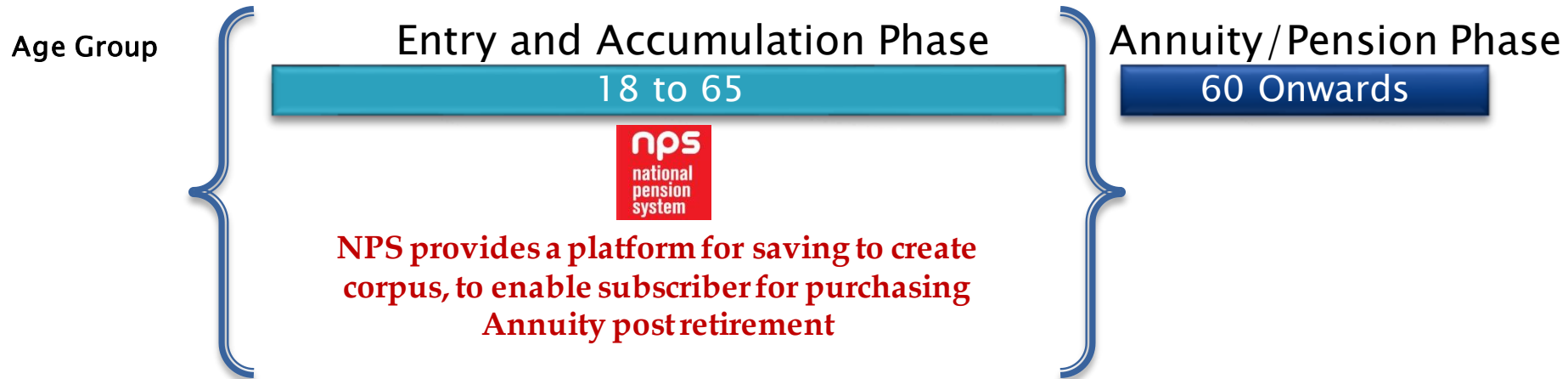


# National Pension System



**जब उम्र हो  
साठ के पार  
जिंदगी चले  
वही सफ़्तार**

# National Pension System



## What is NPS ?

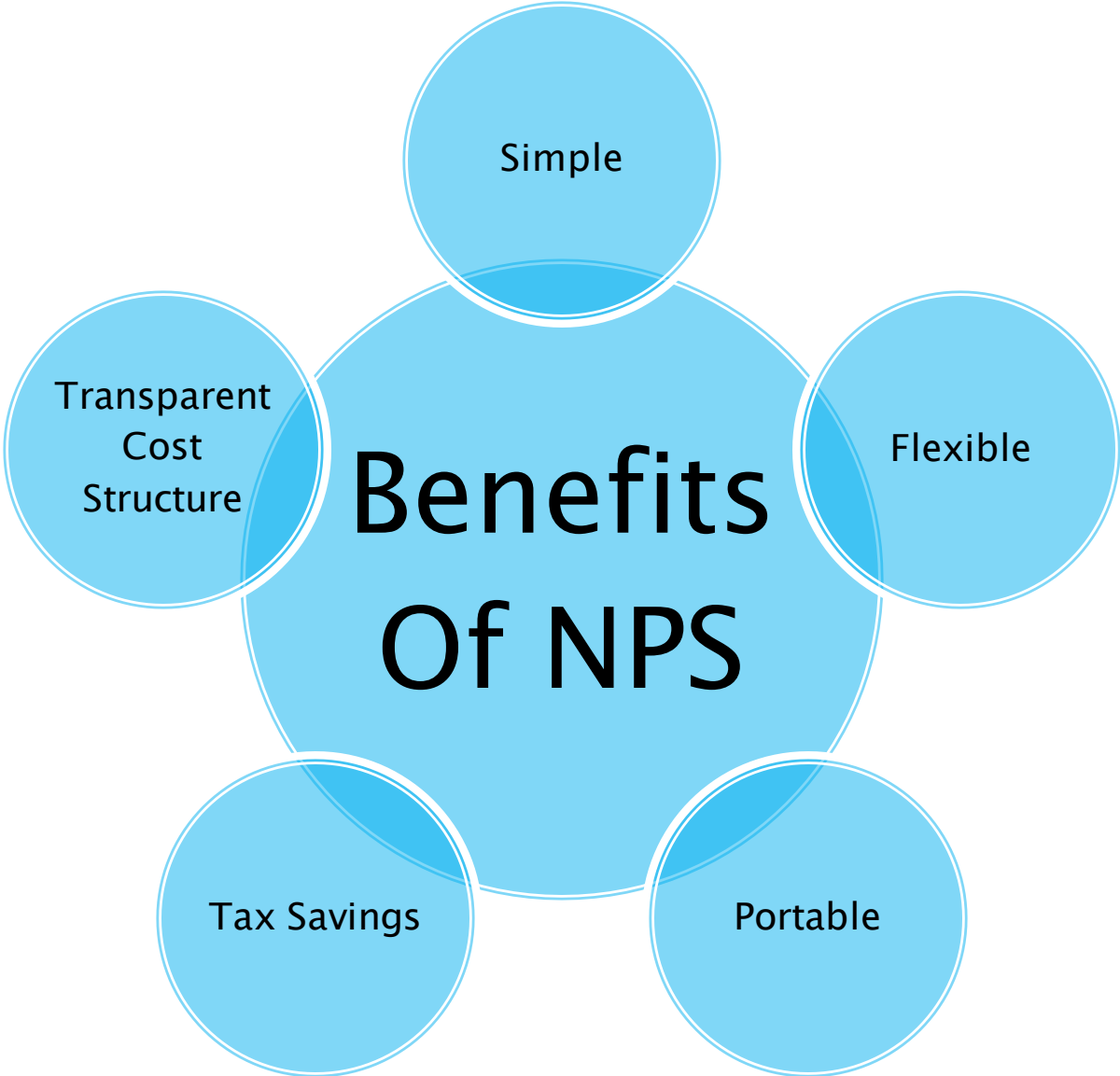
NPS is a contributory pension scheme which is highly efficient, technology driven system to save small amounts today, to build a fund for life's second innings.

## Who Can Join ?

You can join, if you are any or all of the following:

- Citizen of India; Resident or Non-Resident
- Age between 18-65 years, as on date of joining
- Salaried or Self Employed
- Complies with KYC norms

# Benefits of NPS



# Tier- I Accounts

Individual can contribute for retirement into this restricted-withdrawal account.

Contribution + Investment Growth - Charges = Accumulated Pension Wealth

| Particulars                                     | Tier I                              |
|---|-------------------------------------|
| Option of selection of the Account              | Mandatory                           |
| Withdrawal Facility Available                   | Conditional & Restricted Withdrawal |
| Minimum Contribution at the time of A/c opening | Rs. 500                             |
| Minimum amount of subsequent contribution       | Rs. 500                             |
| Minimum Contribution Required per year          | Rs. 1000                            |
| Minimum no. of contribution per year            | One                                 |
| Frequency of contribution permitted             | Unlimited                           |

## To Employees

- Employees own contribution is eligible for tax deduction under sec 80 CCD (1) of Income Tax Act up to 10% of salary (Basic + DA). This is within the overall ceiling of Rs. 1.50 Lacs under Sec. 80 CCE of the Income Tax Act.
- Employee also gets tax deduction for the contribution made by the employer under section 80 CCD (2) of IT act upto 10% of salary (Basic + DA) which is in addition to the tax benefits available under Sec. 80 CCE. No Monetary ceiling.

## To Self- Employed

**20% of the Gross Income** is eligible for tax deduction under sec 80 CCD (1) of Income Tax Act.

## Additional Tax Benefits to NPS Subscribers

- Subscriber is allowed tax deduction in addition to the deduction allowed under Sec. 80CCD(1) for additional contribution in his NPS account subject to maximum investment of Rs. 50,000/- under sec. 80CCD 1(B)<sub>5</sub>

## Partial Withdrawal

Partial Withdrawal will be allowed subject to :

- ✓ Subscriber should be in NPS for 3 years
- ✓ Amount should not exceed 25% of the contributions made by the subscriber

### Purpose

- ✓ Purposes for which partial withdrawal allowed
- ✓ – For the purpose of higher education of his/her children,
- ✓ – For marriage of his/her children,
- ✓ – For purchase or construction of residential house or flat
- ✓ – For treatment of specified illnesses.

### Frequency

- ✓ – Maximum 3 (three) times during entire tenure,

| Vesting Criteria  | Benefit  |
|---|--|
| At any point in time before superannuation (allowed to subscriber who have been in NPS for at least 10 years) | <p style="text-align: center;">Compulsory Annuitisation – minimum 80%<br/>Lump sum withdrawal – maximum 20%</p> <p style="text-align: center;">If Corpus &lt; Rs. 1.00 Lac, complete withdrawal permitted</p>  |
| On attaining the age of superannuation as prescribed in service rules) and upto 70 years of age               | <p style="text-align: center;">Annuitisation – minimum 40%<br/>Lump sum withdrawal – maximum 60%</p> <p style="text-align: center;">If Corpus &lt; Rs. 2.00 Lac, complete withdrawal permitted</p> <ul style="list-style-type: none"> <li>– Subscriber can stay invested in the NPS upto the age of 70 years. Fresh contributions are allowed during such a period of deferment.</li> <li>– Can defer the withdrawal of eligible lump sum amount till the age of 70 years and withdraw the same in 10 annual instalments.</li> <li>– Annuity purchase can also be deferred for maximum period of 3 years at the time of exit.</li> </ul> |
| Death due to any cause  | <p>In such an unfortunate event, option will be available to the nominee to receive 100% of the NPS pension wealth in lump sum. However, if the nominee wishes to continue with the NPS, he/she shall have to subscribe to NPS individually after following due KYC procedure.</p>   |

## Partial withdrawal from Tier I A/c



| Existing Provisions   | New Provisions (w.e.f. 10.08.2017)      |
|---|---|
| <b>Partial Withdrawal will be allowed subject to :</b>  |   |
| Subscriber should be in NPS for 10 years  | Subscriber should be in NPS for 3 years |
| Amount should not exceed 25% of the contributions made by the subscriber  | Remain the same                         |
| <b>Purposes for which partial withdrawal allowed</b>  |   |
| <ul style="list-style-type: none"> <li>✓ For the purpose of higher education of his/her children,</li> <li>✓ For marriage of his/her children,</li> <li>✓ For purchase or construction of residential house or flat</li> <li>✓ For treatment of specified illnesses.</li> </ul> | Remain the same                         |
| <b>Frequency</b>  |   |
| Maximum 3 (three) times during entire tenure,   | Remain the same                         |
| Minimum 5 (five) years gap between consecutive withdrawals  | Removed                                 |

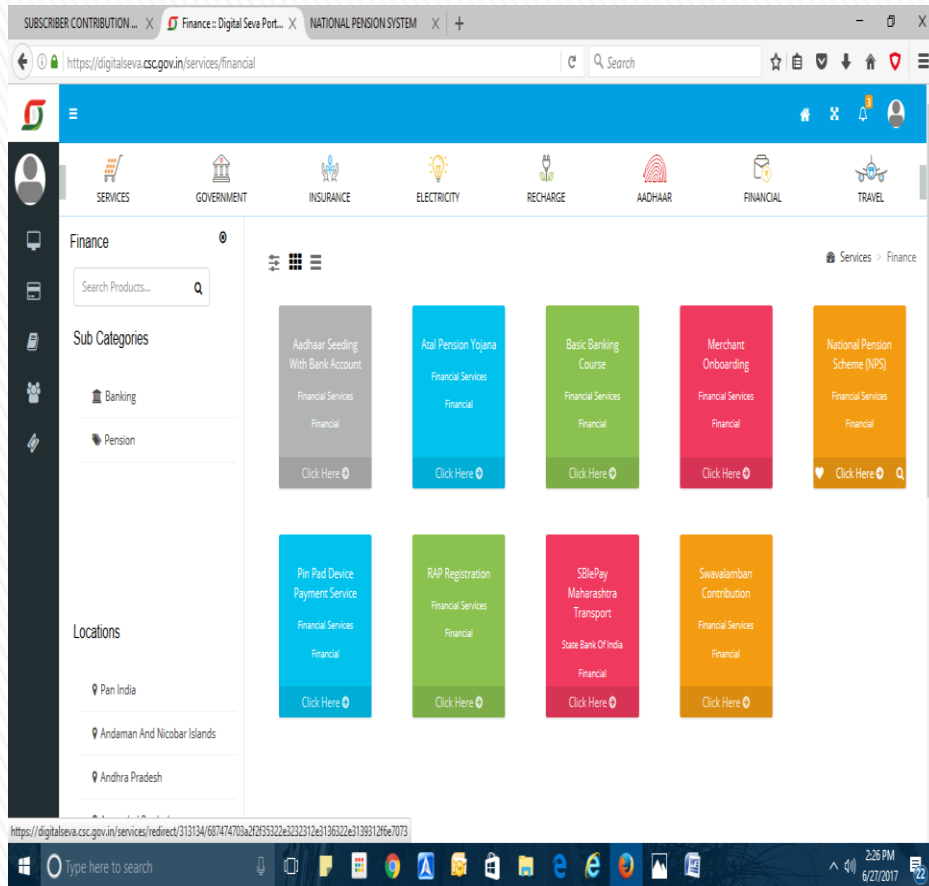


## To Subscribers

- Amount utilized for purchase of annuity at the time of exit (Minimum 40% mandatory) is not treated as income.
- No Service tax on annuity purchase.
- 40% of the total corpus at the time of exit is not treated as income.
- Partial Withdrawal from NPS is tax-exempt

# SUBSCRIBER REGISTRATION PROCESS

# Subscriber Registration



- Vle to choose National Pension Scheme (NPS) Service on the <https://digitalseva.csc.gov.in> Portal.
- Put Aadhaar Number of Subscriber and run the authentication process
- Vle need to facilitate the customer to fill the form Carefully.
- Subscriber need to fill the details of nominee. If nominee is minor then guardian details are also required. After filling the nominee details kindly click on Add tab so that details are successfully uploaded.
- Subscriber can select maximum 3 Nominee.
- Upload Subscriber Signature– Upload image with extension jpg or png or jpeg and maximum allowed size is 12kb

# Subscriber Registration

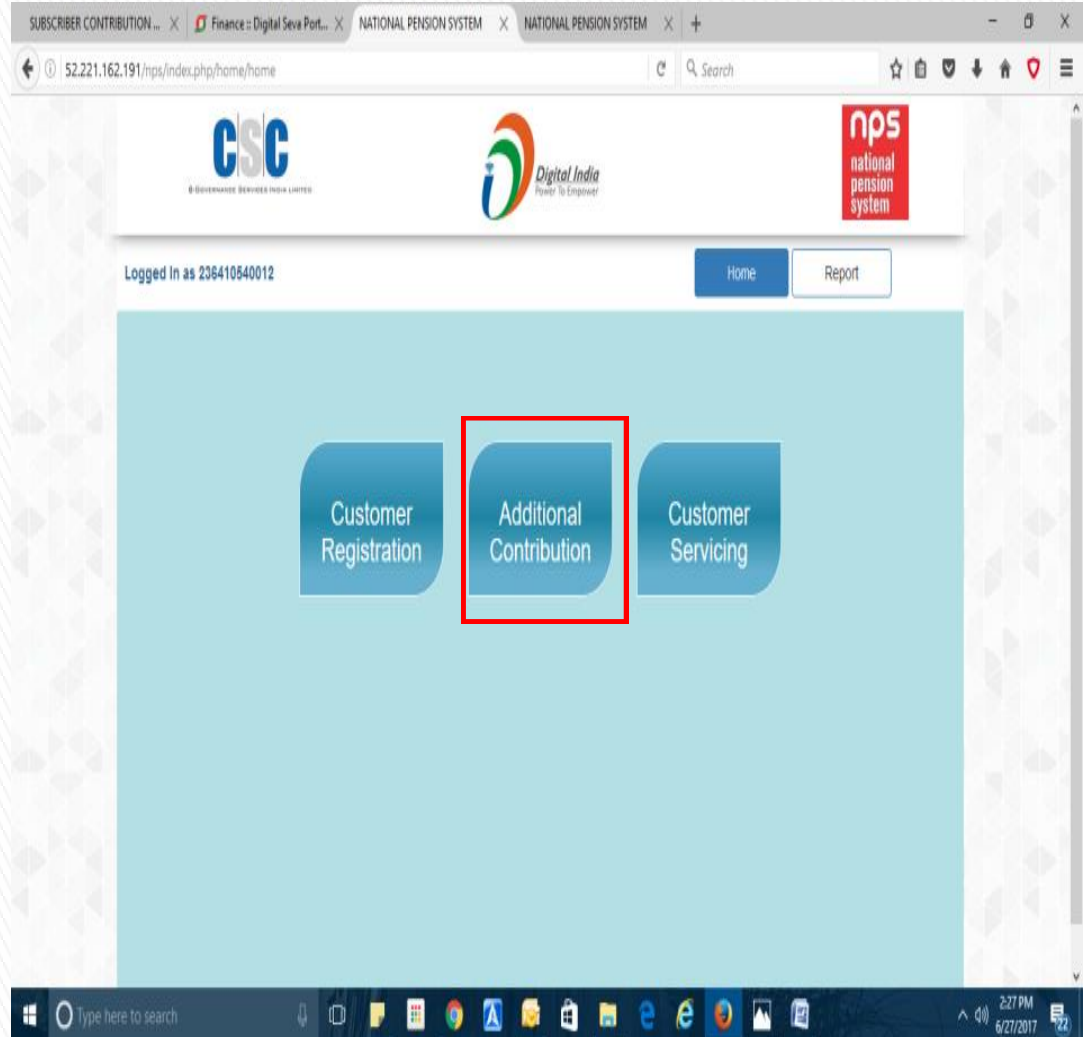
- ▶ After finishing vle can pay the amount from the wallet and provide the receipt to subscriber.
- ▶ VLE to send the Physical copy of the Subscriber form to the address mentioned in the footer of the form.

To,  
Subhash Rana,  
M/s Alankit Assignments Limited,  
Alankit House, 4E/2,  
Jhandewalan Extension,  
New Delhi 110005"

# ADDITIONAL CONTRIBUTION

# Additional Contribution

- VLE to click on “Additional contribution” tab for the payment of additional contribution.
- Put 12 digit PRAN number of the subscriber
- Put the contribution amount and pay the amount from CSC wallet.
- Print the receipt and give it to the subscriber.



# Charges

| Charge Head                     | VLE Service Charge (Instant) |
|---------------------------------|------------------------------|
| Initial Subscriber Registration | Rs. 167                      |
| Initial Contribution            | Rs. 16 (Minimum)             |
| All Subsequent Contribution     |                              |

**THANK YOU**