



## **PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY**

### **PRESS RELEASE**

#### **Conference on National Pension System**

#### **"NPS- Expanding Horizons: The Way Forward"**

A conference on National Pension System for Corporates and Points of Presence (POPs) was organized by PFRDA on 15<sup>th</sup> April 2015, at New Delhi under the theme "NPS- Expanding Horizons- The Way Forward". The basic objective of the conference was promotion of NPS among corporates, corporate employees and private citizens in the light of the Budget announcements.

Speaking as the Chief Guest of the conference, Shri Jayant Sinha, Minister of State (Finance), emphasised the need for inclusion of pension for every class of the society with the slogan "SABKA SATH SABKA VIKAS" and described the latest budget announcements like "Atal Pension Yojana" for economically weaker section of society and tax incentives for NPS as a historic step. He also highlighted the role of pension funds as a source of long term funds for infrastructure development and the need to have increased pension flows in the debt and equity markets to reduce volatility. The Minister mentioned the need to have innovative products and services under retirement architecture which would match the risk appetite of various types of customers.

Shri Hemant Contractor, Chairman, PFRDA in the opening address said that the recent budget announcements brought social security to the forefront by making available life insurance, health insurance and pension at affordable rates. He stated that both pension and insurance penetration in the country is low and better coverage is required in view of the growing population of the elderly. He said that operational issues in NPS like simplification of account opening, withdrawal, grievance management etc. have been improved. He also conveyed to the participants that PFRDA is in the process of finalising various regulations. He expressed optimism about growing the subscriber base in view of the large potential.

Mr R V Verma, Member, PFRDA hailed the recent budget announcements for providing the strategic direction for shaping the pension landscape in the country to convert the society from "*pension less*" to

“pensioned” one and described these initiatives as next generation pension reforms apart from articulating that Union Government had undertaken first generation pension reforms, by moving from Defined Benefits (DB) Pension to Defined Contribution (DC) Pension.

As a part of the said conference, a panel discussion on the theme '*Budget 2015-16: Way Forward for NPS and the Indian Pension Sector*' was also held. An array of distinguished panellists from the domain of finance and investment participated in the discussion and shared their experience, insights and valuable inputs.

PFRDA had organized the Conference with the main objective of sensitizing the distributors' community as also Corporates whose role is crucial in extending the reach and coverage of NPS in the country, both for the organized and unorganized sectors in the aftermath of recent budget announcements of GoI such as:

- (i) The limit on deduction on account of contribution by employee to NPS, which was capped at Rs. 1.00 lac last year, has been removed and now the tax deduction can be claimed up to 10% of salary subject to ceiling of Rs. 1.50 lacs.
- (ii) An additional deduction for the investment up to Rs. 50,000 in NPS has been introduced under sub-section 80CCD(1B). This is over and above the limit of deduction available under sec 80CCD(1). This is an exclusive tax deduction available only for investment in NPS and not available for any other investment.
- (iii) As a significant measure for promoting a unified pension system in the country, the Government has announced in the budget, the option for employees to select either EPF or NPS.
- (iv) For providing pension to workers employed in unorganized sector not covered by Statutory Social Security Schemes, the “Atal Pension Yojana” (APY) has been announced for providing a defined benefit pension to the members, depending on their amount and period of contribution. This is expected to bring a lot of comfort to the weaker and disadvantaged section of the population who do not have a formal employment.



Shri R. V. Verma while summing up, emphasised the good features of NPS and the scope it offers to corporates for providing old age social security that they can offer to their employees. He urged all the Indian corporates to partner with PFRDA for promoting NPS to their employees and reiterated PFRDA's continued and committed support in this regard.

Currently, NPS has more than 87 Lakh subscribers with total Asset Under Management (AUM) of more than Rs.80,800 crores.

Place: New Delhi

Date: 15-04-2015

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