawable account, and a Tier II account – a voluntary savings account from which subscribers are free to withdraw the savings whenever he/she wishes. An active Tier I account along with PRAN is a pre requisite for opening of a Tier II. Furthermore, since Tier II is a voluntary savings account, the government does not contribute any amount into Tier II account.
20.	<b>How much can a subscriber</b>	A subscriber contributes 10% of his Salary +DA into his Tier-I (pension) account on



	contribute towards his Tier I account?	a mandatory basis every month which is invested along with the matching contribution from the employer.
21.	How can one open a Tier II account?	An active Tier I account along with PRAN is a pre requisite for opening of a Tier II. Any government employee who has an active Tier I account can approach any POP-SP for activation of Tier II account along with a copy PAN.

### Investment Guidelines & Tax

22.	How much can a subscriber contribute towards his Tier I account?	A subscriber contributes 10% of his Basic Salary +DA into his Tier-I (pension) account on a mandatory basis every month which is invested along with the matching contribution from the employer.
23.	What are the assets permitted for NPS funds investment of Government employees?	At present, there is only one default scheme for Tier I for Government employees. In the default scheme, the contribution is allocated to three PFMs, viz. SBI Pension Funds Private Limited, UTI Retirement Solutions Limited and LIC Pension Fund Limited and each of the PFMs will invest the funds in the proportion of upto 55% in Government securities, upto 40% in Debt securities, upto 15% in Equity and upto 5% in Money Market instruments. Refer to <i>Govt. of India notification No.:</i> <a href="#">F.No.5 (88)/ 2006-PR dated 14-08-2008 &amp; Circular No. PFRDA/2014/2/PFM/1 dated 29th January 2014.</a>
24.	Is there any timelines on upload of SCF and remittance of funds?	The timelines are specified in <a href="#">OM No 1 (7) 2003 / TA / Partfile/ 279 Dt 2/9/2008</a> issued by Department of Expenditure, Office of CGA, Ministry of Finance; applicable to Civil Ministries only.
25.	Are there any tax benefits on NPS contributions for the central government employees?	Income Tax Act allows benefits under NPS as per the following sections, <ul style="list-style-type: none"> <li>• Section 80CCE provides that the aggregate amount of deduction under Section 80CCC and 80CCD shall not exceed Rs 1 lakh. The Finance Act, 2011 provides that contribution made by the Central Government or any other employer to NPS shall be excluded while computing the limit of Rs 1,00,000. The contribution by the employee to the NPS will be subject to the limit of Rs 1,00,000.</li> <li>• Section CCD (2) provides that deduction in respect of contributions by the Central Government or any other employer to NPS available under Section 80CCD (2) will not be subject to the limit specified in Section 80CCE but it is subject to 10% of Basic + DA maximum.</li> <li>• The tax benefits are available only in the case of Tier I account not in Tier II account.</li> </ul>

### Grievance Redressal

26.	How does a subscriber register his grievances/ complaints?	A subscriber can contact the PAO/ DTO through his DDO, for resolving his/her grievance, if against the PAO/ DTO. In case grievance pertains to other intermediaries, PAO will lodge the grievance on behalf of subscriber in CGMS. Subscriber can also raise the grievance/complaint through <a href="#">Call Centre</a> using T-PIN or through <a href="#">CRA website</a> using I-PIN. A subscriber can also send a duly filled G1 form to CRA for lodging a grievance or may write to Grievance Redressal Cell,
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PFRDA, 1st Floor, ICADR Building, Vasant Kunj Institutional Area, Ph II New Delhi 70 (Email: [grc@pfrda.org.in](mailto:grc@pfrda.org.in)) for taking appropriate action.  
Subscriber can check the status of the grievance in CRA website at <https://cra-nsdl.com/CRA/grievanceStatusLim.do>.

## Exit, Withdrawal and Annuity

27.	<b>When and how can a subscriber withdraw the amount from Tier I account?</b>	<p>As per the guidelines for withdrawal stipulated by Pension Fund Regulatory &amp; Development Authority (PFRDA)/Ministry of Finance(MOF), the subscribers can exit from New Pension System (NPS) on his / her retirement, resignation or death.</p> <ol style="list-style-type: none"> <li>a) <b>Upon Normal Superannuation:</b> At least 40% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and balance is paid as lump sum payment to the subscriber. However, the subscriber may opt for withdrawal of total pension wealth if it is less than 2 lacs.</li> <li>b) <b>Upon Death:</b> The entire accumulated pension wealth (100%) would be paid to the nominee/legal heir of the subscriber and there would not be any purchase of annuity/monthly pension.</li> <li>c) <b>Exit from NPS before the age of Normal superannuation (irrespective of cause):</b> At least 80% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and the balance is paid as a lump sum payment to the subscriber It is clarified that the component for annuitisation doesn't attract any tax whereas the lumsum withdrawal does have tax deductions as per applicable tax laws.</li> </ol>
28.	<b>What is annuity? Who is the Annuity Service Provider? What are the ASPs appointed by PFRDA?</b>	<p>Annuity in the context of NPS refers to the monthly payment that will be received by the subscriber from the Annuity Service Provider after his exit from NPS.</p> <p>Annuity Service Provider is an IRDA registered insurance company empanelled by PFRDA for providing of Annuity Services to NPS subscribers upon their exit from the system. ASPs will be responsible for managing the funds (allocated for buying annuity) and payment of the pension after a subscriber attains the age of 60.</p> <p>Pension Fund Regulatory and Development Authority (PFRDA) has empanelled the following seven IRDA approved life insurance companies for providing annuity services to the subscribers of National Pension System (NPS).</p> <ul style="list-style-type: none"> <li>• Life Insurance Corporation of India</li> <li>• SBI Life Insurance Co. Ltd.</li> <li>• ICICI Prudential Life Insurance Co. Ltd.</li> <li>• Bajaj Allianz Life Insurance Co. Ltd.</li> <li>• Star Union Dai-ichi Life Insurance Co. Ltd.</li> <li>• Reliance Life Insurance Co. Ltd.</li> <li>• HDFC Standard life insurance co ltd</li> </ul>
29.	<b>Is there a default ASP under PFRDA?</b>	The default ASP for NPS is LIC of India.

**30. How do I redeem from Tier II account?** In order to withdraw from Tier II account, the subscriber needs to submit a duly filled UOS-S12 to the associated POP-SP. On T+3 days, (T being the date of processing) the funds are transferred from the Trustee Bank to subscriber's bank account as registered in the CRA system and the onus of tax payment on the withdrawal lies with the subscriber since NPS system does not deduct any tax at source.