



पेंशन निधि विनियामक और
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**Frequently Asked Question (FAQs) applicable for State Government Sector
(SG) and State Autonomous Bodies (SABs)**

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DISCLAIMER: For detailed provisions and regulations, please refer PFRDA (Exit and Withdrawal under National Pension System) Regulations 2015 and subsequent amendments under it.

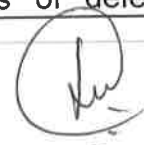
Question	Answer
1. What is an exit?	An exit is defined as closure of individual pension account of the subscriber under National Pension System.
2. When can I exit from NPS?	A subscriber can exit from NPS at any point but complete withdrawal is subject to certain conditions.
3. Whether pre-mature exit and voluntary retirement are same or not?	Yes, under NPS both are same. Pre-mature exit is defined under NPS as exit before the superannuation/retirement age. Under NPS, Voluntary retirement is treated as pre-mature exit. However, eligibility & terms of Voluntary retirement are defined/governed by service rules and regulations of the respective organization.
4. What shall be my benefits, if I opt for pre-mature exit from NPS?	a). Pre-mature exit or Voluntary retirement- Minimum Annuitisation- 80% of accumulated wealth. Maximum Lump sum Withdrawal- 20% of accumulated wealth. If the accumulated pension wealth of the subscriber is equal to or less than one lakh rupees or a limit to be specified by the Authority , such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity. b). In Case of disability/incapacitation of subscriber Minimum Annuitisation- 40% of accumulated wealth. Maximum Lump sum Withdrawal- 60% of accumulated wealth.

Question	Answer
	<p>Authority has also notified regulations under PFRDA(exit and withdrawal under NPS) (third amendment) 2018, for facilitating normal exit from NPS to the subscribers with disability and incapacitation during the accumulation phase, if employer certifies that the subscriber has been discharged from the services of the concerned office on account of invalidation or disability.</p>
<p>5. What shall be my benefits, if I retire/ superannuate from NPS?</p>	<p>Retirement / Superannuation –</p> <p>Minimum Annuitisation- 40% of accumulated wealth.</p> <p>Maximum Lump sum Withdrawal- 60% of accumulated wealth.</p> <p>The Subscriber may choose to purchase an annuity for an amount greater than 40 percent also.</p> <p>If the accumulated pension wealth of the subscriber is equal to or less than two lakh rupees, or a limit to be specified by the Authority, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity.</p>
<p>6. What are the provisions to settle the cases in the unfortunate death of the NPS subscriber during the service?</p>	<p>1. Presently, some State Governments are providing family pension to the employees while some State Governments are not. Depending upon each case, the subscriber may be guided accordingly.</p> <p>2. If the family member opts for family pension as per state notification/circular/OM, as per regulations all the accumulated wealth shall be transferred to the bank account of the nodal office for further settlement as per government directives.</p> <p>3. However – our exit regulations say (not applicable as mentioned above)</p> <p>i. In case of Death :</p> <p>Minimum Annuitisation- 80% of accumulated wealth. Maximum Lump sum Withdrawal- 20% of accumulated wealth.</p> <p>4. If the accumulated pension wealth of the subscriber is equal to or less than two lakh rupees, or a limit to be</p>

Question	Answer
	specified by the Authority, such nominees/legal heirs shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity.
7. What are the provisions to settle the cases in the unfortunate death of the NPS subscriber during the service and no nomination has been provided in the account?	Where no valid nomination exists in accordance with these regulations, at the time of exit of such subscriber on account of death, the nomination, if any existing in the records of such subscriber with his or her employer for the purpose of receiving other admissible terminal benefits shall be treated as nomination exercised for the purposes of receiving benefits under the National Pension System. The employer shall send a confirmation of such nomination in its records, to the National Pension System Trust or the central recordkeeping agency, while forwarding the claim for processing.
8. Can I defer my lump sum in case of pre-mature exit from the system?	No.
9. Can I defer my lump sum in case of retirement / superannuation? If yes, what are the provisions and requirements to avail this facility?	Yes. The lump sum can be deferred till the age of 70 years which can be withdrawn at any time between superannuation and 70 years of age or every year till age of 70 years. The subscriber has to give in writing (intimation to the employer) in the specified at least fifteen days before the attainment of age of superannuation and same should be authorized by the associated Nodal office in the CRA system. If deferment is availed by the subscriber, subscriber has to bear the maintenance charges like PoP, CRA, PFM etc.
10. Can I defer my annuity at the time of retirement/superannuation? If yes, what are the provisions?	Yes. Annuity purchase can also be deferred for maximum period of 3 years. The subscriber has to give in writing (intimation to the employer) at least fifteen days before the attainment of age of superannuation and same should be authorized by the associated Nodal office in the CRA system.



Question	Answer
	If the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, the annuity shall mandatorily be purchased by the spouse.
11. Can I defer both lump sum and annuity at the time of retirement/superannuation?	Yes.
12. Can I keep on contributing in my Tier-1 account even after retirement / superannuation?	<p>Yes. The Subscriber shall have the option to do so by giving in writing and up to which age he would like to contribute to his individual pension account but not exceeding seventy years of age.</p> <p>In such scenario, subscriber has to shift his/her PRAN to any POP or e-NPS. Nodal office shall not assist in uploading of contribution after the date of superannuation. Subscriber has to operate account in his/her individual capacity only.</p> <p>Such option shall be exercised at least fifteen days prior to the age of attaining sixty years or age of superannuation, as the case may be, and same should be authorized by the associated Nodal office in the CRA system.</p> <p>such subscriber who has not exercised the option within the period of fifteen days, so stipulated, but desires to continue with his individual pension account under National Pension System, beyond the age of sixty years or the age of superannuation, as the case may be, and to the extent so permitted, may do so by making an application in writing with reasons for such delay to the National Pension System Trust, within one hundred and eighty days of attaining such age or superannuation. Where an application is received by the National Pension System Trust, from any subscriber, beyond the period of one hundred and eighty days, together with justification and sufficient cause, so shown by the subscriber, the National Pension System Trust, shall cause to forward such application along with its recommendation thereon, for consideration and approval of the Authority.</p> <p>Subscriber has to bear the maintenance charges like PoP , CRA, PFM etc.</p>
13. If I continue my Tier-1 account even after	No, Upon exercise of the option of continuation after the superannuation, the other options of deferment of



Question	Answer
retirement / superannuation, Can I avail the facility of deferment of lump sum and annuity during the extended period?	benefits (lump sum and annuity) shall not be available to such a subscriber.
14. Can I terminate my extension any time before the attaining the age of 70 years or I have to continue the Tier -1 till the age of 70 years?	Even after exercise of such option, the subscriber may exit at any point of time from National Pension System, by submitting a withdrawal request as prescribed.
15. Who shall bear the transaction and other charges, if I avail the facility of continuation of Tier-1 account after the retirement / superannuation?	Subscriber has to bear all the applicable charges including maintenance charges like PoP ,CRA, PFM etc., if he avails such facility.
16. Can I continue my Tier-2 account after the closure of Tier -1 account?	No. Upon exit from Tier 1 account, the Tier 2 account gets closed automatically.
17. Can I continue my Tier -2 account, if decide to continue Tier-1 account even after the retirement / superannuation?	Yes. A subscriber can contribute to his Tier 2 account till the time he has an active Tier 1 account.
18. What is annuity?	An annuity is a product that pays out regular income. It is a contract for deferred payment. The main objective of an annuity is to give regular income to the subscriber even after retirement/working age.
19. In case of pre-mature exit, when will my annuity start i.e. immediately or after the age of 60 years?	Annuity starts immediately after the minimum age required for purchasing any annuity (depending upon choice of ASP and Annuity scheme. For e.g. 30, 35 or 38) from any of the empanelled annuity service providers. Subscriber need not wait till the age of 60 years.
20. What are the annuity options available to me under NPS?	The following are the most common variants that are available:

Question	Answer
	<p>a. Default scheme : Annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity- After the demise of such subscriber, the annuity will be re-issued to the family members in the order specified hereunder :</p> <p>c. living dependent mother ;</p> <p>d. living dependent father.</p> <p>After the coverage of all the family members specified above, the purchase price shall be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber, as may be applicable.</p> <p>If subscriber does not want to purchase default annuity scheme , he may choose any of the following schemes:</p> <p>b. Annuity for life with return of purchase price (amount given to annuity service provider) on death- Employee shall get annuity (monthly pension) till he/she is alive and payment of annuity ceases on the death and the purchase price is returned to the nominee.</p> <p>c. Annuity guaranteed for 5, 10, 15 or 20 years and for life thereafter</p> <ul style="list-style-type: none"> • On death during the guarantee period – Employee shall get annuity and after his/her death during the guaranteed period, annuity is paid to the nominee till the end of the guaranteed period after which the same ceases and no return of purchase price to the nominee. <p>On death after the guarantee period – Employee shall get payment of annuity till he/she is alive even after the guaranteed period and annuity ceases after his/her death and no return of purchase price to nominee.</p> <p>d. Annuity for life - Employee shall get payment of annuity till he/she is alive & payment of</p>



Question	Answer
	<p>annuity ceases on death and no return of purchase price to nominee.</p> <p>e. Annuity for life increasing at simple rate of 3% p.a. Employee shall get payment of annuity till he/she is alive & payment of annuity ceases on death and no return of purchase price to nominee.</p> <p>f. Annuity for life with a provision for 50% of the annuity to the spouse of the annuitant for life on death of the annuitant- Payment of annuity ceases on death of subscriber and 50% of the annuity is paid to the surviving named spouse during his/her life time. If the spouse predeceases the annuitant, payment of annuity will cease after the death of the annuitant. It can be with or without return of purchase price.</p> <p>g. Annuity for life with a provision of 100% of the annuity payable to spouse during his/her lifetime on death of the annuitant.- Payment of annuity ceases after death of the annuitant and full annuity is payable to the surviving named spouse during his/her life time. If the spouse predeceases the annuitant, the annuity ceases after death of the annuitant. It can be with or without return of purchase price.</p> <p>Subscriber can also add spouse in any of the variants (other than default) above.</p> <p><i>All ASPs may not provide all the variants .It may vary from ASP to ASP.</i></p> <p>Pricing of annuity also varies ASP to ASP.</p>
<p>21. Whether I have to go by the default annuity or I have a choice to decide other annuity type also?</p>	<p>The subscriber can choose any other annuity, other than default annuity, available with the empaneled Annuity Service Providers (ASPs).</p>
<p>22. Where can I check the rates offered by the annuity service providers on various type of annuities?</p>	<p>Details of annuity rates and other details may be checked on CRA website (link given below). https://www.npscra.nsdI.co.in/annuity-service-providers.php</p>



Question	Answer
23. Can I change my annuity service provider or annuity type any time?	Once an annuity is purchased, the option of cancellation or reinvestment with another Annuity Service Provider or in other annuity scheme shall not be allowed unless the same is within the time limit specified by the Annuity Service Provider, for the free look period as provided in the terms of the annuity contract or specifically provided by the Insurance Regulatory and Development Authority.
24. Is it mandatory to purchase annuity under NPS at the time of exit?	Yes, but there are some scenarios where the subscriber/nominees/legal heirs can withdraw the whole accumulated wealth.
25. Which companies are empaneled under PFRDA as Annuity Service Providers (ASPs)?	<ol style="list-style-type: none"> 1. Life Insurance Corporation of India 2. SBI Life Insurance Co. Ltd. 3. ICICI Prudential Life Insurance Co. Ltd. 4. HDFC Standard Life Insurance Co Ltd 5. Star Union Dai-ichi Life Insurance Co. Ltd <p>*Subject to change from time to time.</p>
26. Will I get back the amount invested for annuity purchase?	Only in annuity types where there is provision of return of purchase price.
27. In case of retirement / superannuation, when should I submit my withdraw request i.e. after the date of retirement or before the retirement?	CRA sends a communication 6 months before the superannuation/retirement date generating a Claim ID to the subscriber and nodal office. It is advisable that the subscriber should submit all the documents to the nodal office atleast 1 month before the superannuation/retirement date.
28. Can I withdraw before attaining the age of retirement / superannuation?	Yes, it is termed as Partial Withdrawal . https://npscra.nsdl.co.in/central-forms.php
29. If yes, how much amount can be withdrawn?	Up to 25% of the contributions made by the subscriber (without considering the appreciation /returns on the amount) as on date of application of withdrawal.
30. Can I withdraw any number of times during the service?	No. A subscriber is allowed to withdraw only three times during the entire tenure of service.



Question	Answer
<p>31. What are the conditions under which partial withdrawal can happen?</p>	<p>Conditions:</p> <ol style="list-style-type: none"> 1. The subscriber shall have been in the National Pension System at least for a period of three years from the date of his or her joining; 2. Withdrawal is allowed for some specific purposes only. <ol style="list-style-type: none"> a. For the higher education of children b. For the marriage of children c. For the purchase/construction of residential house or flat in his or her own name or in a joint name with his or her legally wedded spouse. In case, the subscriber already owns either individually or in the joint name a residential house or flat, other than ancestral property, no withdrawal under these regulations shall be permitted. d. Treatment for prescribed illnesses – suffered by subscriber, his legally wedded spouse, children including a legally adopted child and dependent parents. <p>Prescribed illnesses includes:</p> <ol style="list-style-type: none"> (i) Cancer; (ii) Kidney Failure (End Stage Renal Failure); (iii) Primary Pulmonary Arterial Hypertension; (iv) Multiple Sclerosis; (v) Major Organ Transplant; (vi) Coronary Artery Bypass Graft; (vii) Aorta Graft Surgery; (viii) Heart Valve Surgery; (ix) Stroke; (x) Myocardial Infarction (xi) Coma; (xii) Total blindness; (xiii) Paralysis; (xiv) Accident of serious/ life threatening nature. (xv) Any other critical illness of a life threatening nature as stipulated in the circulars, guidelines or notifications issued by the Authority from time to time. <ol style="list-style-type: none"> e. To meet medical and incidental expenses arising out of the disability or incapacitation suffered by the subscriber. f. Towards meeting the expenses by subscriber for establishment of own venture or any start-ups, as may be permitted by the Authority by

Question	Answer
	<p>issuance of appropriate guidelines, in that behalf.</p> <p>g. Towards meeting the expenses by subscriber for establishment of own venture or any start-ups, as may be permitted by the Authority by issuance of appropriate guidelines, in that behalf.</p>
<p>32. If I avail partial withdrawal facility, will I get the same benefit as applicable at the time of retirement/ superannuation?</p>	<p>Yes.</p>
<p>33. Whether I am eligible for Gratuity?</p>	<p>Presently, some State Governments are providing gratuity benefits to the employees while some State Governments are not. Depending upon each case, the subscriber may be guided accordingly.</p>
<p>34. What are tax benefits available under IT Act, 1961 for Tier 1 Account?</p>	<p>I. On Contributions:</p> <p>Employee's own Contribution- Eligible for tax deduction under sec 80 CCD (1) of Income Tax Act up to 10% of salary (Basic + DA) within the overall ceiling of Rs. 1.50 Lacs under Sec. 80 C of the Income Tax Act. From F.Y. 2015-16, subscriber will be allowed tax deduction in addition to the deduction allowed under Sec. 80CCD(1) for contribution in his NPS account subject to maximum of Rs. 50,000/- under sec. 80CCD 1(B) .</p> <p>Employer's contribution: Up to 10% of Basic & DA (no upper monetary ceiling) under 80CCD(2). This rebate is over and above 80 C. (This tax benefit is only available for NPS subscribers).</p> <p>II. Partial Withdrawal- Tax free.</p> <p>III. Lump sum Withdrawal- In case of superannuation, 40% of lump sum withdrawal is tax free.</p> <p>IV. Annuity- Amount utilized for purchase of annuity is not taxable in the hands of the subscriber.</p>
<p>35. What are tax benefits available under IT Act, 1961 for Tier 2 Account?</p>	<p>No tax benefit is available for Tier 2 account.</p>

Question	Answer
<p>36. Whether employer can withhold the contributions under NPS ?</p>	<p>1. Yes</p> <p>2. Employer can withhold its co-contribution along with accrued income under Tier-I account of the subscriber for the purpose of recovery of the whole or part of any pecuniary loss caused, provided such loss is established, in any departmental or judicial proceedings, initiated against such subscriber by the employer concerned</p> <p>2. Right of withholding shall have to be exercised prior to the date of superannuation of the subscriber, pursuant to a notice to be given to the National Pension System Trust or an entity to whom such authorization has been given, and seeking to withhold the said pension wealth of such subscriber. Upon such right of withholding being validly exercised-</p> <ul style="list-style-type: none"> i. the pension wealth which are payable under the National Pension System shall not be paid to such subscriber until the conclusion of the departmental or judicial proceedings, as the case may be and subject to the final orders, passed in such proceedings. ii. the amount withheld as specified in sub-clause (i) shall remain subscribed to the scheme in the mode and manner in which it was held prior to resorting to such action by the employer specified, and the final settlement of the withheld amount shall be made by the National Pension System Trust, or any intermediary or other entity, authorized for this purpose by the Authority, in normal course within ninety days of the receipt of an appropriate order from the concerned employer; iii. the amount withheld becomes payable to the subscriber on the final settlement, as certified by the employer specified, which has sought withholding of such benefits, and shall be paid to the subscriber as soon as possible and in no case beyond ninety days of receipt of the final order by the National Pension System Trust or any other entity or person, authorized for the purpose by the Authority;
<p>37. What happens if the nominee predeceases the subscriber?</p>	<p>if the nominee predeceases the subscriber, the nomination shall so far as it relates to the right conferred upon the said nominee, become void and of no effect;</p>



Question	Answer
38. Can I distribute amount/percentage of fund under nomination	Yes, a subscriber may in his nomination distribute the amount that may stand to his credit in the fund amongst his nominees at his own discretion;
39. Can I make nomination in favour of a person not belonging to his family?	<p>If a subscriber has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his family. Any nomination made by such subscriber in favour of a person not belonging to his family shall be invalid;</p> <p>the expression "family",</p> <ul style="list-style-type: none"> i. in relation to a male subscriber, means his legally wedded wife, his children, whether married or unmarried, his dependent parents and his deceased son's widow and children; ii. in relation to a female subscriber, means her legally wedded husband, her children, whether married or unmarried, her dependent parents, her husband's dependent parents and her deceased son's widow and children; <p>Explanation II -- In either of the above two cases, if the child of a subscriber [or as the case may be, the child of a deceased son of the subscriber] has been adopted by another person and if, under the personal law of the adopter, adoption is legally recognized, such a child shall be considered as excluded from the family of the subscriber.</p>
40. Nomination made before such marriage shall be valid or not ?	A fresh nomination is required to be made by the subscriber on his marriage and any nomination made before such marriage shall be deemed to be invalid;


 14/12/18
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