



**CIRCULAR**

PFRDA/2013/5/PDEX/4

14<sup>th</sup> February'2013

To,

All POP's/Aggregators/CRA/ dealing offices of Central & State Governments,

**Subject: Default ASP and Annuity Scheme for subscribers exiting  
from NPS and Seeking withdrawal of Accumulated Pension Wealth**

PFRDA has empanelled seven Annuity Service Providers (ASP's) for providing annuity services to NPS subscribers. As per current National Pension System (NPS) exit norms, the subscriber is mandatorily required to select one of the empanelled ASP's along with an Annuity scheme from those offered by the chosen ASP at the time of exiting from NPS and seeking withdrawal of accumulated pension wealth (for reasons other than death of the subscriber).

Based on the feedback received from stakeholders seeking provision of a default option to be exercised by the subscriber at the time of selection of the ASP and choosing of an annuity scheme, PFRDA has examined the matter and decided to assist the subscriber by providing a default option.

After examining the various options provided by the different ASPs, it has been decided to provide for a default ASP and annuity scheme as below:

1. Default Annuity Service Provider – Life Insurance Corporation of India
2. Default Annuity Scheme - Annuity for life with a provision of 100% of the annuity payable to spouse during his/her life on death of annuitant' and Under this option, payment of monthly annuity would cease once the annuitant and the spouse die or after death of the annuitant if the spouse pre-deceases the annuitant, without any return of purchase price.
3. However, where the corpus is not adequate to buy the default annuity variant and from the default ASP, the subscriber has to compulsorily choose an ASP who offers an annuity at the available corpus in the account of the subscriber.

Also, it may be noted that this default option is being purely provided in the subscribers' interest and to avoid any delay in claim processing and is not with a view to endorse/promote any particular ASP or annuity variant being offered by the ASP.



## Pension Fund Regulatory and Development Authority

The default ASP and the default annuity scheme as above would be applicable for all variants of NPS i.e. Government Sector, Swavalamban and those accounts under NPS-lite platform not able to meet the compulsory contribution under Swavalamban scheme, Corporate and All Citizen model.

This is for the information of all concerned. The circular has also been placed on PFRDA website at <http://www.pfrda.org.in> and CRA website at <http://www.npscra.nsdl.co.in>.

Yours Faithfully,

**Sd/-  
Venkateswarlu Peri  
General Manager**