



Y NATIONAL PENSION SCHEME



# NATIONAL PENSION SYSTEM (NPS)

(APPLICABLE TO ALL  
CITIZENS OF INDIA)



Y NATIONAL PENSION SCHEME



# Old age income security



Y NATIONAL PENSION SCHEME



**Marginal Section & Low  
Income Groups Need A  
Special Protection In  
Their Advanced Age**



Y NATIONAL PENSION SCHEME



Government **Defined Benefit**  
**Scheme Was Also**  
**Becoming A Burden** on its  
exchequer



# Y NATIONAL PENSION SCHEME



Due to Improved Health Facilities,  
Living Standard, Medical Science, The  
**Average Life Span Of An Individual**  
Has Improved Significantly



Y NATIONAL PENSION SCHEME



Increased **Geographical  
Mobility &** Change in social  
values



Y NATIONAL PENSION SCHEME



**A considerable decline in the  
Traditional Family Support for  
old age in urban as well as in  
rural areas & Growing Number  
Of Nuclear Families.**



# Y NATIONAL PENSION SCHEME



**Government** having limited resources  
**cannot provide old age protection** to  
such a vast population in India.





# Y NATIONAL PENSION SCHEME



A person should also contribute for its old age welfare at the time of his working age.

**Contribution:**





## STEPS TO NPS



In the year 2003 Government of India has notified as its first step towards **New Pension System** issued notification for **Central Government Employees**



3 STEPS TO NPS



# Interim PFRDA to Create and Develop Pension Market in India



## STEPS TO NPS



More than 26 states also decided to follow the Central Government New Pension Model;

Punjab is also one of these States to decide New Pension Scheme for its employees entering into service on or after 1.1.2004



# NATIONAL PENSION SYSTEM



N.P.S



**AVAILABLE TO ALL  
CITIZENS OF INDIA**



N.P.S



# DIFFERENT SCHEMES FOR DIFFERENT SECTIONS OF SOCIETY



N.P.S



# 1. NEW PENSION SCHEME FOR GOVERNMENT EMPLOYEES

1<sup>st</sup> January, 2004





N.P.S



## 2. NATIONAL PENSION SCHEME FOR GENERAL PUBLIC

1<sup>st</sup> May 2009

Tier-II from 1<sup>st</sup> December,  
2009



N.P.S



**3. NPS – LITE FOR  
MARGINAL SECTIONS  
Now Atal Pension Yojna  
w.e.f. 01.04.2015**



N.P.S



# 4. SCHEME FOR CORPORATE SECTOR



# N.P.S- ARCHITECTURE



## REGULATOR

**PFRDA**



# N.P.S- ARCHITECTURE



# NPS - TRUST



# N.P.S- ARCHITECTURE



# CENTRAL RECORD KEEPING AGENCY

## NSDL MUMBAI



# N.P.S- ARCHITECTURE



## PENSION FUND MANAGERS

GOVERNMENT SECTOR	OTHER SECTORS
1. SBI- PENSION FUNDS PRIVATE LIMITED	1. SBI Pension Funds Private Limited
2. LIC PENSION FUND	2. UTI Retirement Solutions Limited
3. UTI-RETIREMENT SOLUTIONS.	3. ICICI Prudential Pension Funds Management Company limited
	4. Kotak Mahindra Pension Fund Limited
	5. IDFC Pension Fund Management Company Limited
	6. Reliance Capital Pension Fund Limited



# N.P.S- ARCHITECTURE



## TURSTEE BANK

**EARLIER IT WAS BANK OF  
INDIA AND NOW IT IS AXIS  
BANK**





# N.P.S- ARCHITECTURE



POP  
&  
POP-SP



## Annuity Service Provides ASPs (**IRDA Regulated**)

- ❑ 1. Life Insurance Corporation of India
- ❑ 2. SBI Life Insurance Co. Ltd.
- ❑ 3. ICICI Prudential Life Insurance Co. Ltd.
- ❑ 4. Bajaj Allianz Life Insurance Co. Ltd.
- ❑ 5. Star Union Dai-ichi Life Insurance Co. Ltd.
- ❑ 6. Reliance Life Insurance Co. Ltd.



# N.P.S- ARCHITECTURE



Two accounts

- o Tier-I (Pension Fund)
- o Tier-II (Saving Fund)



# N.P.S- ARCHITECTURE



## Tier-I

1. Any person can open Tier-I
2. It is mandatory for GE
3. Contribution defined for each section.



# N.P.S- ARCHITECTURE



## Tier-I

Non-Withdraw able

No loan from this account



# N.P.S- ARCHITECTURE



## Tier-II

Optional for all individuals  
and Government employees.

Withdraw able – partly or in  
full at any time.



# N.P.S- ARCHITECTURE



## Who can Join?

1. Citizen of India (Resident or Non Resident)
2. Must have attained the age of 18 years.
3. Should have not crossed 60 years.
4. Should not be insolvent.
5. Should mentally sound to execute an agreement.
6. Should complete KYC Form
7. Should not be member of any other scheme.



# N.P.S- ARCHITECTURE



## MINIMUM CONTRIBUTION-Tier-I

Contents	Government Sector NPS	National Pension System	NPS –LITE Now APY	Corporate Sector
Minimum amount per contribution	10% of Pay +DA	Rs. 500	100	500
Government Contribution.	Equal share	NIL	1,000 (Subject to some conditions)	Equal, Unequal or by any one
Minimum Contribution per year.	NA	Rs. 6,000	1000 (Max 12000)	6000
Minimum Number of contributions per year.	NA	One	One	One





# N.P.S- ARCHITECTURE



## MINIMUM CONTRIBUTION: (Tier-II)

Minimum contribution at the time of account opening	Rs. 1000
Minimum amount per contribution -	Rs. 250
Minimum Account Balance at the end of a Financial Year	Rs. 2000
Minimum Number of contributions per year	One
There is a penalty of Rs. 100 to the subscriber for not maintaining minimum account balance and/or making minimum number of contributions	



# N.P.S- ARCHITECTURE



*Central Government contribution for **Swalambhan will be available only** to those persons whose contribution to NPS is minimum Rs. 1,000 and maximum Rs. 12,000 per annum, for both Tier I and II taken together, provided that the person makes a minimum contribution of Rs. 1000 per annum to his Tier-I Account.*



# N.P.S- ARCHITECTURE



## Exit from Tier-I

1. Attaining the age of 60 years.
2. Attaining age of normal superannuation.
3. Leaving job prior to superannuation/60 years.
4. Dismissal/Removal from Service
5. Death of subscriber.



# N.P.S- ARCHITECTURE



1. On attaining the age of 60 years or normal superannuation.

60% Cash

40% Annuity (**Minimum**)



# N.P.S- ARCHITECTURE



Prior to the age of 60 or  
Normal Superannuation  
age(**Any reason**) or in case  
of death:

20% - Cash

80% - Annuity

# SOME UNIQUE FEATURES OF NPS

- Unique 12 digit number issued by Government of India
  - operated from anywhere in the country
  - shift from one sector to another
  - shift within sector like from one POP to another POP and from one POP-SP to another POP-SP from One DDO to another DDO
-

# OF NPS

- NPS provides secure web based interface to its subscribers through [www.cra-nsdl.com](http://www.cra-nsdl.com)
  - It provides Unique I-Pin to every subscriber, with periodic password changing policy.
  - Subscriber can avail the following services online:
    - View Client master details and status of change detail requests
    - Generate Portfolio query
    - View Transaction history showing
      - Pension Fund Manager
      - Units Allotted
      - NAV & Investment Value etc.
    - Request for or print Transaction Statement
    - Raise Grievances against any intermediary
    - Reset I-Pin
-



**IMPLEMENTATION IN  
THE STATE OF  
PUNJAB**



# Tier - I

- ❑ To implement this Part of the Scheme Punjab Government has already amended Punjab Civil Service Rules vide Notification No. 8/1/2004 – 3FP/II/2078, dated 2<sup>nd</sup> March, 2004
- ❑ This amendment in Rule 1.2 of Punjab Civil Service Rules, Volume – I, Part – I, debars the applicability of rules in Part – I of Civil Service Rules Volume – II, to the Government employees appointed to the posts mentioned in categories 1 to 5 of Rule 1.2(1) of Punjab ~~Civil Service Rules, Volume – I.~~

Notification No. 3/72/2003 -3FPPC/7280,  
Dated 12<sup>th</sup> December, 2006

Government of Punjab, Department  
of Finance has introduced NPS to  
the Punjab Government Employees  
inducted in the Punjab Government  
Service on or after

**1<sup>st</sup> January, 2004**

# Tier - I

- ❑ Existing provision of Defined Benefits Pension and GPF would not be available to the New Government employees joining Punjab Government Service on or after 1<sup>st</sup> of ~~January, 2004.~~

❑ Every Government employee covered in this scheme has to contribute 10% of his Pay plus DA as subscription every month. (Pay includes Basic Pay, Dearness Pay, Interim Relief or any pay defined as to be included as pay under this scheme, from time to time). The subscription will be deducted every month from the salary bill of the employees by the DDO/HOD.

# Tier - I

- ❑ A matching share of an equal amount will be paid by the Punjab Government to the credit of Government employees' Pension Fund.
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# Tier - II

- This scheme will be optional
  - Till further orders Tier –II will not be operative
  - Punjab Government will not contribute anything in this scheme.
  - This scheme is withdraw-able at the option of Government employee any time.
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# Implementation of Tier - I

- ❑ From the salary of month of March, 2008 (payable April, 2008) 10% of pay plus DA (Pay includes Basic pay+DP+IR), is being deducted from the salary bill of employees inducted into service on or after 1<sup>st</sup> of January, 2004 the amount so deducted will be credited to Head 8342-Other Deposits as per schedule attached with the instructions issued vide letter Dated 14.03.2008.
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# Schedule for Subscription

To be Credited to Major Head:

8342-Other Deposits – 117-Defined Contribution Pension Scheme for  
Government Employees – 01 –Government Servant's Contribution under Tier  
– I

Month/Year \_\_\_\_\_

Head of Department Code: \_\_\_\_\_

Name of Head of Office: \_\_\_\_\_

Sr. No.	Name of the Government employee(s)	Designation	Permanent Pension Account No. In 16 digits (Allotted by HOD)	Date of Joining Service into Punjab Government.	Present Basic Pay (Pay + DP +IR+DA)	Subscription (@ 10% of column No. 6)
1	2	3	4	5	6	7



# Arrears:

- ❑ Arrear of subscription has to be made from the month following the month of joining service by the Government employee to February, 29 will be recovered in equated monthly installments (in whole rupee) equal to the months of service of Government employee subject to a maximum of 36 installments, and credited in the 8342- Other Deposits, after adjusting the subscription already paid/deducted.
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To be Credited to Major Head:

8342-Other Deposits – 117-Defined Contribution Pension Scheme for Government Employees – 01 –Government Servant’s Contribution under Tier – I

Month/Year \_\_\_\_\_

Head of Department Code: \_\_\_\_\_

Name of Head of Office: \_\_\_\_\_

Name of DDO with TAN No. \_\_\_\_\_

**B (Arrears)**

Sr. No.	Name of the employee(s)	Designation	PPAN No. 16 (Digits)	Total arrear due	Amount Recovered during the month	Progressive recovery of arrear upto this month.	Balance of amount to be recovered.	Remarks
1	2	3	4	5	6	7	8	9



# How NPS is working in Punjab Government ?

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The First Step:

Registration

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# Registration Hierarchy

Pr. A O Registration

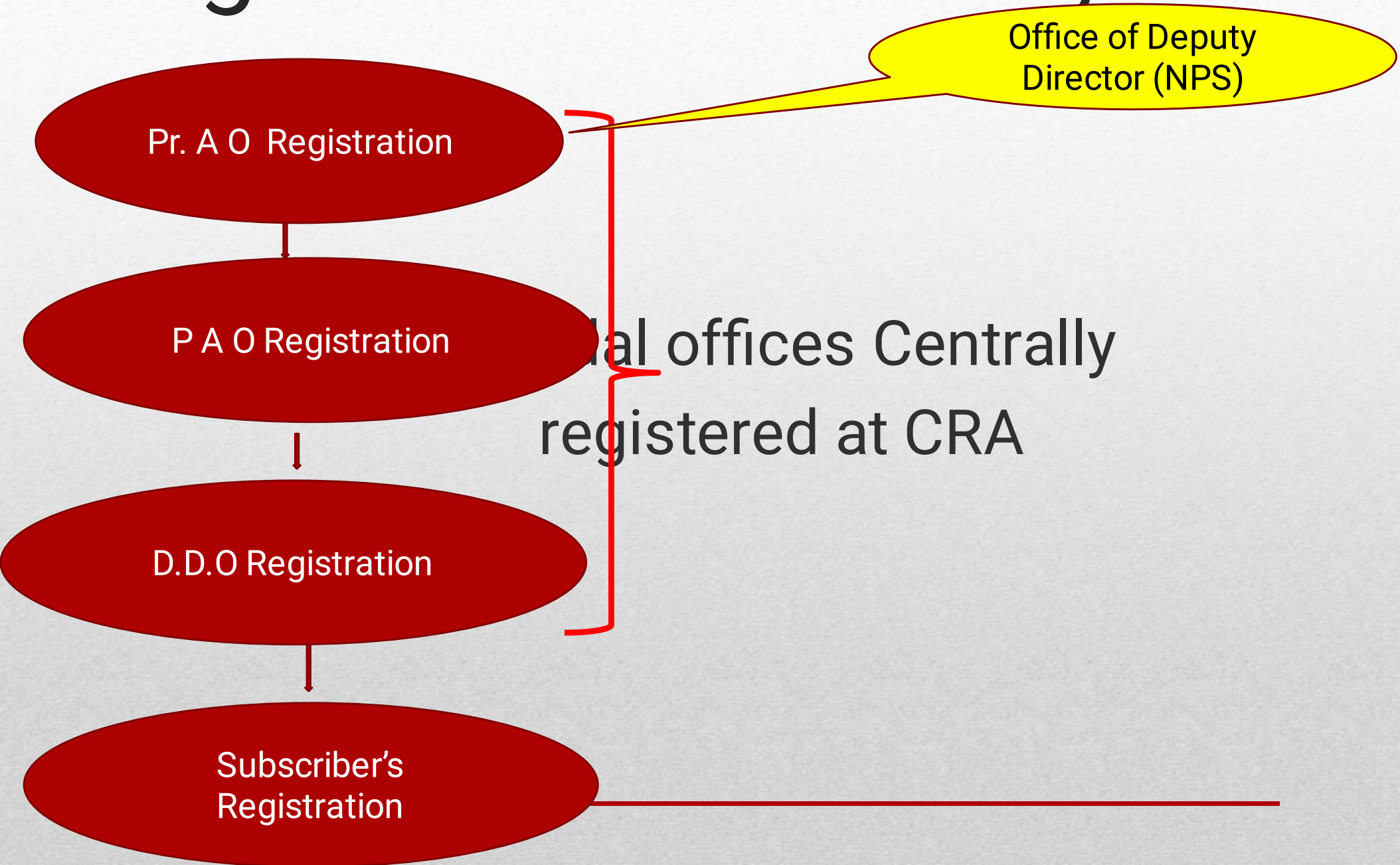
Office of Deputy  
Director (NPS)

P A O Registration

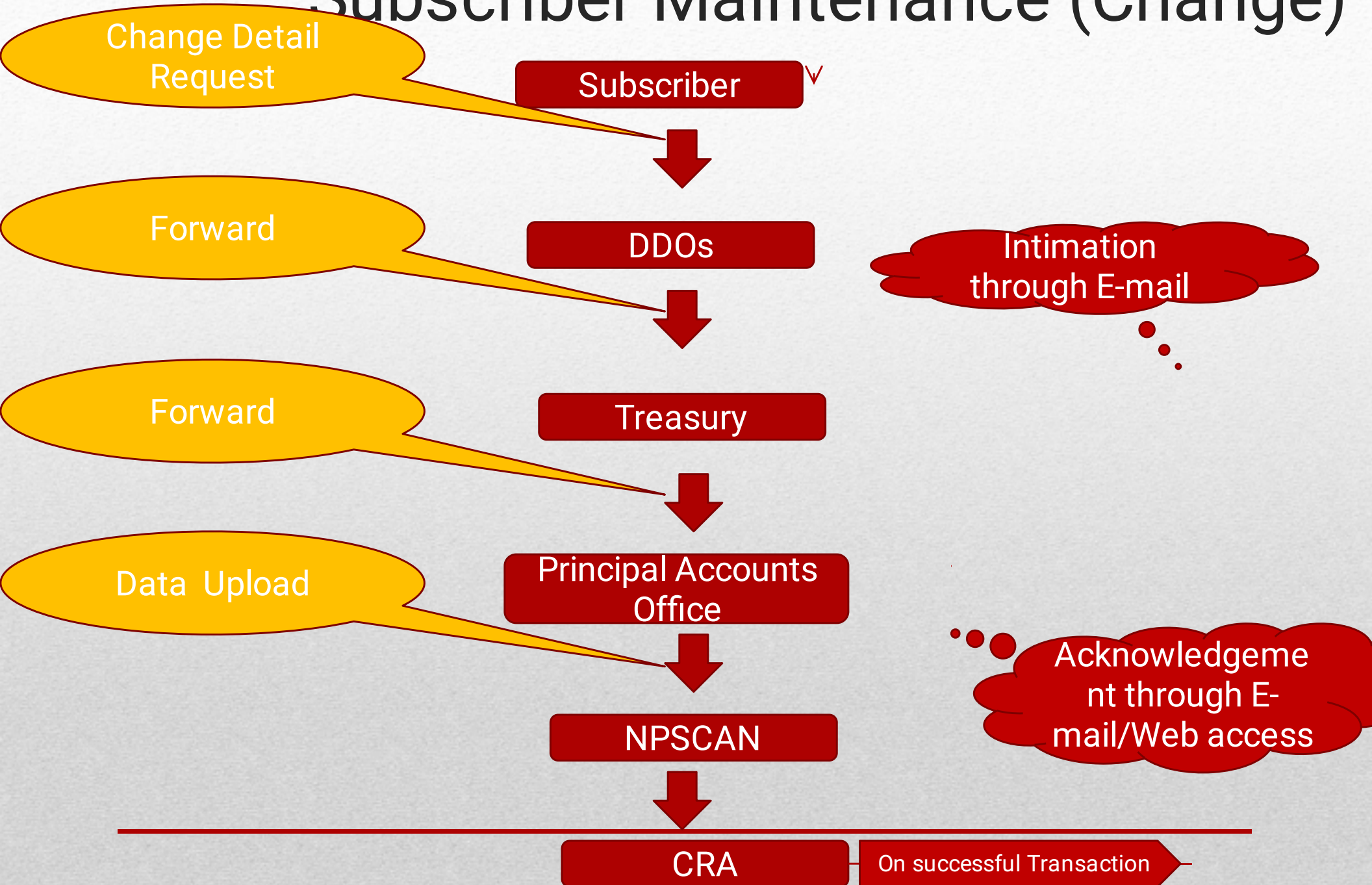
Field offices Centrally  
registered at CRA

D.D.O Registration

Subscriber's  
Registration



# Subscriber Maintenance (Change)



## DDO

- Joining month's pay of the Govt employee will be drawn without any deduction;
  - DDO will be responsible for receiving the personal data and employment detail of the employee within one week of his/her joining, in the prescribed form CSRF;
  - He will initiate on-line registration of the subscriber at the NSDL web-site through his log-in ID created by him and got it authorized - one-time exercise.
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# Responsibilities of DDO - Steps to create user ID

- DDO to visit [www.cra-nsdl.com](http://www.cra-nsdl.com) and under the Nodal Officers box, select forget password and then Instant Set/Reset I-PIN;
  - He will then fill in his DDO registration number starting with SGV followed by two zeros;
  - Follow the steps and generate acknowledgement ID;
  - Take its print out and get it authorized from the NPS office at Mohali, to be sent through concerned DTO.
-



# Action by the Pr. Accounts Office

- On-line pran generation is authorized on first come first serve basis;
  - Month-wise data of NPS deduction is downloaded by Pr. Accounts Office from IFMS – three times in a month;
  - Matching share of Govt. is drawn from the treasury and is uploaded on to the NSDL web-site and amount is deposited in the Trustee Bank;
  - Amount is matched and booked with NSDL and the same is credited into the individual subscribers' accounts.
-

# LATEST PROVISIONS

- A) It has been decided by the PFRDA that if the total accumulated pension wealth in subscriber's PRAN is equal to or less than Rs. 2.00 lac at the time of superannuation, there is an option to withdraw the entire accumulated pension wealth – circulated vide letter dated 26.12.2013 to all HoDs;
- B) Registration of Government employees aged 60 years and above under NPS has been allowed to continue subject to the condition that the total period of contribution to NPS shall not be more than 42 years. – Letter dated 22.04.2014 has been circulated vide letter dated 15.07.2014.
- C) Re-set of IPIN by using the one time password (OTP) facility has been provided by the NSDL vide their letter dated 09.07.2014 – circulated vide letter dated 15.7.2014

# LATEST PROVISIONS

- D) Vide letter dated 17.7.2014 Govt has issued clarifications on certain points regarding NPS;
- E) PFRDA has issued check list in respect of cases of final payments in case of retirement, pre mature retirement and death. – Letter dated 21.08.2014 has been issued to all the HoDs.
- F) Exit Regulations came into being;
- G) Advances provisions for Housing, Children's education, Marriage and illness;
- H) W.e.f. 01.04.2016 On line withdrawal of pension wealth;
- I) Additional Contribution of Rs. 50000/- for tax benefits.

# LATEST PROVISIONS

- J) Final Payment instructions issued vide letter dated 26.04.2016 and 07.09.2016;
- K) As per these instructions NPS account is to be completed by the DDO and then on-line initiation is to be done, in respect of cases of Retirement, Pre-mature Retirement, Death, Resignation and appropriate form is to be selected i.e. GS-101, GP-102 and GD-103, as the case may be;
- L) After initiation, print out of the form along with relevant documents is to be sent to the Mohali office, through concerned DTO, for its authorization;
- M) Once the request is authorized, payment will be credited to the subscriber/nominee account within 4 working days;
- N) Annuity amount will be transferred to the selected ASP.

# LATEST PROVISIONS

O) Partial withdrawal is allowed now for 4 purposes: namely;-

Amount for purchase of construction of House in the name of subscriber or spouse;

Children's higher Education;

Children's Marriages; and

Illness in the family.

P) Ten years' Service required and amount will be 25% of the subscriber's contribution;

Q) Second advance can be drawn after 5 years, except in the case of illness in the family.

# Pending Issues with the DDO

- ❑ Legacy data remains pending for appr. 1055 employees;
- ❑ Missing Credits to the tune of Rs. 5.26 crores;
- ❑ Log-in by DDOs – only 413 DDOs accessed system out of 6342;
- ❑ Large number of subscribers have not nominated any one in the system;
- ❑ Mobile number and e-mail IDs have not been updated in the system by subscribers.

Still there is lot to add  
under NPS

Thank you. .

Balvinder Singh Matharoo