Central Recordkeeping Agency

User Manual

for

Nodal Offices

on

Tier- II Operations & Voluntary Contribution processing

Version 1.0

Acronyms and Abbreviations

The following acronyms and abbreviations have been used in this document:

ACRONYM	DESCRIPTION
CRA	Central Recordkeeping Agency
PFRDA	Pension Fund Regulatory and Development Authority
NPS	National Pension System
NSDL e-Gov	NSDL e-Governance Infrastructure Ltd.
PRAN	Permanent Retirement Account Number
PRA	Permanent Retirement Account
Pr.AO	Principal Accounts Office
PAO	Pay & Account Office
DTA	Directorate of Treasuries and Accounts
DTO	District Treasury Office
PFMs	Pension Fund Mangers
PF	Pension Fund
NPSCAN	NPS Contribution Accounting Network
FPU	File Preparation Utility
FVU	File Validation Utility
UTs	Union Territories
POP	Point of Presence
POP-SP	POP-Service Provider
CRA-FC	CRA-Facilitation Centre

Table of Contents

1. Introduction

The Government of India (GOI) has introduced a new Defined Contribution Pension Scheme known as the National Pension System (NPS) replacing the existing system of Defined Benefit Pension System. The National Pension Scheme came into operation with effect from 1st January 2004 and is applicable to all new employees to Central Government service, except to Armed Forces, joining Government service on or after 1st January 2004. The employees of Central Autonomous organizations, State Governments/Union Territories (UTs) and the Autonomous organizations of the respective State Government/UT are also eligible to join the NPS. The NPS has been extended to all Citizen of India from 1st May, 2009.

The GOI has established Pension Fund Regulatory and Development Authority (PFRDA) to develop and regulate the Pension Funds under the NPS. PFRDA Act was notified on September 18, 2013 and NSDL e-Gov. has been appointed as CRA for NPS. PFRDA has appointed NSDL e-Governance Infrastructure Limited as the Central Record Keeping Agency (CRA) to maintain the records of contributions and its deployment in various pension fund schemes for the employees. Under NPS, the monthly contributions of the Subscribers are accumulated in their Permanent Retirement Account (PRA) under Tier I which is a non-withdrawal account (can be withdrawn at Exit from NPS).

GOI has also rolled out Tier II investment in PRA in December, 2009 for the existing PRA holders (also to the prospective Subscribers who intended to subscribe for NPS) to undertake investments over and above the investment in normal pension account i.e. Tier I. However, opening of Tier II account for NPS Subscribers is made voluntary. The Tier-II account allowed flexibility to withdraw savings i.e. the subscribers may withdraw his savings from Tier II account as and when required. At present, POP acts as subscriber interface for activation of Tier-II accounts for all Government/non–Government employees. In addition, the Nodal Offices have now been entrusted with responsibility of activating the Tier II account for all Government employees.

Similar to Tier II contributions, the Government subscribers (mandatorily covered under NPS) can approach their associated Nodal Office for making additional investment (Voluntary Contributions) in their PRAN - Tier I account. As per the announcement made in the Union Budget for FY 2015-16, this additional investment (to an extent of Rs. 50,000/-) can be claimed for tax exemption by Subscriber under the applicable sections of the Income Tax Act, 1961.

This manual is intended for the personnel department at Nodal Offices {PAO/DTO or DTA (in Centralized mode of Operations) hereafter referred as PAO} which is responsible for accepting and processing Tier II Operations and Voluntary contributions for Tier I. Subscribers can move to their associated PAO or any POP/POP-SP for activities related to Tier II account and upload of Voluntary contribution in Tier I account.

2. Tier II Activation

2.1. Acceptance of Tier II Application

The existing Government Subscribers are required to submit Tier II Activation Form (Annexure –S10) to the mapped PAO for activation of Tier II account. The PAO shall accept the forms from the IRA subscribers only who at present are associated with them and have an active Tier I account under NPS. The PAO is also required to accept PAN as an additional document for the activation of Tier II account. The PAO shall accept the forms as per the guidelines issued by the concerned Ministry/Government.

2.2. Verification of Tier II Application

On receipt of the form from the Subscriber, PAO shall verify the same before initiating Tier II Activation request in the CRA system. PAO shall carry out the following checks:

- The applicant is IRA compliant subscriber.
- The PRAN mentioned in the Application Form is correct and active in the CRA system.
- The Tier I account of the Subscriber is associated with PAO.
  - In case of contribution based shifting, PAO can raise the Tier II activation request for the subscriber only after the SCF uploaded for Tier I by the target office is settled in the CRA system.
  - In case of Inter sector shifting, PAO can raise the Tier II activation request for the subscriber only after Tier I account of the subscriber is associated to the Target office.
- All the mandatory data fields are completed by the applicant.
- The application form is duly signed by the Subscriber.
- The application form is submitted along with the copy of PAN card.
- The PAO shall ensure that the subscriber has provided copy of PRAN card alongwith the application form.

- **Bank Details:**
    - Bank Details are mandatory for Tier II account. In case, the subscriber had provided Bank details for Tier I, he/she has the option to specify ' same as Tier I' in the application form. PAO is required to check that the complete bank details are entered in the Application.
    - A cancelled cheque is required to be submitted, the details of which (bank name and bank account number, etc.,) should match with the bank details provided for Tier II account in the Application Form.
- **Nomination Details:**
    - If the applicant has provided nomination details, the % distribution among nominee(s) shall be an integer number and sum total of the distribution shall be equal 100%.
    - The nominee mentioned should be different from the Subscriber. However, PFRDA has not prescribed any additional documents in support of nomination other than the details provided in the Application Form.
    - In case, nominee is minor, the subscriber is required to provide date of birth of nominee and complete details of the Guardian.
    - It is required to be checked that the nomination details for the subscriber is not repetitive.
    - The nomination details shall not be registered in case wherein the subscriber has submitted incorrect nomination details in the Application Form. As a matter of good practice, the PAO shall check that the nomination details provided by the Subscriber are correct. The PAO may verify the nomination details submitted in the form along with nomination details present in the service records of the subscriber.
    - The Subscriber may opt for same nomination for Tier II account as already registered for Tier I account. *In case, the nomination details for Tier-II are same as already provided by the subscriber for Tier I, he/she has the option to specify 'same as Tier I' in the application form*.
- **Scheme Details:**
    - Selection of PFM is mandatory both in Active and Auto Choice. In case, subscriber does not indicate a choice of Pension Fund (PF), it is deemed that he/she has indicated the consent in opting for the default option for the PF as prescribed by PFRDA. Currently, SBI Pension Funds Private Limited is the default PFM.
    - The subscriber can opt for one PFM only. In case, there are multiple PFMs selected by the applicant, PAO is required to reject the Application Form.
    - If the subscriber has opted for 'Auto Choice' in the registration form and also indicated the asset allocation, such asset allocation shall be ignored and

investments shall be made as per Auto Choice under PFM opted by the subscriber / default PFM. PAO may not reject the application form in such cases. However, same is to be informed to the subscriber.
  - If the subscriber has opted for 'Active Choice' in the registration form, then it is mandatory for the subscriber to select % allocation of his/her contribution across three asset classes (E, G and C) totaling 100%. In case the total does not equal 100%, or the asset allocation table is left blank, the PAO shall reject the Application Form.
  - The PAO User shall ensure that the percentage allocation to Equity (E) in case of a subscriber opting for 'Active Choice' does not exceed 50%. If the applicant has filled a value of more than 50% in Equity (E), the application form will be rejected by the PAO.
  - In case both the investment option and asset allocation fields are left blank, the application will be treated as Auto Choice and funds will be invested accordingly. The application form in such cases may not be rejected.
- Alongwith Tier II activation form, the initial contribution to be invested under Tier II is also required to be submitted to PAO. PAO has to accept the contributions from associated Subscribers only. PAO shall collect contribution amount (minimum Rs. 250 as prescribed by PFRDA) as the initial contribution from the Subscribers. PAO may collect the contribution in the form of cash/cheque/DD/deduction from salary as per the guidelines issued by the concerned Ministry/Government.
- The Application Form may be rejected in following scenarios:
  - If the PRAN of the applicant is not active in the CRA system and/or the applicant is non IRA compliant Subscriber.
  - If the Application Form is not as per the format prescribed by CRA.
  - If the Application Form is not filled with all required mandatory details complete.
  - Scheme preference details not filled as per the guidelines provided.

2.3. Issuance of Acknowledgement to the Subscriber

The Application Form received by PAO, if found correct and complete in all respects, PAO shall accept the forms. PAO shall handover the acknowledgement to the Subscriber for the receipt of the application. The PAO shall mention the receipt number, affix the seal as well as authorise the acknowledgment before providing the same to the Subscriber.

For accepted forms, PAO shall initiate the activation of Tier II account in the CRA system.

2.4. Online activation of Tier II account

PAO shall enter/capture the registration data of Tier II account for the following fields. The process of activation of Tier II will be a maker-checker activity i.e. Maker will capture the request and Checker will authorize the same in CRA system.

√ PRAN
√ Bank Details
√ Nomination Details (if provided)
√ Scheme Details

A. Capturing of Tier II activation request:

- For Activation of Tier II account, the Maker is required to login to CRA system (www.cra-nsdl.com) using Login ID and password.
- On the home page, Maker is required to select the sub-menu **'Tier-2 Activation'** under the main menu **'Transaction'** as shown in **Figure 1** below:

Figure 1

- On selection of **'Tier-2 Activation',** Maker is required to enter PRAN of the subscriber and select 'Scheme Preference Type' from the drop-down menu and

'Submit' as shown in **Figure 2** below.

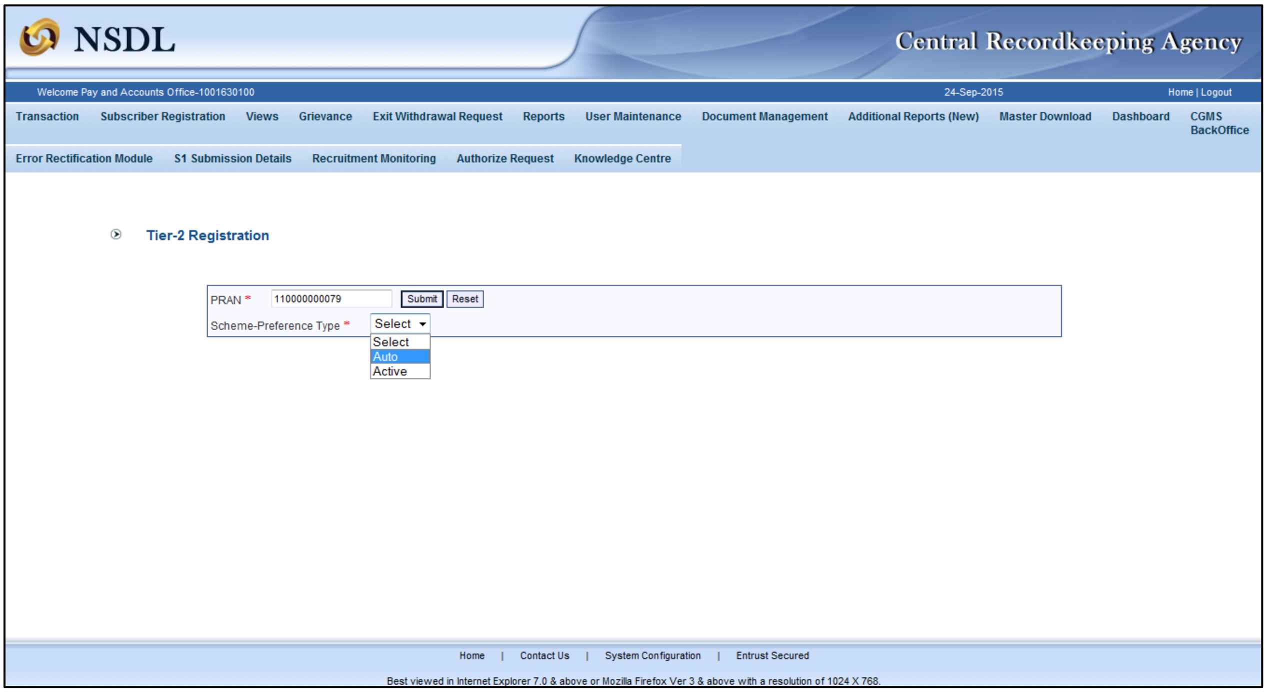

Figure 2

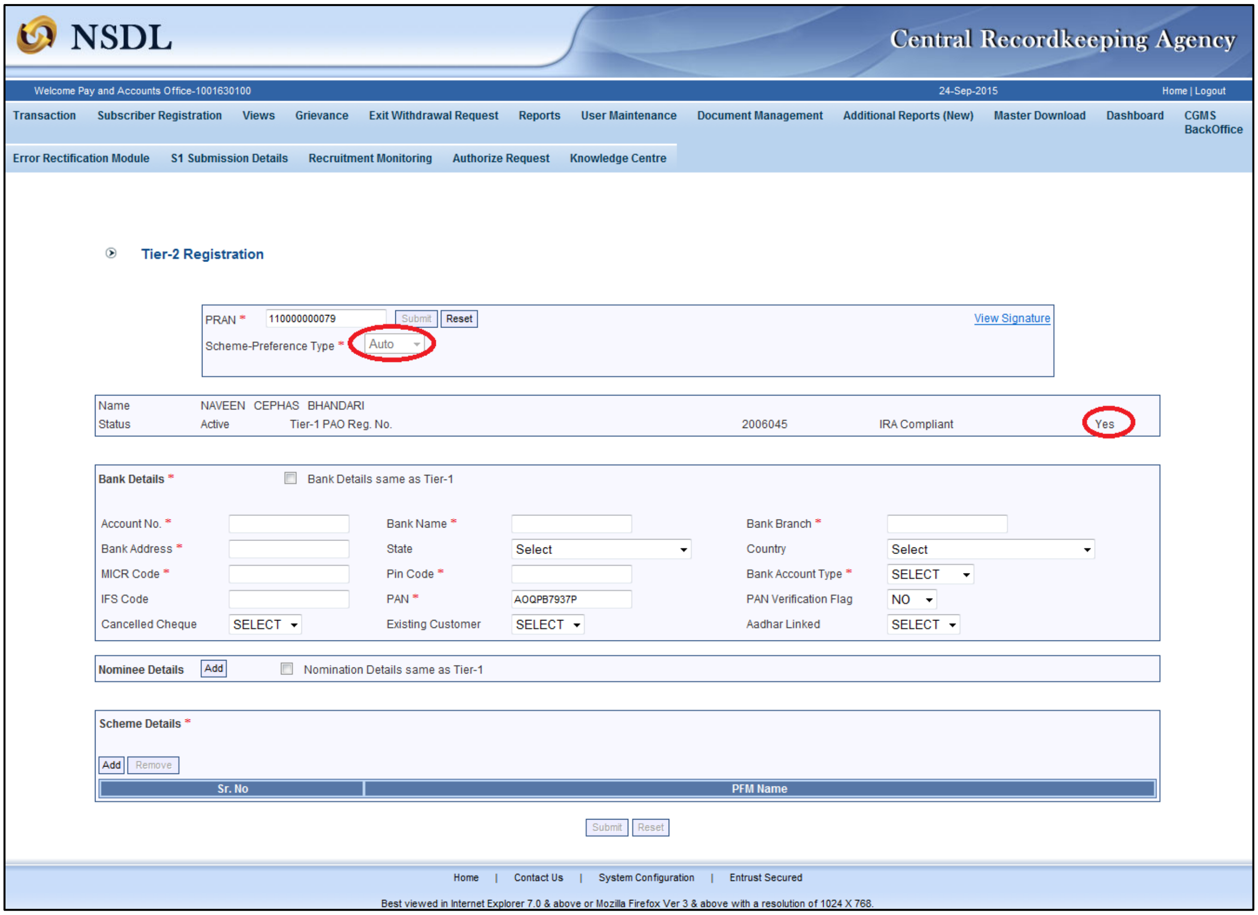

Figure 3

- On submission, name of the subscriber, PAO Registration Number, status of the Subscriber i.e. IRA complied (Yes/No) is displayed as shown in **Figure 3** above**.** The Maker is required to capture details related to activation of Tier II account.

Bank Details:

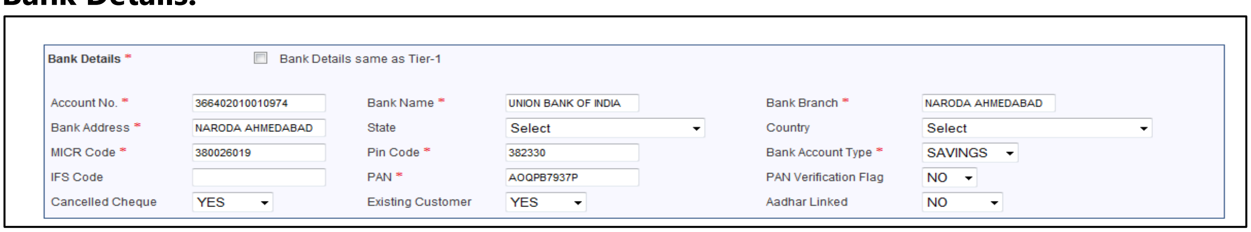

Figure 4

Nomination Details:

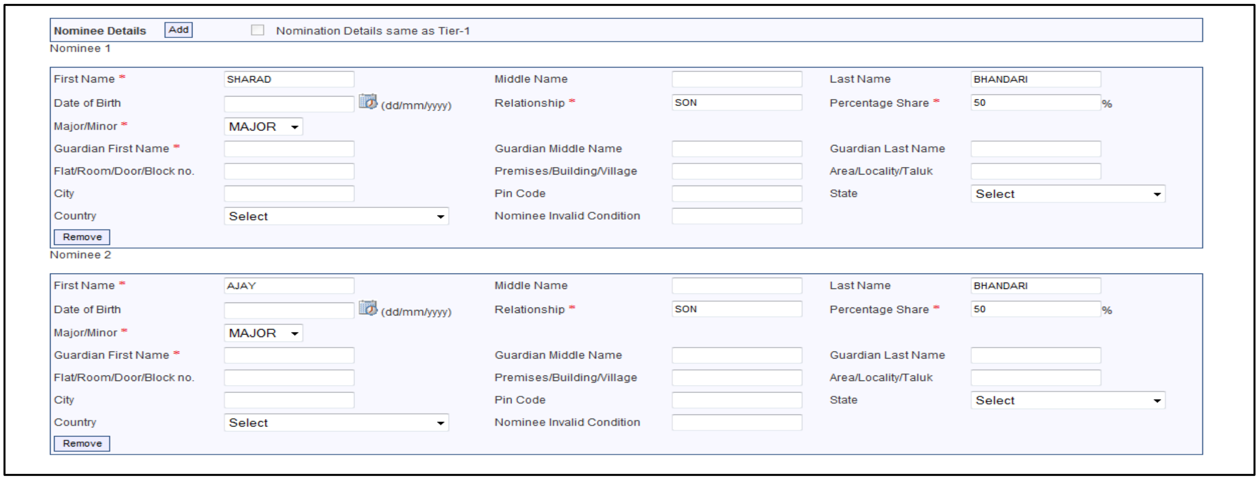

Figure 5

Scheme details (In case of Auto Choice):

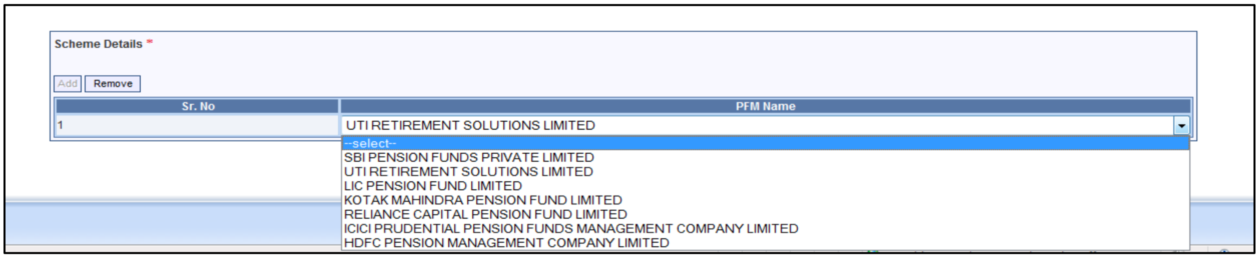

Figure 6

- The Maker is required to capture bank details, nomination details and scheme details of the Subscriber as shown in **Figure 4, 5 & 6** above.
- In case, if a Subscriber has opted for Auto choice / default PFM, the Maker is required to select the name of the PFM as shown in **Figure 6** above.
- In case, if a Subscriber has opted for Active Choice, the Maker is required to select the PFM and capture scheme percentage allotted by the subscriber in 'E', 'C' & 'G'. (However percentage in scheme 'E' should not exceed 50% maximum limit and the sum of the percentage of all three schemes should be equal to 100%) as shown in **Figure 7** below.

Scheme details (In case of Active Choice):

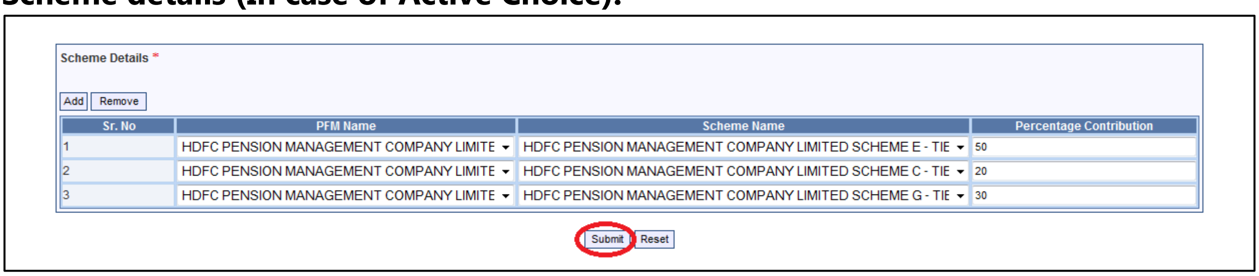

Figure 7

- On Submission, the following screen will appear. Please refer **Figure 8** below.

Figure 8

- The Maker is required to re-verify the captured details and confirm the same by selecting '**Confirm'** as shown in **Figure 8** above**.**

Figure 9

- On confirmation, an Acknowledgment Number will be generated along with a message for successfully captured request as shown in **Figure 9** above. The Acknowledgement Number can be used to check the status of Tier II Registration request.

Exceptions for Tier-II Activation request:

- It may be noted that in case mandatory details are not entered at the time of capturing Tier II activation request, CRA system will display a pop-up error message. E.g. In case of Bank details, if Bank account no is not captured at the time of Tier II activation, CRA system will display a pop-up error message for the same as shown in **Figure 10** below.

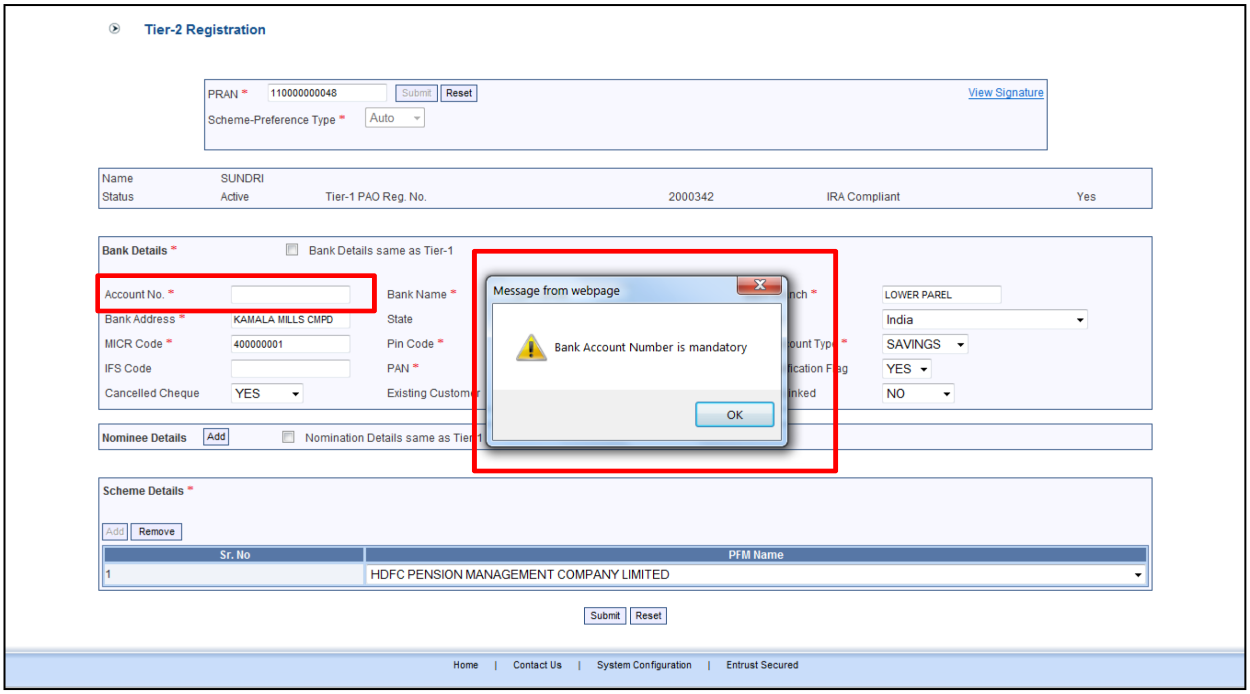

Figure 10

B. Authorisation of Tier II activation request:

- For authorizing the request of Tier-II activation, PAO Checker (other than Maker) is required to login the CRA system using the User Id & Password.

- The Checker is required to select the sub-menu **'Authorize Transaction'** under the main menu **'Transaction'** as shown in **Figure 11** below:

Figure 11

- On selection of '**Authorize Transaction**', the Checker is required to select the Transaction Type as **'Subscriber Tier 2 Registration Request'** from the drop-down list as shown in **Figure 12** below

Figure 12

- Once the Checker selects '**Subscriber Tier 2 Registration Request'** the Checker is required to provide PRAN or Acknowledgement Number (generated at the time of capturing of the request) and click on '**Search**' option as shown in **Figure 13** below. The Checker can also search the request by providing required date range.

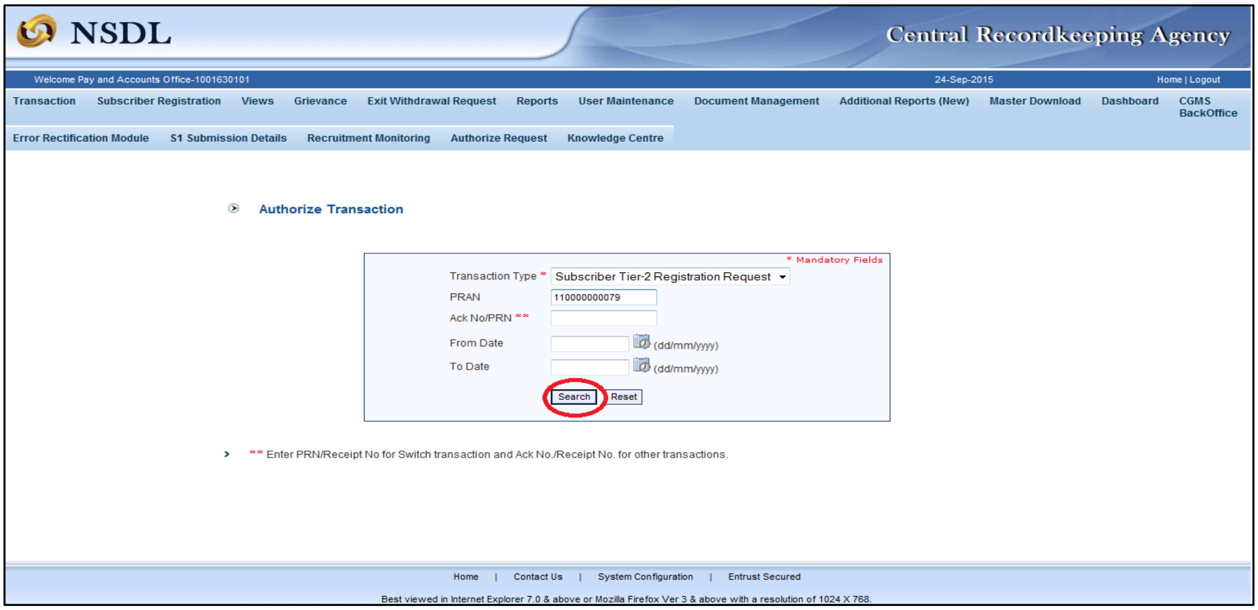

Figure 13

- The Checker is required to click on the hyperlink available on **'Acknowledgement Number**' as shown in **Figure 14** below.

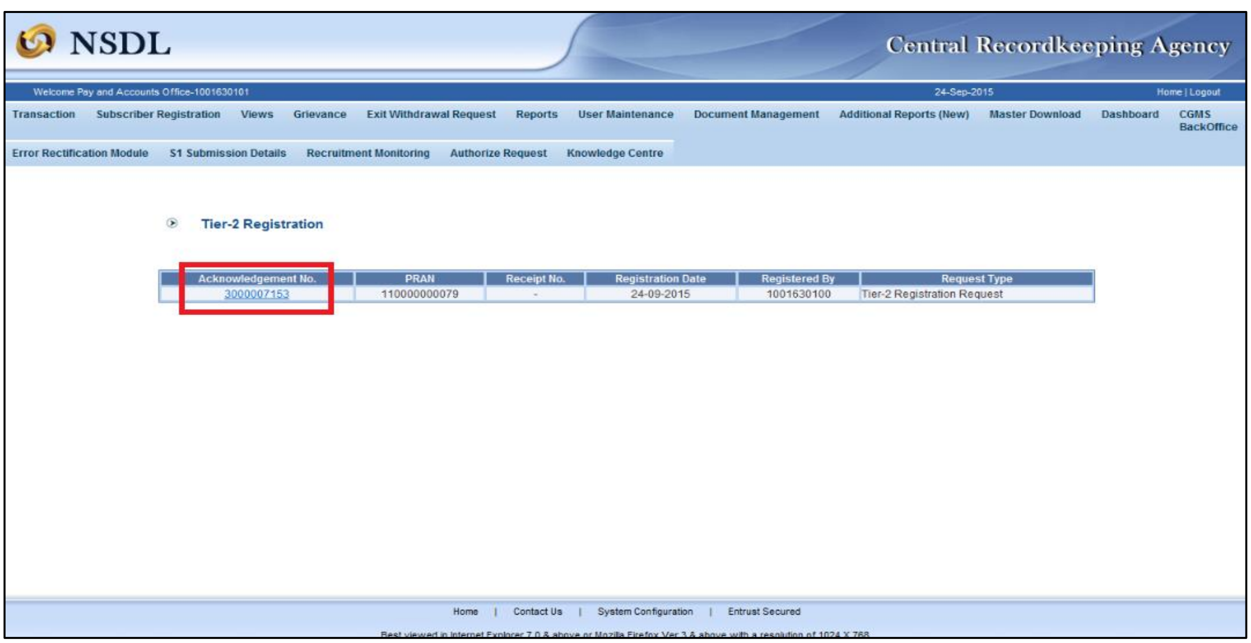

Figure 14

- The Subscriber details will be displayed with an option for the User to **'Authorise'** or **'Reject'** the request as shown in **Figure 15** below. The Maker is required to submit the print out of the Acknowledgement No. along with relevant documents, if any. If the details captured by the Maker are found to be correct and complete in all respect, the Checker is required to authorize the request by selecting the '**Authorise'** option**.** In case of any discrepancy, the Checker may reject the request with valid reasons as 'Reason for rejection' is mandatory.

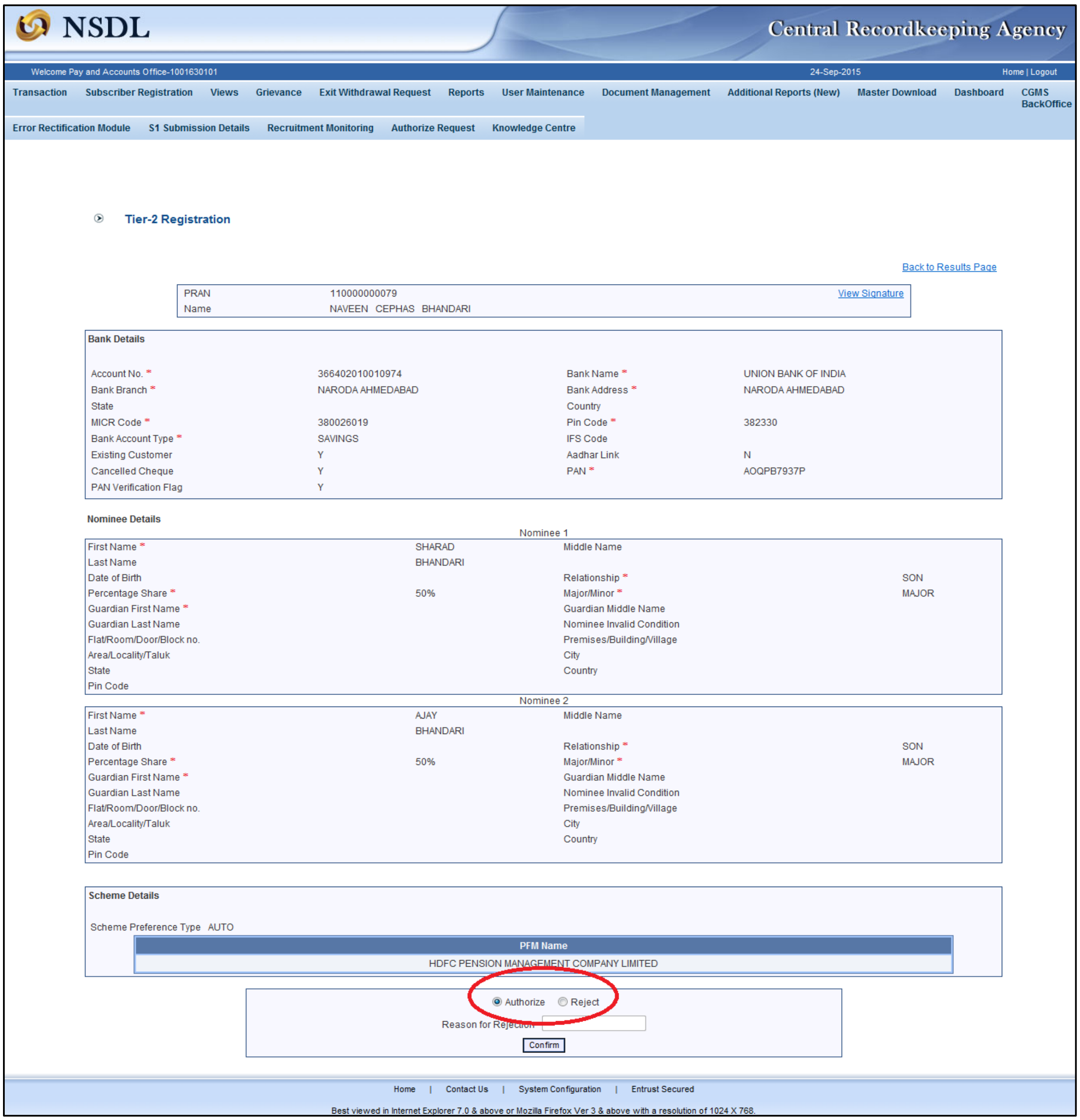

Figure 15

- On 'Confirmation', a screen containing 'Acknowledgement Number' as shown in **Figure 16** below will be displayed.

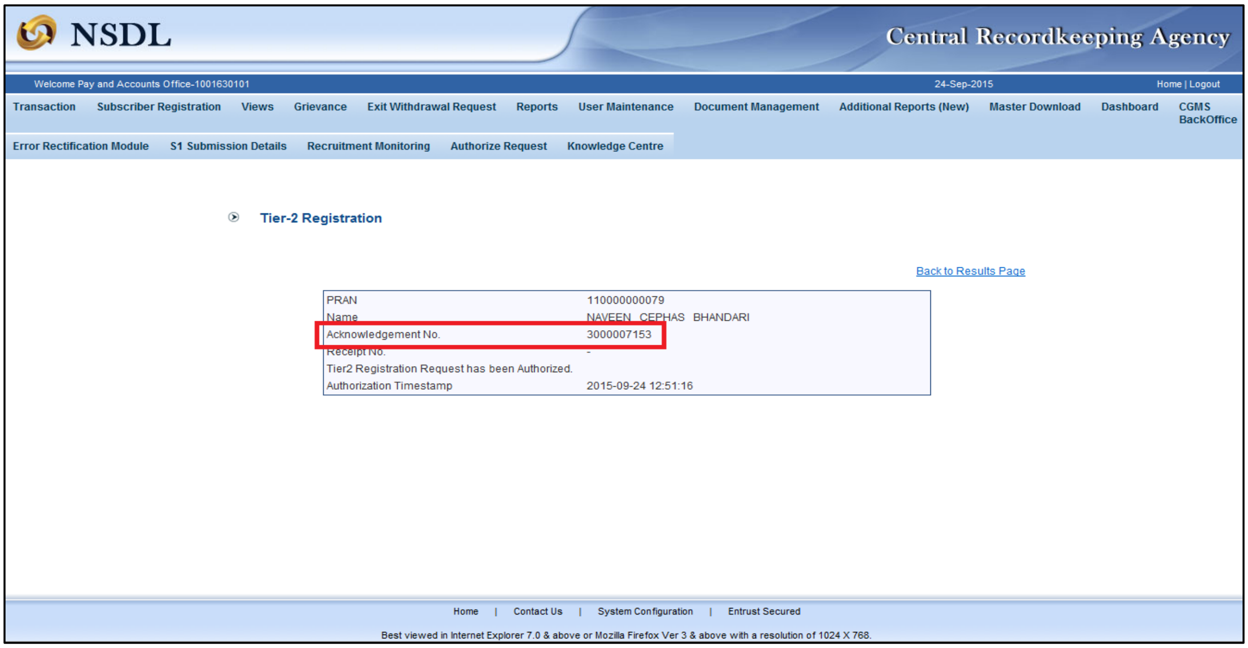

Figure 16

C. Request status View for Tier II activation:

- The User can check the status of captured request by selecting '**Request Status - View**' under the main menu '**Views**' as shown in **Figure 17** below:

Figure 17

- On selection of '**Request Status - View**', the User is required to select the Transaction Type as **'Tier-2 Registration Request'** from the drop-down list as shown in **Figure 18** below:

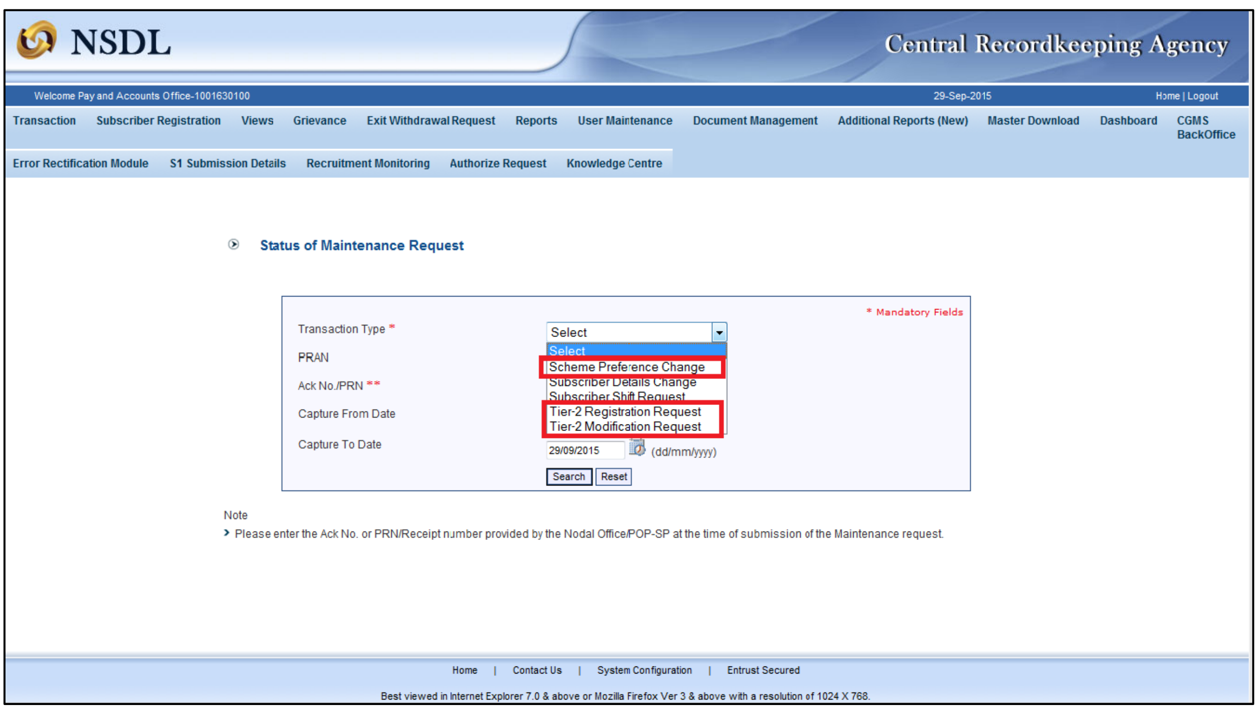

Figure 18

- On selection of '**Tier-2 Registration Request',** the User is required to provide PRAN or Acknowledgement Number (generated at the time of capturing of the request) and click on '**Search**' option as shown in **Figure 19** below. The Request status can also be examined by providing the date range.

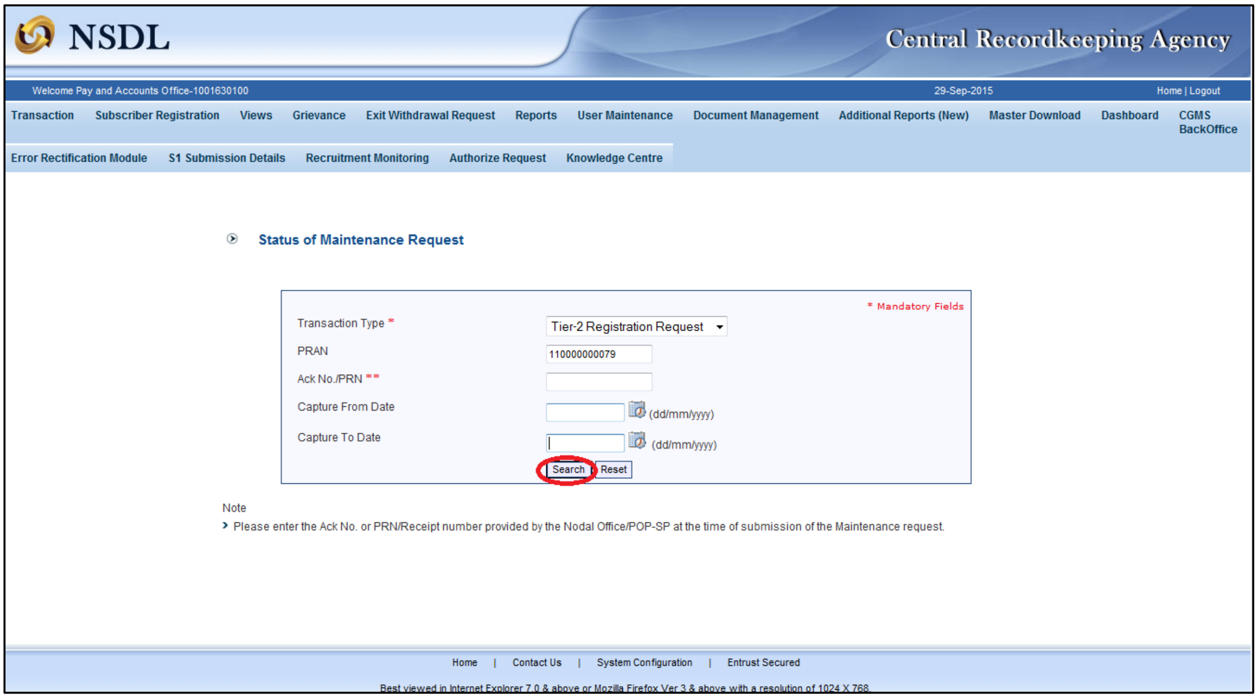

Figure 19

- On submission of the request, User is required to click on the hyperlink available on '**Acknowledgement Number**' to view the complete details of Tier II as shown in **Figure 20** below.

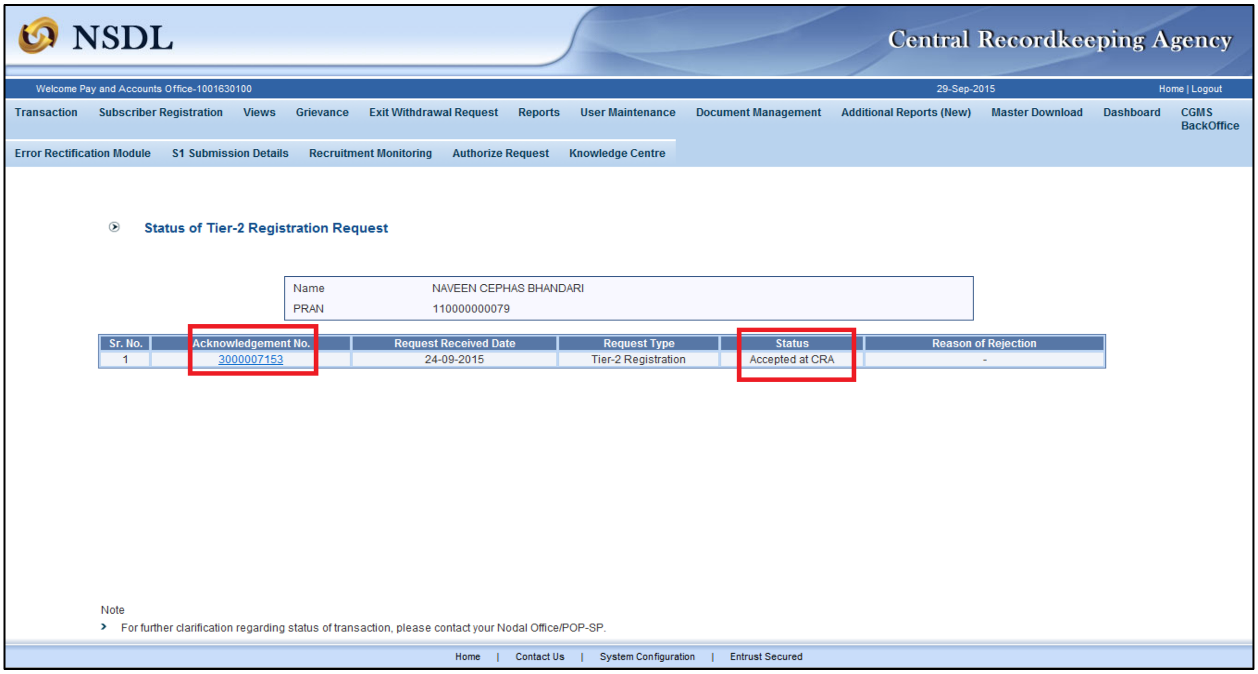

Figure 20

- Similarly, the User may check status of the following requests by selecting the required Transaction Type from drop-down menu as shown in **Figure 18** above:

  1) Tier-2 Modification Request
  2) Scheme Preference Change

D. Submission of Tier II Activation Forms to CRA:

Once the change request is successfully completed, PAO is required to submit the Form along with supporting documents to CRA on a periodic basis (like exit – withdrawal forms). CRA-FC shall not accept the documents related to Tier II details modification.

3. Subscriber Tier II details Modification:

The Subscribers who have opted Tier II account will have an option to update their Tier II registration details in the CRA system. For updating Tier II details, the subscriber is required to approach their associated PAO. The Subscriber is required to submit the Subscriber details modification Form (Form S2) to the associated PAO. PAO shall verify the form received by the Subscriber and if found correct and complete in all respects, accept the same. PAO shall prepare an acknowledgement and handover the same to the Subscriber for the receipt of the application (as mentioned above under point no. 2.3.)

For accepted forms, PAO shall update the Tier II details in CRA system.

A. Capturing of Modification request in CRA system:

- The Maker User at PAO is required to login the CRA system (www.cra-nsdl.com) for capturing the subscriber modification request of Tier-II details.

- The Maker is required to select the sub-menu '**Update Subscriber Tier-2 Details'** under the main menu **'Transaction'** as shown in **Figure 21** below for updating the Subscriber's Tier II details.

Figure 21

- On selection of '**Update Subscriber Tier-2 Details'**, the Maker is required to capture PRAN of the Subscriber and '**Submit**' the request. Please refer **Figure 22** below**.**

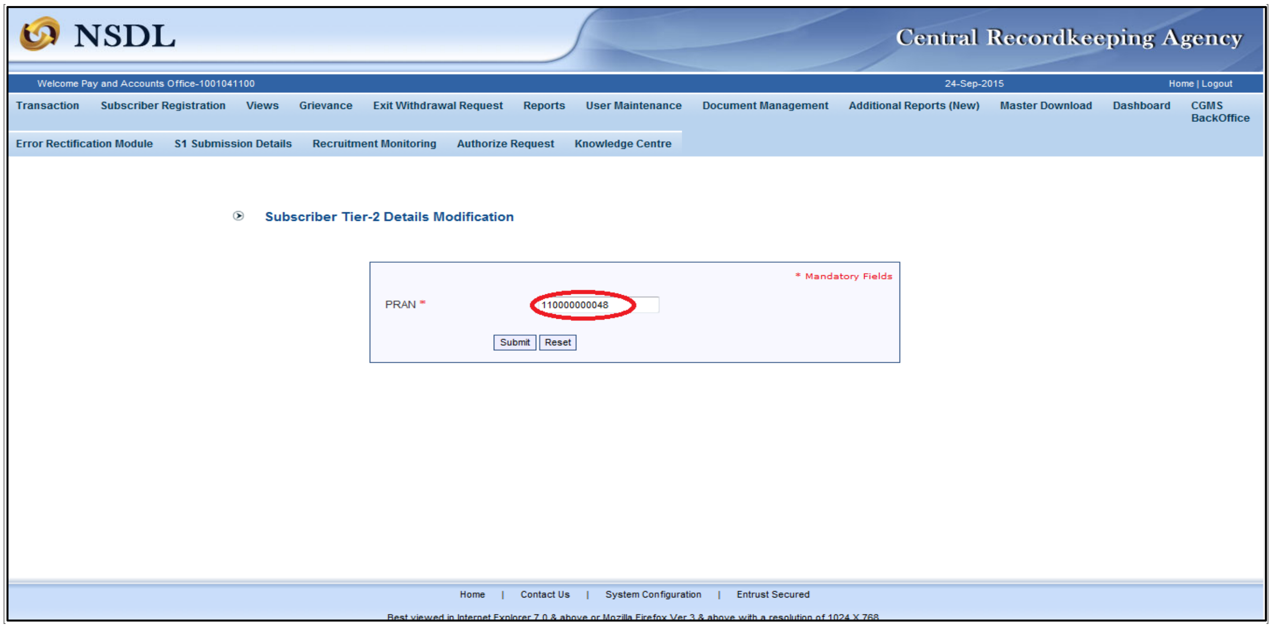

Figure 22

Figure 23

- On submission of the PRAN, the Maker would be able to View the Personal details, Nomination details, Bank details, Scheme preference details and Service Provider details of the subscriber. The Maker can change the personal details in Tier II account only by updating the correct details (i.e., making the relevant changes) in Tier I account. However, the Maker can change Nomination Details and Bank Details through this process.

- The Maker is required to click **'Edit'** button to change the details as shown in **Figure 23** above. Once the **'Edit'** button is clicked, a screen as shown in **Figure 24** below will be displayed to the Maker.

Figure 24

- For the purpose of carrying out the changes, the Maker is required to click on the respective sub menu as shown in **Figure 24** above.

- Once the Maker selects the desired sub menu, a screen as shown in **Figure 25** below is available for carrying out changes. The Maker shall modify the required details in the editable fields as per the change request submitted by the Subscriber.

- The Maker is required to **'Submit'** the request after carrying out necessary changes.

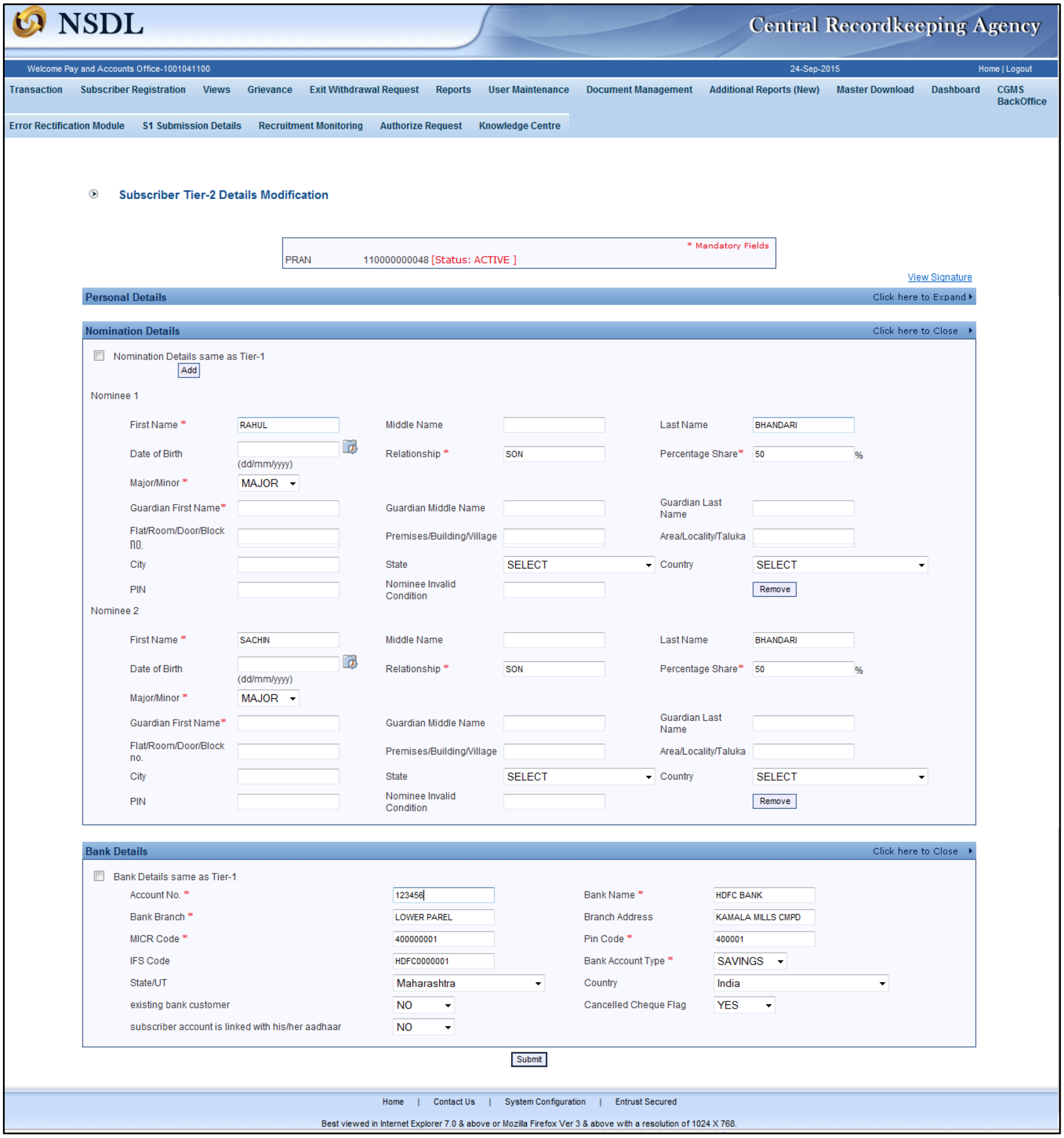

Figure 25

- A confirmation screen will be available to the Maker on Submission of the modification request. The changes made by the User is highlighted (shown in a different colour) in the screen. The Maker is required to click on '**Confirm'** in order to proceed with the request. The Maker also has an option to cancel the changes in case of any discrepancy by selecting the option '**Cancel'** as shown in **Figure 26** below**.**

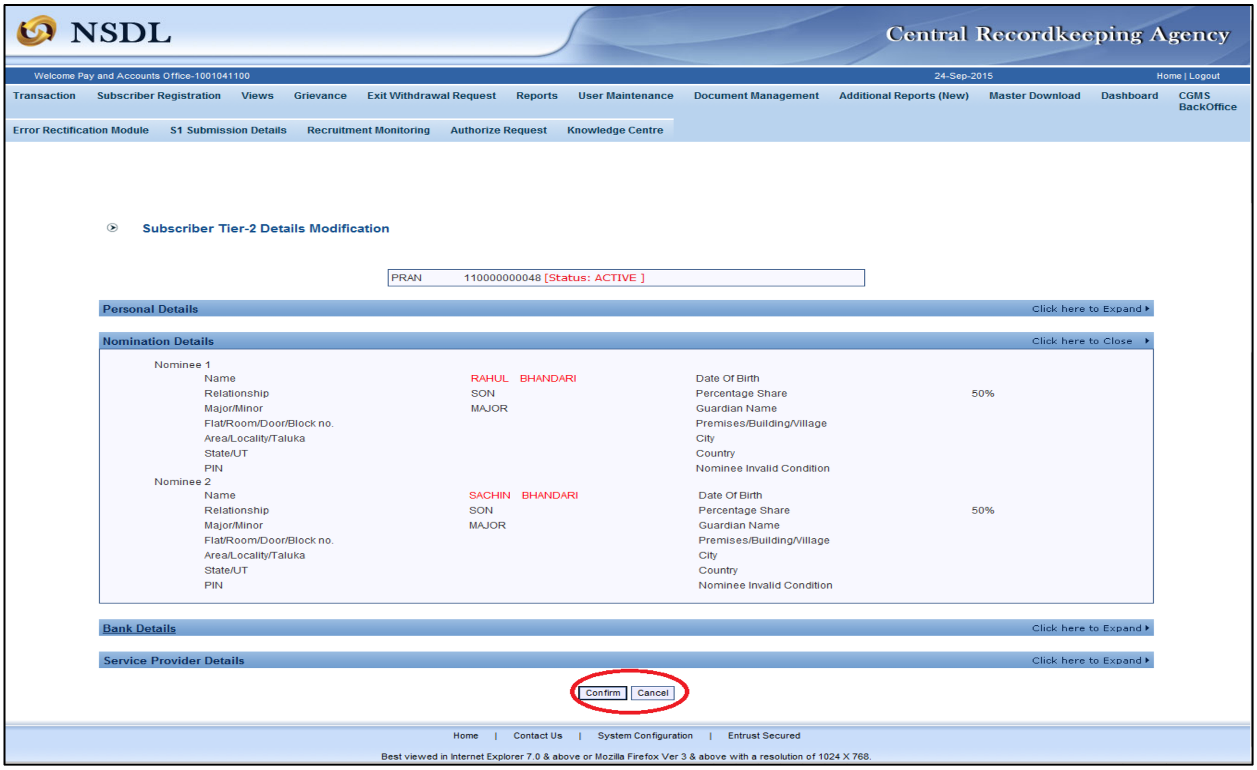

Figure 26

- On successful confirmation of request, the screen as shown in **Figure 27** below will display ten digit Acknowledgment No and request status to the Maker.

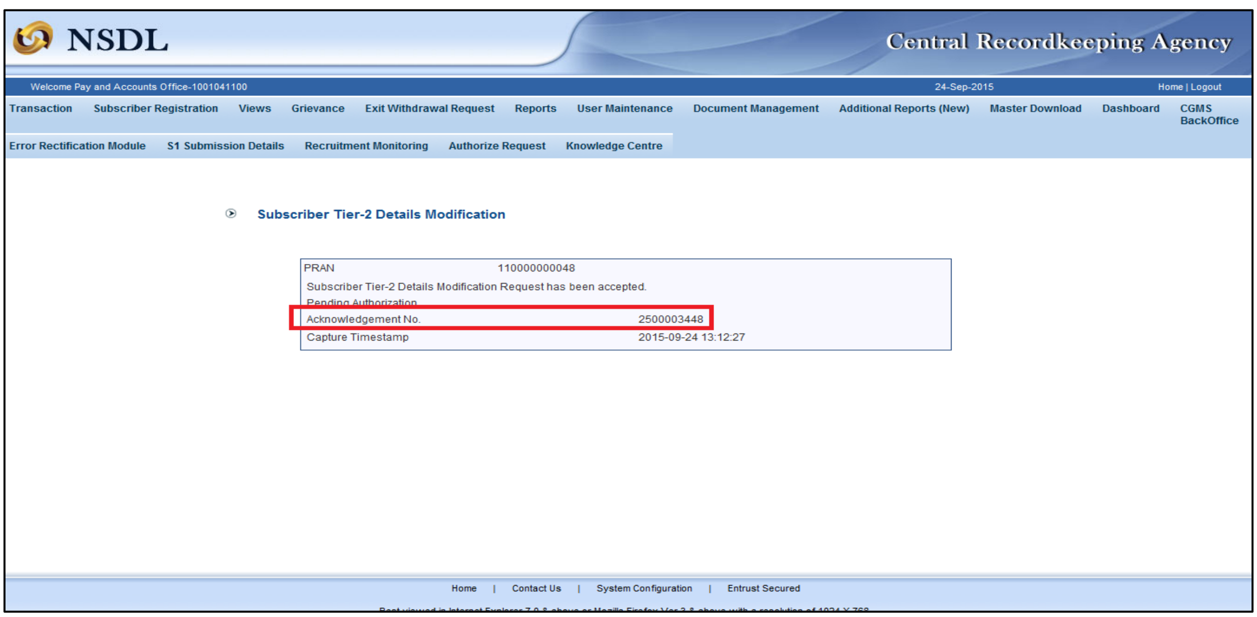

Figure 27

- The PAO Checker User (other than the Capturer/ Maker User) is required to verify the request. The change request will be accepted in CRA system once the request is verified by another User.

B. Authorisation of Modification request in CRA system:

- For authorizing the change requests of Tier-II details, PAO Checker shall login to CRA system (www.cra-nsdl.com).

- The Checker is required to select the sub-menu **'Authorize Transaction'** under the main menu **'Transaction'.** The Checker is then required to select the **'Transaction Type'** as **'Tier-2 Modification Request'** as shown in **Figure 28** below.

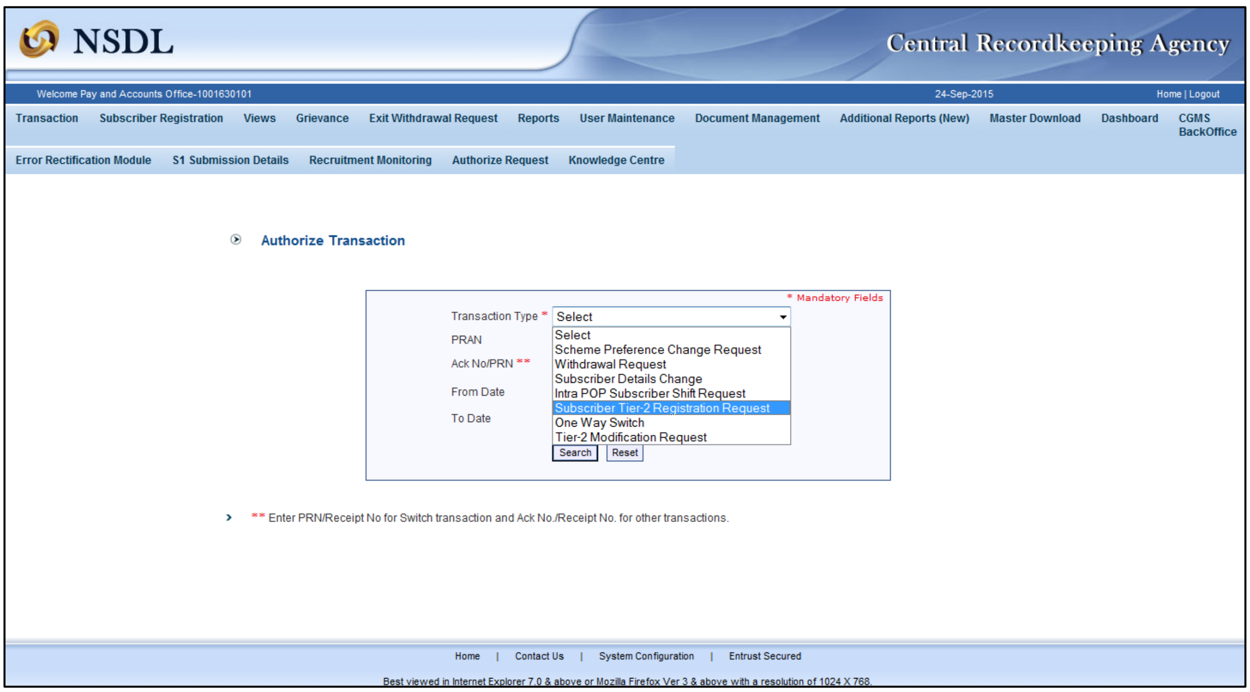

Figure 28

- In addition, the Checker is required to provide the PRAN or the Acknowledgement Number generated at the time of capturing the modification request. The Checker also has an option to search the request by providing the required date range. The Checker is then required to click on '**Search'** to find the request. Please refer **Figure 29** below.

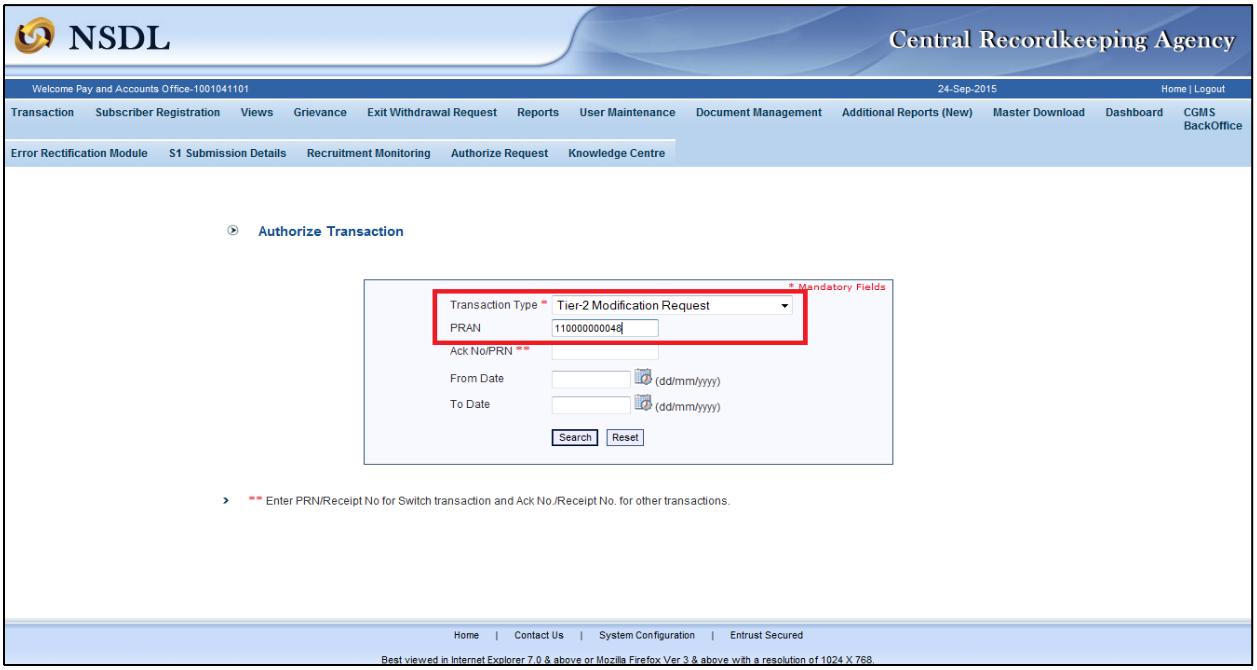

Figure 29

- In order to view the details of the change request, the Checker is required to click on the hyperlink available at **'Acknowledgement No.'** as shown in **Figure 30 below.**

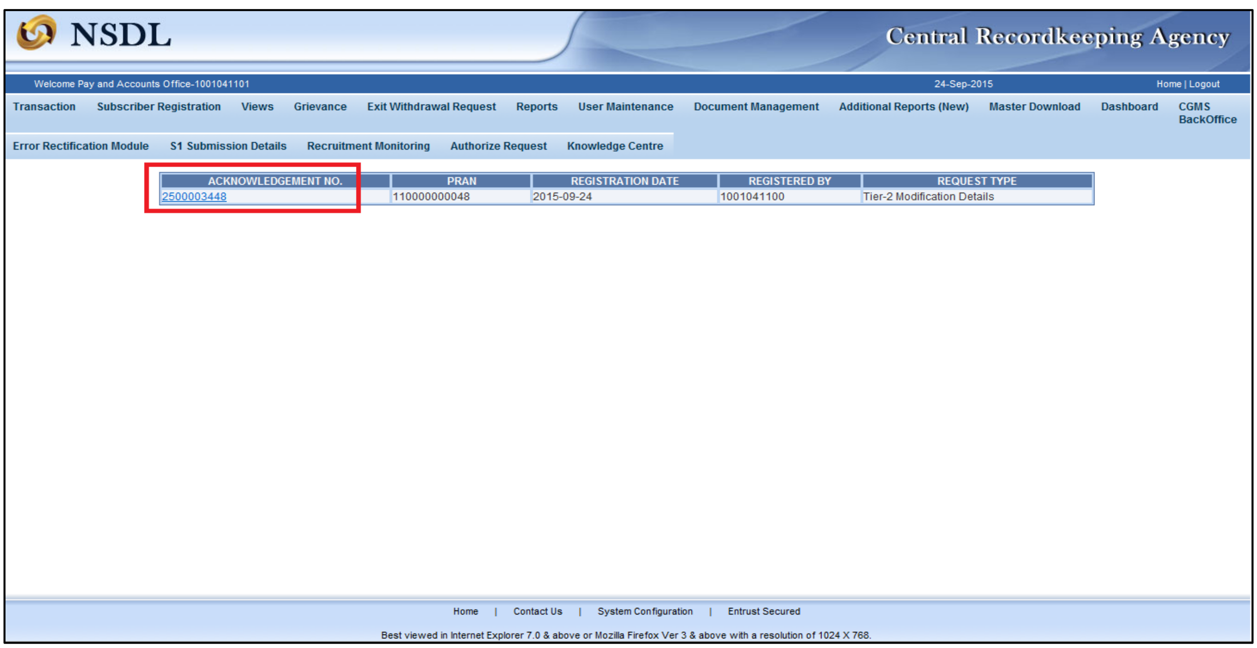

Figure 30

- The Subscriber details are displayed along with the changed details highlighted in different colour as shown in **Figure 31** below. The Checker has an option to **'Authorise'** or **'Reject'** the request.

Figure 31

- The Maker is required to submit the print out of the Acknowledgement No. along with relevant documents, if any. The Checker is required to verify the details captured with the change request form and if found in order, shall confirm the request by selecting the **'Authorise'** option. On authorisation of the request, the status of the request will be updated as **'Accepted at CRA'**. The confirmation screen as shown in **Figure 32** below will be displayed.

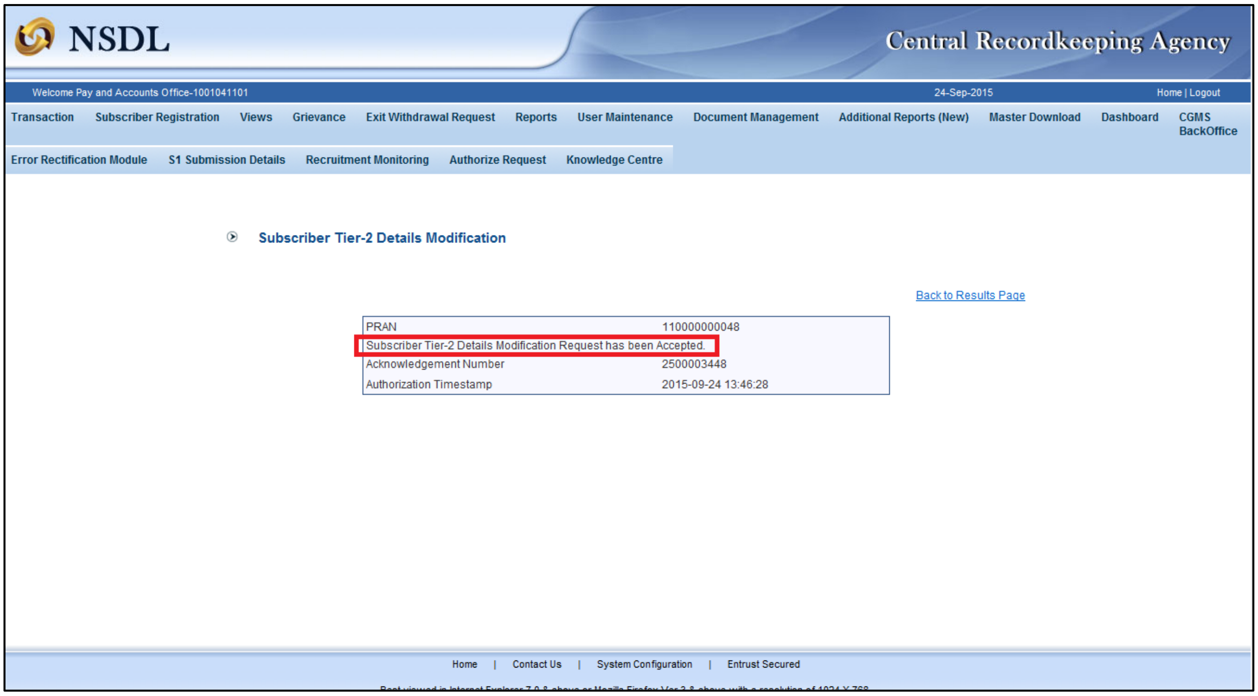

Figure 32

- If any discrepancy is observed, the Checker is required to reject the request by selecting the **'Reject'** option. The Checker is required to mention the reason for rejection. On rejection, a message will be displayed along with the reason for rejection.

Exceptions for Tier-II Modification request:

- It may be noted that Change request for a Subscriber will not be allowed to be captured in CRA system, if any previous request is pending for authorization.

- If 'Withdrawal request is captured and authorised (updated in the CRA system) for a Subscriber, PAO may not be allowed to update any changes other than Nomination details.

Once the change request is successfully completed, PAO is required to submit the Form along with supporting documents to CRA on a periodic basis (like exit – withdrawal forms). CRA-FC shall not accept the documents related to Tier II details modification.

4. Processing of Tier II contribution and Voluntary contribution (under Tier I)

PAO is required to accept the contributions for Tier II as well Voluntary contributions for Tier I from the subscribers. PAO has to accept the contributions from the associated Subscribers only. PAO may collect the contribution in the form of cash/cheque/DD/deduction from salary as per the guidelines issued by the concerned Ministry/Government. PAO shall prepare an acknowledgement and handover the same to the Subscriber for the receipt of the contribution (as mentioned above under point no. 2.3.)

For processing of the contributions for Tier II and Voluntary contribution, PAO is required to carry out the following activities:

- Download of FPU & FVU for contribution upload process
- Preparation of Subscriber Contribution File (SCF) for Tier II contributions and Voluntary contributions
- Validation and Upload of SCF in NPSCAN system

4.1. Utilities for contribution upload process

To facilitate the PAO to process the Tier II and Voluntary Contributions of its underlying subscribers, new File Preparation Utility (FPU) & new File Validation Utility (FVU) have been developed by CRA. The utilities can be freely downloaded from CRA website (www.npscra.nsdl.co.in). The minimum software & hardware requirement to install these new utilities as well installation procedure for new utilities will be similar to the regular utilities being used for upload of contribution. PAO shall download these utilities from CRA website and shall prepare Subscriber Contribution File (SCF) for Tier II & Voluntary Contributions using these utilities only. The PAO may consider Tier II contributions and Voluntary contribution while preparing these SCFs so that the cases can be identified uniquely in future apart from regular contributions.

4.2. Preparation of SCF for Tier II contributions and Voluntary contributions

The PAO can download the FPU and FVU freely from CRA website; two drop-down contribution type menus – 'Voluntary contribution' and 'Tier 2' are available in the FPU as shown in **Figure 33**.

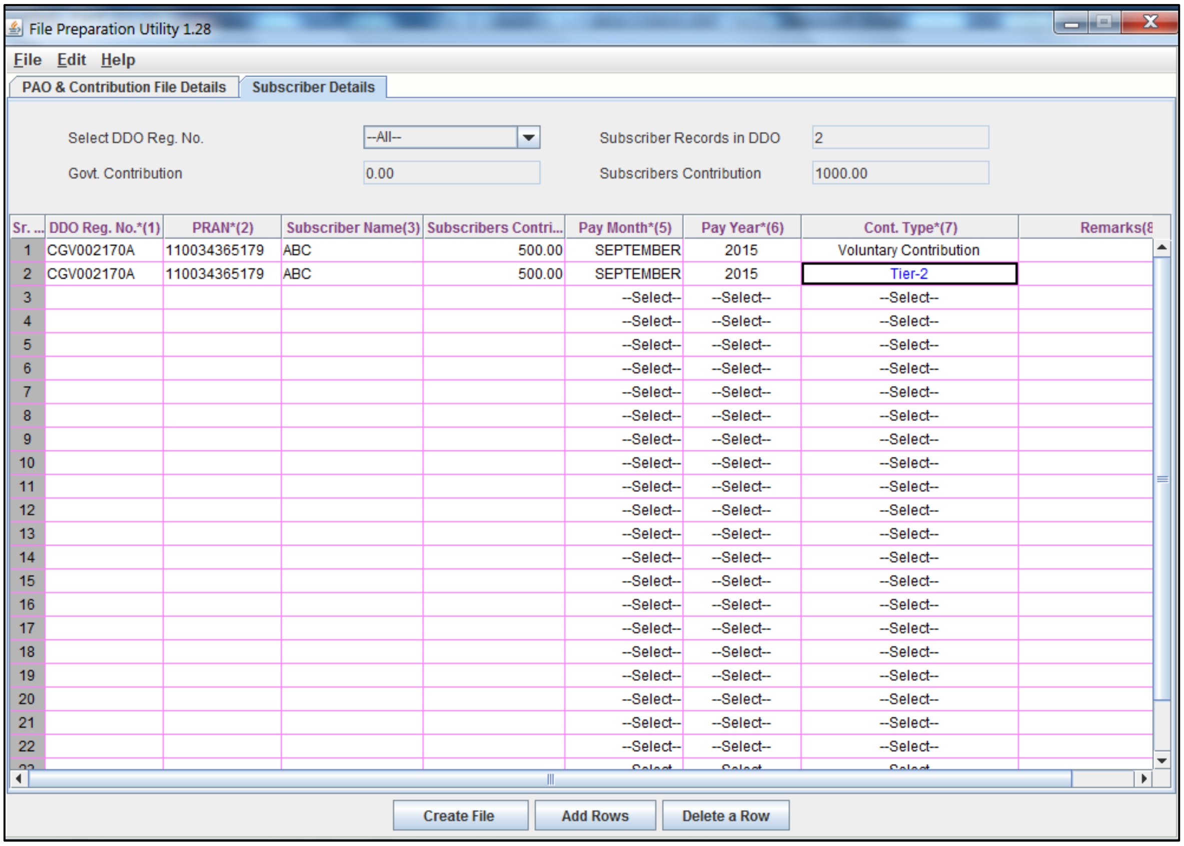

Figure 33

The FPU consists of two tabs i.e., '**PAO & Contribution File Details'** and '**Subscriber Details'** similar to the tabs available in FPU used for preparing the normal SCFs for monthly contribution credit. PAO is required to enter other details in the FPU and prepare the Subscriber Contribution File in a similar way as used for preparation of monthly contribution credit file. Once the complete details are captured, PAO shall generate the contribution file by selecting the "**Create File**" button.

4.3. Validation and Upload of SCF in NPSCAN system

Once the SCF is prepared, the same is required to be validated and uploaded in NPSCAN system. PAO is required to validate the SCF using FVU for Tier II contributions and Voluntary contributions. The procedure of validation of contribution file using FVU and upload of the same in the NPSCAN system will be similar to the upload of regular contribution files in NPS.

PAO shall upload the Subscribers contribution details in respect of the Subscribers for whom clear funds are available on daily basis or as per the guidelines issued by the concerned Ministry/Government. The PAO should remit the funds to the Trustee Bank latest on T+1 day (T being the date of receipt of clear funds) post upload of contribution details in the CRA system.

5. Processing of Scheme Preference Change request

Government Subscribers have an option to change their scheme preference and switch their existing units (available in any particular scheme) to any other scheme for Tier II account only. However, they are not allowed to change the scheme preference for Tier I account.

Subscriber is required to submit a Form (Annexure S3) for scheme preference change request for Tier-II account to the associated PAO. Subscribers are allowed to carry out following changes in the Scheme Preference Change request:

- Change of PFM
- Change of investment option – Active /Auto
- Change of allocation ratio in the various schemes (E, C & G) offered by the PFMs in case if he opts for Active choice

5.1. Submission of Scheme Preference change request:

Subscriber is required to submit duly filled physical request (as per the format prescribed by PFRDA, available at the CRA website www.npscra.nsdl.co.in - Form (Annexure - S3) to the associated PAO for updating his/her scheme preference in the CRA system. PAO shall accept the request only from the Subscribers associated with it.

PAO is required to carry out following checks with 'Change Request Form'

- For Government sector Subscribers, scheme preference change request is allowed only for Tier II.
- Subscriber will be allowed to raise a Scheme Preference change request for Tier II through associated PAO once in a financial year only.
- Subscriber is required to submit duly filled Scheme Preference Change request form. PAO is required to verify the following:
    - Request form is duly signed by the Subscriber.
    - PRAN provided by the Subscriber is valid
    - PRAN (Subscriber) is associated with the concerned PAO.
    - The subscriber should be having an active Tier-II account for which the request is raised.

- Only one PFM is selected.
- Subscriber can choose Scheme Preference Change between Auto & Active. If subscriber has opted for 'Active' type then,
    - He/she has to mandatorily give percentage of asset allocation.
    - Percentage contribution value for all the schemes must be integer. Fractional value is not accepted.
    - The sum of percentage of asset allocation shall be equal to 100% with maximum weightage allowed to 'E' (Equity) is 50%. In addition, the percentage contribution value for any of the schemes cannot be zero.
- In case of 'Auto Choice', the percentage of asset allocation need not be filled by the subscriber.

PAO shall verify the form received by the Subscriber and if found correct and complete in all respects, accept the same. PAO shall prepare an acknowledgement and handover the same to the Subscriber for the receipt of the application (as mentioned above under point no. 2.3.).

For accepted requests, PAO is required to update the scheme preference in the CRA system. Similar to Tier II activation, Scheme Preference Change will be a Maker-Checker activity i.e. Maker is required to capture the request and Checker is required to authorize the same in the CRA system.

5.2. Capturing Scheme Preference change request in CRA system:

- The PAO Maker User is required to login to CRA system (www.cra-nsdl.com) for capturing the Scheme Preference Change request for Tier II.

- The Maker is required to select the sub-menu **'Scheme Preference Change'** under the main menu **'Transaction'** for updating the Subscriber's Scheme Preference Change request for Tier 2as shown in **Figure 34** below:

Figure 34

- CRA system will prompt the Maker to capture the PRAN for which change request is to be updated in the system as shown in **Figure 35** below**:**

Figure 35

- The Maker is required to enter the PRAN & select the Tier Type as Tier II. Further, for

Scheme Preference Type, Maker shall select the revised choice – Active / Auto choice as mentioned in the change request. If the Subscriber is not changing the choice, the existing choice to be mentioned. The Maker is then required to '**Submit'** the request. On Submission of the request, a screen as shown in **Figure 36** below will be displayed. The Maker can also verify signature of the subscriber by clicking on the option '**View Signature**'.

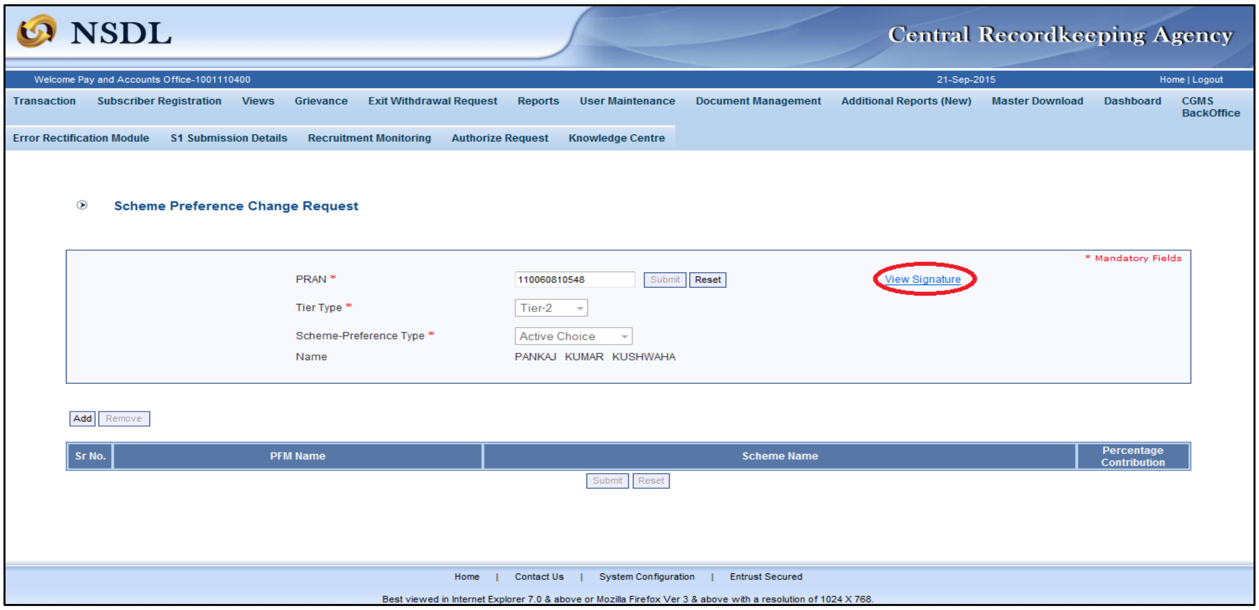

Figure 36

- The Maker is required to click the **'Add'** button as shown in **Figure 37** below in order to update the PFM details.

Figure 37

- For Active choice, PAO is required to mention the PFM as well as percentage (as mentioned in request form) by adding consecutive row under single PFM by clicking '**Add**' button. The **Figure 38** given below represents the details added in case of 'Active' choice. In case, a Subscriber requires changing Scheme Preference to Auto choice then PAO is required to select single PFM only.

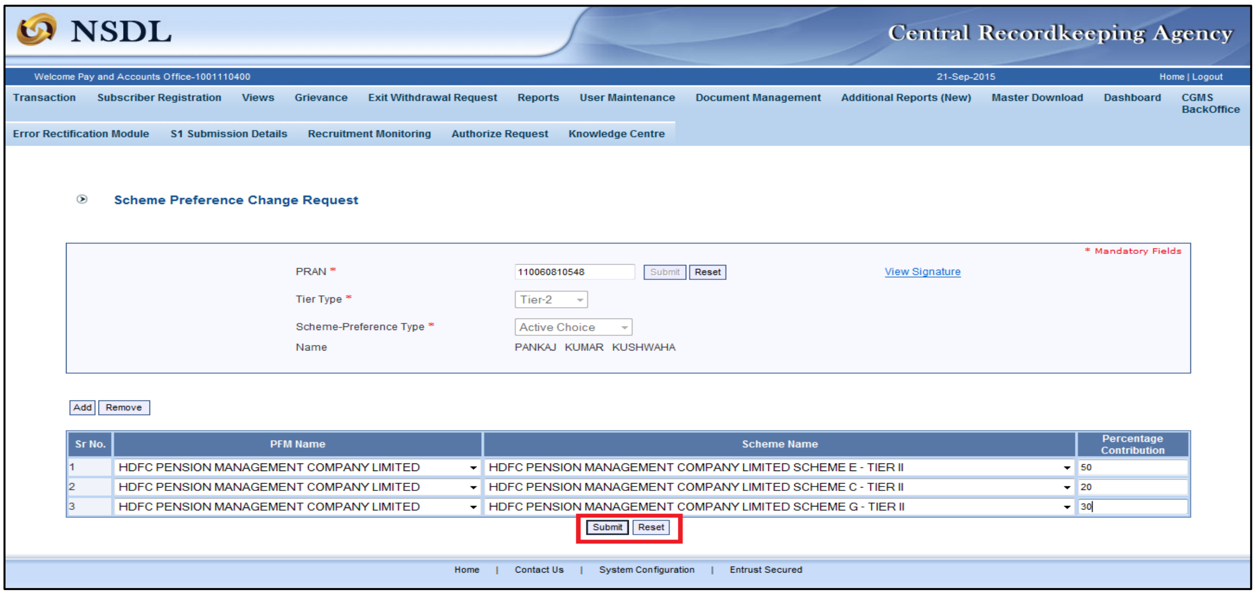

Figure 38

- The Maker is required to **'Submit'** the request after entering the required details, as shown in **Figure 38** above. On submission of the request, the Maker will be shown a confirmation screen reflecting the changes done i.e., the revised scheme preference of the Subscriber as shown in **Figure 39** below:

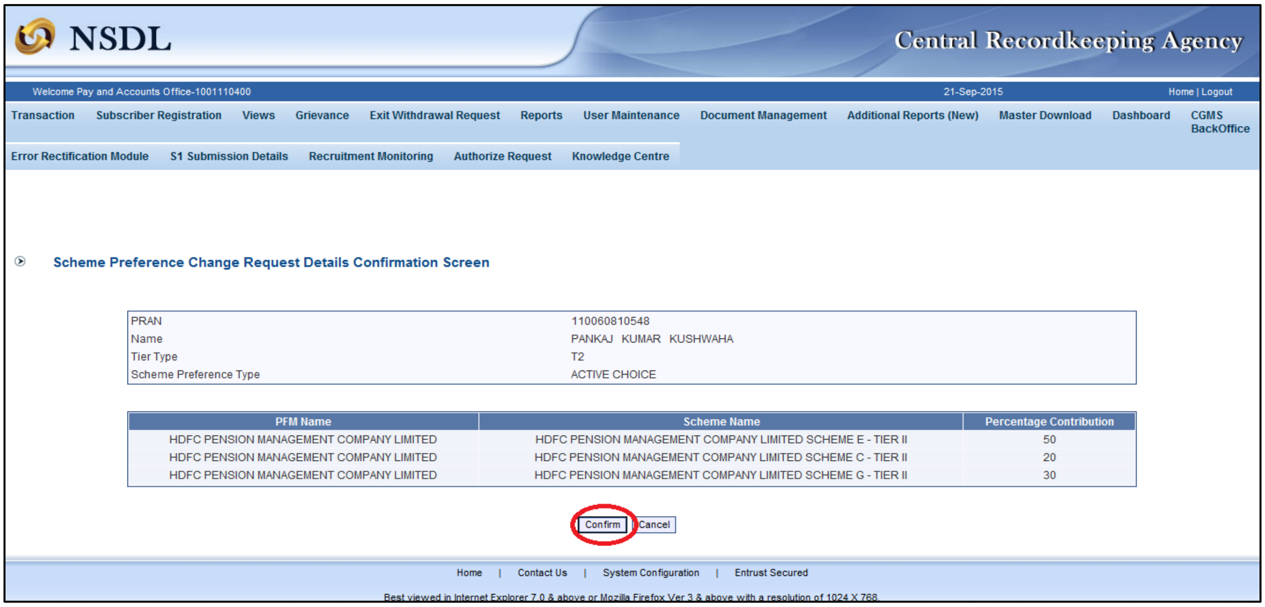

Figure 39

- The Maker is required to verify the modified details against the request submitted by Subscriber and if the request is found to be in order, the Maker is required to confirm the request by clicking on **'Confirm'** button. In case of any discrepancy, Maker is required to click **'Cancel'** and go back to the request capture screen to update the correct details and re-submit the scheme preference change request.

- On successful confirmation of the request, CRA system will generate an Acknowledgement number as shown in **Figure 40** below. PAO can use the Acknowledgement Number to check status of the change request.

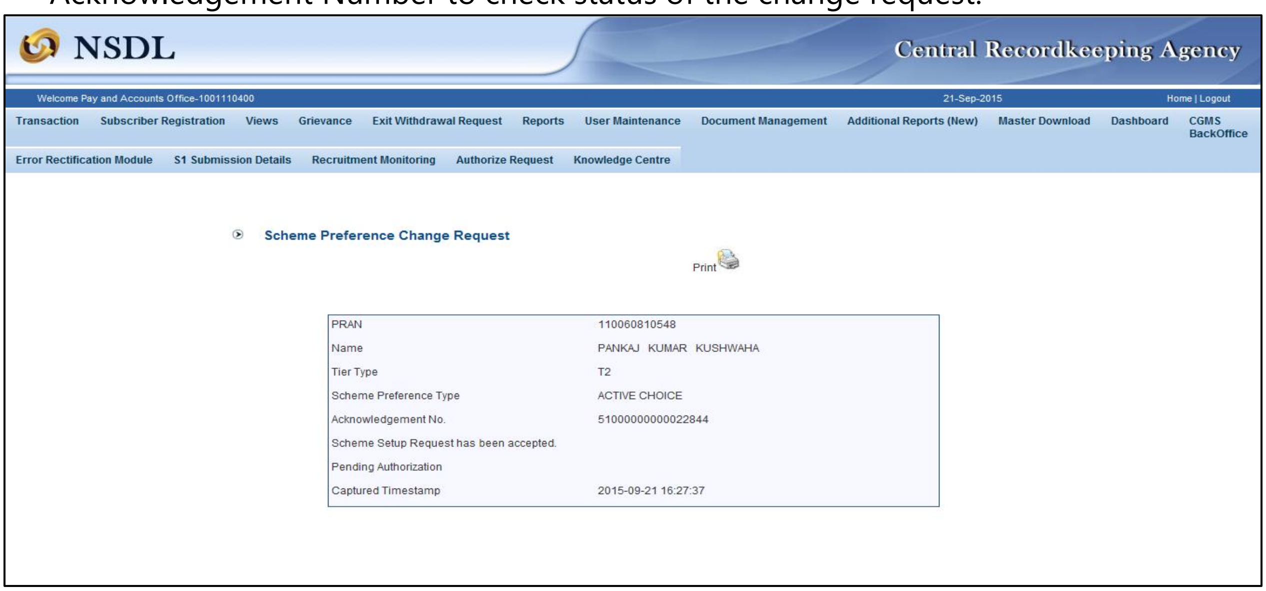

Figure 40

5.3. Authorization of Scheme Preference change request in CRA system:

- The PAO Checker is required to login to CRA system (www.cra-nsdl.com) for authorizing the Scheme Preference Change request for Tier-II details.

- The Checker is required to select **'Authorize Transaction'** under the main menu **'Transaction'** as shown in **Figure 41** below for authorising the Subscriber's Scheme Preference Change request for Tier 2:

Figure 41

- The Checker is required to select the Transaction Type as "**Scheme Preference Change Request**" from the drop-down menu as shown in **Figure 42** below. The Checker is required to enter the Acknowledgement Number (generated at the time of capture of the change request) or PRAN or date range to search the requests pending for verification.

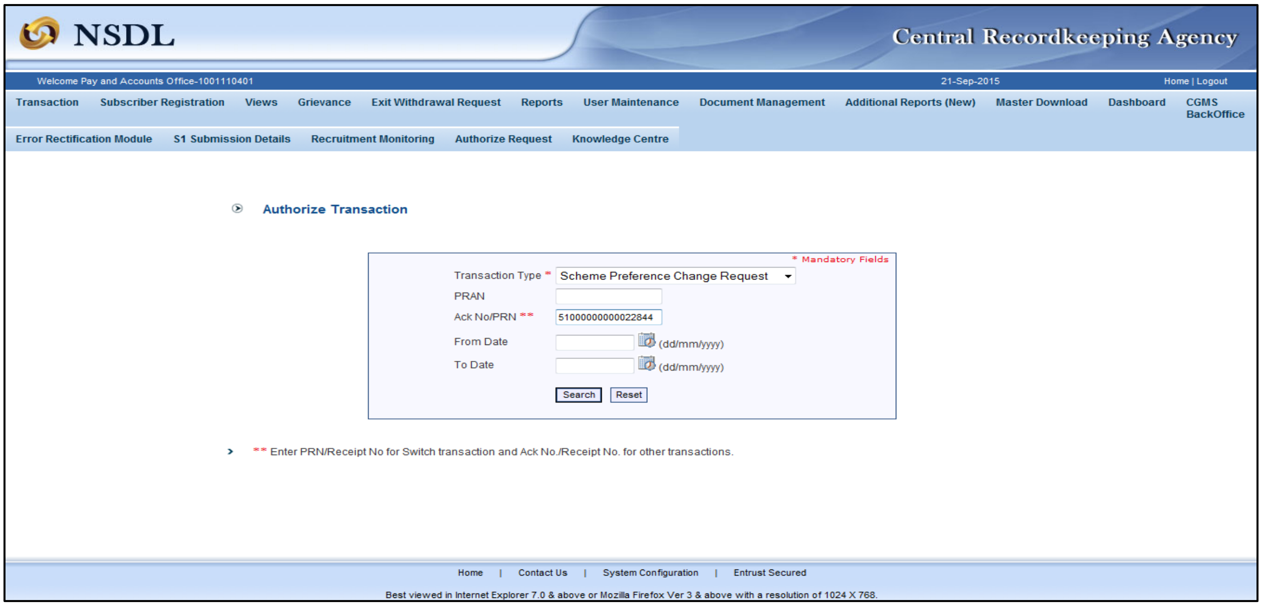

Figure 42

- Once the User clicks on '**Search**', the screen as shown in **Figure 43** below will be displayed to the Checker. The Checker is then required to click on the hyperlink available at **'Acknowledgement No.** to view the details of the captured request.

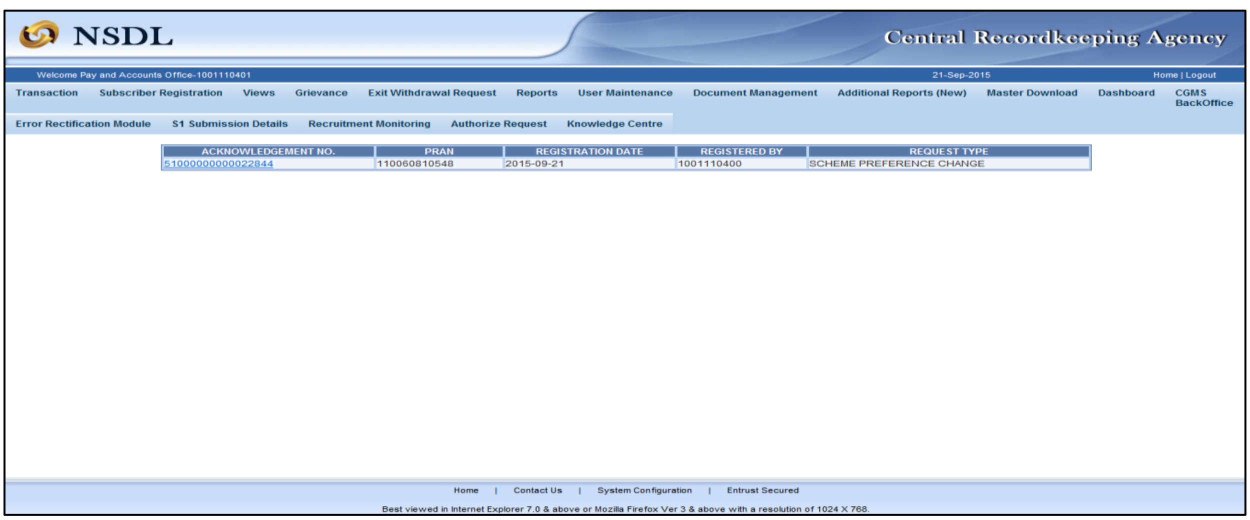

Figure 43

- The Scheme Preference details along with the option to **'Authorize'** or **'Reject'** the request will be displayed to the User as shown in **Figure 44** below.

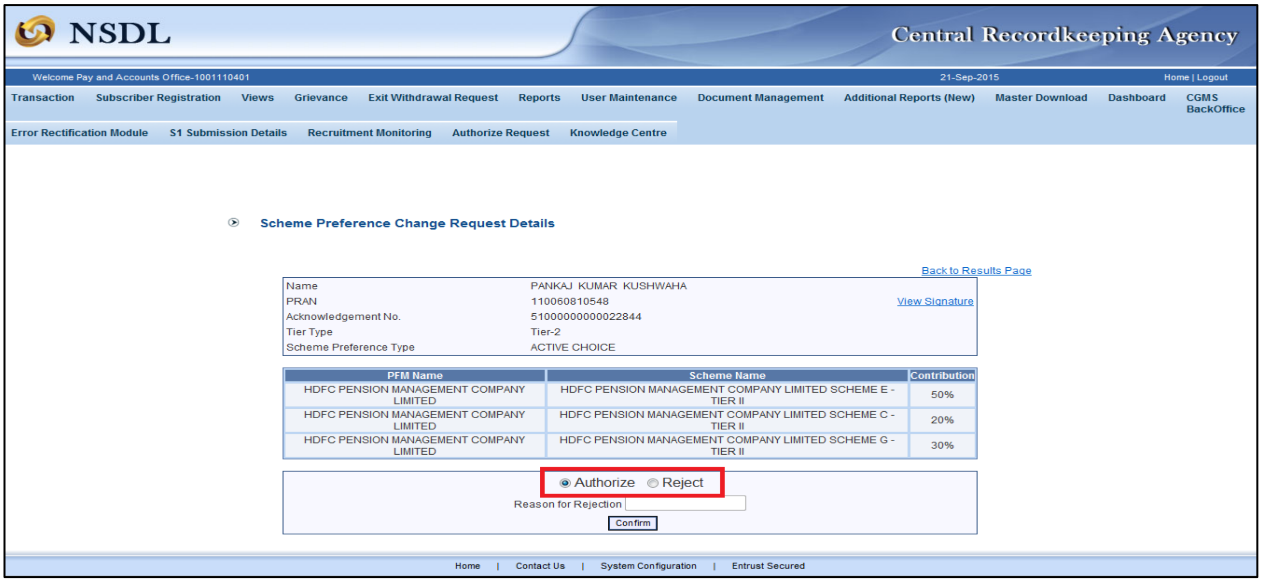

Figure 44

- The Checker is required to verify the details captured by the Maker with the change request form and if found in order shall authorise the request by selecting the **'Authorize'** option and click on the **'Confirm'** button. On authorisation of the request, the status of the request will be displayed as **'Scheme Setup Request has been Authorized'** as shown in **Figure 45** below.

Figure 45

- An e-mail is sent to the Subscribers (provided the email id is available) for successfully accepted change request in CRA system.

Exceptions for* Scheme Preference Change *request:

- If the new Scheme Preference Change request selected is same as earlier one, this request will not get captured in the CRA system and rejection reason will be displayed to the Maker.
- In case for a PRAN, scheme preference request is entered for the second time (in the same financial year), the request will not be accepted in the CRA system.
- If there is 'Authorized/ In Progress/Completed (complete) withdrawal Request' for that PRAN, the scheme set up request will be rejected by the CRA system.
- PAO shall receive an email alert if the request is rejected in the CRA system.

- **Once request is authorized, the changes are affected in subscribers' account.**

    - In this process of change of PFM and/or change of investment option (active /auto choice) and or change of asset allocation ratio (allocation among asset class Equity/Corporate instruments/Government Securities), switching of units from one PFM to another and/or rebalancing of portfolio takes place.
    - For example, in case a subscriber opts for change of PFM i.e, from A to B, all the existing units of PFM A held by subscriber will be redeemed and reinvested in the schemes of PFM B.
    - On execution of the request the units from the scheme(s) will be blocked immediately. Redemption (withdrawal of units) will happen on T+1. T being the date of execution. Latest available NAV will be considered for units redemption. On T+4, units as per the revised 'scheme preference' will be credited in the subscriber's account. This is explained with an example as given below
    - Scheme preference change request is authorized on September 8, 2015 (referred as T). The request will be executed on the next settlement day i.e, in this example on September 9, 2015 (T +1).
    - The latest available NAV (i.e., NAV of September 8, 2015) will be considered for withdrawal of units from the subscriber's PRAN.
    - The units will be redeemed by the PFMs on September 9, 2015 on the basis of NAV of September 8, 2015.
    - On T+4 day (i.e. on September 14, 2015), units as per new 'scheme preference' will be credited in subscriber's account.

Once the scheme preference change request is successfully completed, PAO is required to submit the Form along with supporting documents to CRA on a periodic basis (like exit – withdrawal forms). CRA-FC shall not accept the documents related to Tier II details modification.

6. Processing of Withdrawal request for Tier II

As Tier-II account has been introduced mainly to have flexibility for withdrawal of savings, Subscribers have an option to withdraw their contributions invested under Tier II. Subscribers are required to submit the Withdrawal request for Tier-II account to the associated PAO. PAO shall execute such requests of the Subscribers as part of the Subscriber servicing in the CRA system. Form (Annexure - S12) is required to be used for full/ partial withdrawal from Tier II account only. It may further be noted that Tier II account will be completely settled in case the subscriber submits withdrawal application for Tier I account and thus there is no need of submission of separate withdrawal request for Tier II.

6.1. Withdrawal request Submission:

Subscriber is required to submit duly filled physical request (as per the format prescribed by PFRDA, available at the CRA website www.npscra.nsdl.co.in Form (Annexure - S12) to the PAO for withdrawal of the contributions under Tier II account. PAO shall accept the request from the associated Subscribers only as each Subscriber is linked to a particular PAO in CRA system. The Subscribers will have the facility of withdrawing full or partial amounts from Tier II account. The Subscribers account will remain active even after execution of partial or full withdrawal request.

PAO is required to check the following while accepting the Withdrawal request Form for Tier II

- All relevant fields including PRAN are filled by the applicant. In case of any incomplete information, the request shall be rejected.
- Request form is duly signed by the Subscriber.
- PRAN provided by the Subscriber is active and valid in the system.
- PRAN (Subscriber) is associated with the concerned PAO.
- PAO is required to ensure that the Subscriber has mentioned the correct type of withdrawal and correct preference for payment mode.
- On successful verification of the withdrawal request, PAO shall accept the same.

PAO shall verify the form received by the Subscriber and if found correct and complete in all respects, accept the same. PAO shall prepare an acknowledgement and handover the same to the Subscriber for the receipt of the application (as mentioned above under point no. 2.3.)

For accepted requests PAO is required to capture the withdrawal request in the CRA system. Similar to Tier II activation, Tier II withdrawal will be a Maker-Checker activity i.e. Maker is required to capture the request and Checker is required to authorize the same in the CRA system.

A. Capturing of Tier II Withdrawal request:

- The PAO Maker is required to login the CRA system (www.cra-nsdl.com) for capturing the withdrawal request for Tier II.
- The Maker is required to select **'Initiate Withdrawal request'** under the main menu **'Exit Withdrawal Request'** for capturing Withdrawal request for Tier II as shown in **Figure 46** below

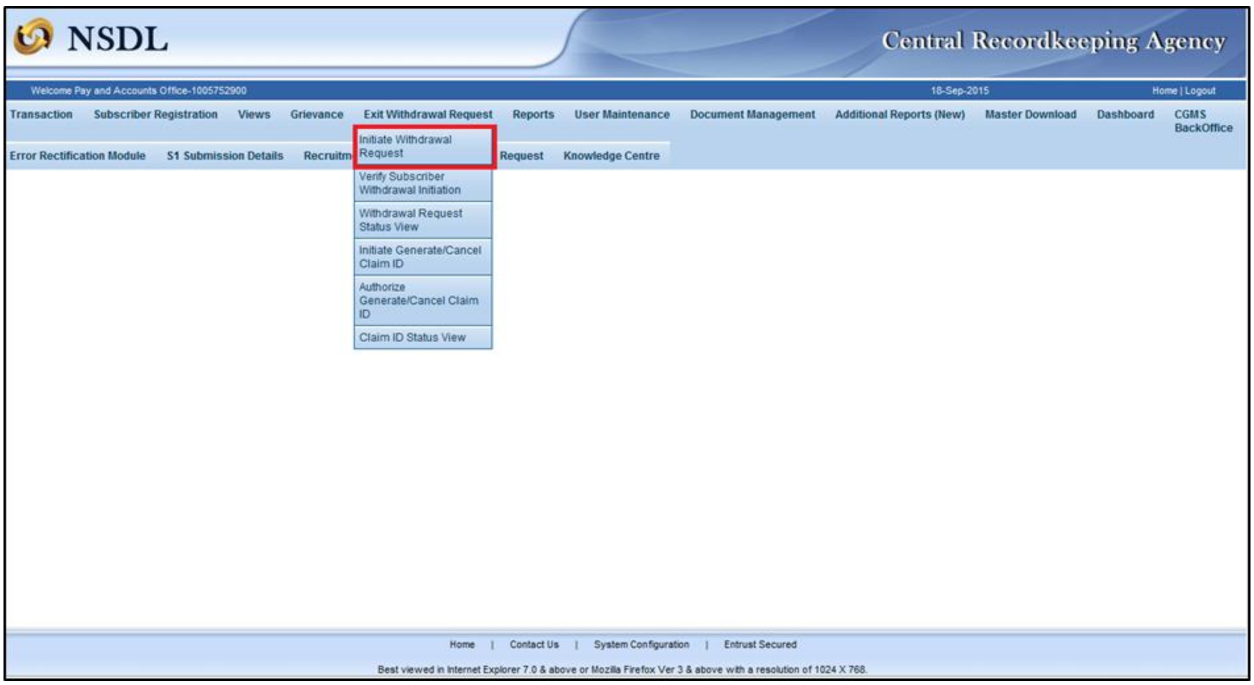

Figure 46

- CRA system will prompt the Maker to capture the PRAN for which the Withdrawal request is to be captured. The Maker is required to enter the Subscriber PRAN and click on **'Submit'** as shown in **Figure 47** below**.**

Figure 47

- On submission of the request, the Maker is required to select the withdrawal due to as **'Tier 2 Partial Withdrawal'** from the drop-down as shown in **Figure 48** below.

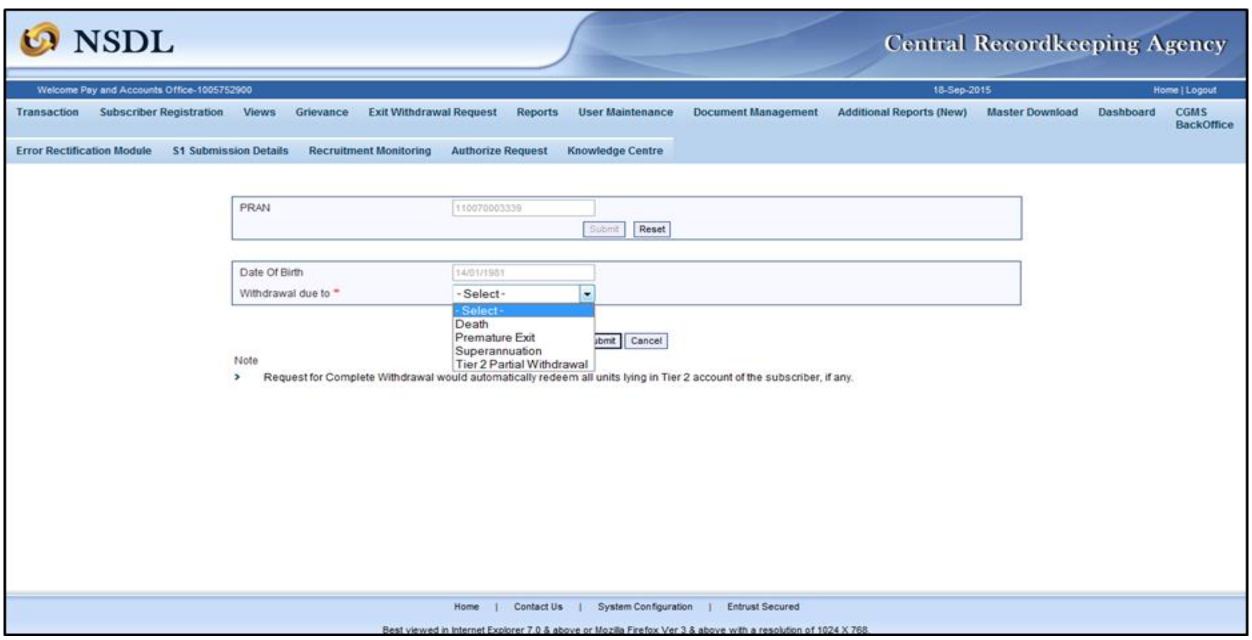

Figure 48

- On selection of Tier II Partial Withdrawal request, the Maker is required to select the Withdrawal option i.e. either '**Lumpsum Withdrawal'** as shown in **Figure 49** below or '**Scheme Wise Units Withdrawal'** as shown in **Figure 53** below and click on **'Submit'**:

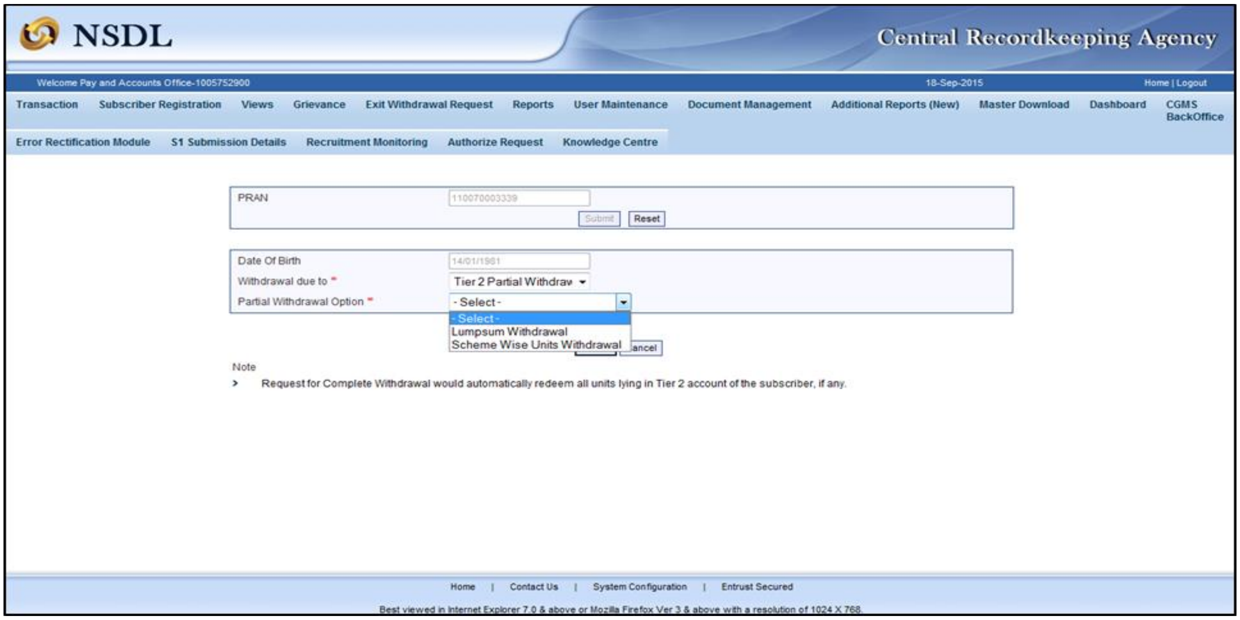

Figure 49

- If the Maker selects '**Lumpsum Withdrawal**', the User is required to enter the amount for Withdrawal (in case partial Withdrawal is required by Subscriber) in '**Withdrawal Amount**' as shown in **Figure 50** below. In case, complete Withdrawal of Tier II holdings are requested, the User is required to select '**Withdraw Total Holdings**'.

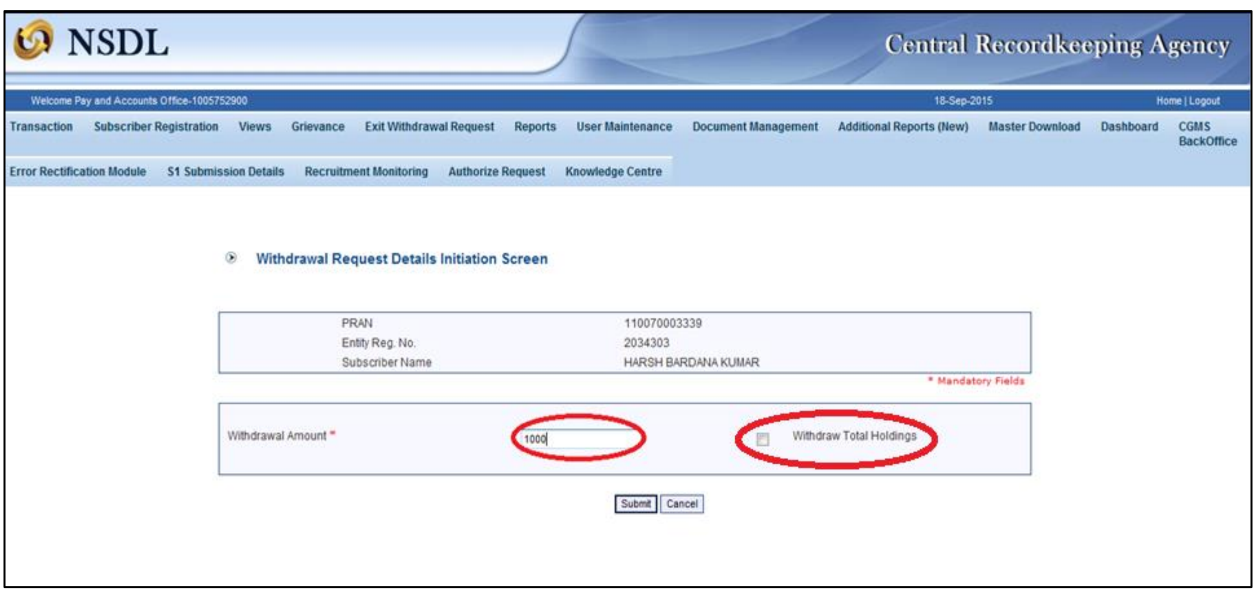

Figure 50

- On submission of the Withdrawal request, the Maker is required to verify that all the details are correct and confirm the same by clicking **'Confirm'** button as shown in **Figure 51** below.

Figure 51

- On confirmation of the details, a message along with an 'Acknowledgement No' will be displayed to the User for successfully capturing of the Withdrawal request as shown in **Figure 52** below:

Figure 52

- In case, Maker has opted for '**Scheme Wise Units Withdrawal',** the User is required to enter scheme wise units to be withdrawn from existing schemes and click on **'Submit'** as shown in **Figure 53** below. It may be noted that the units entered cannot be more than units available in the schemes. Further, the office should monitor and ensure that after withdrawal, the equity percentage should not exceed 50%..

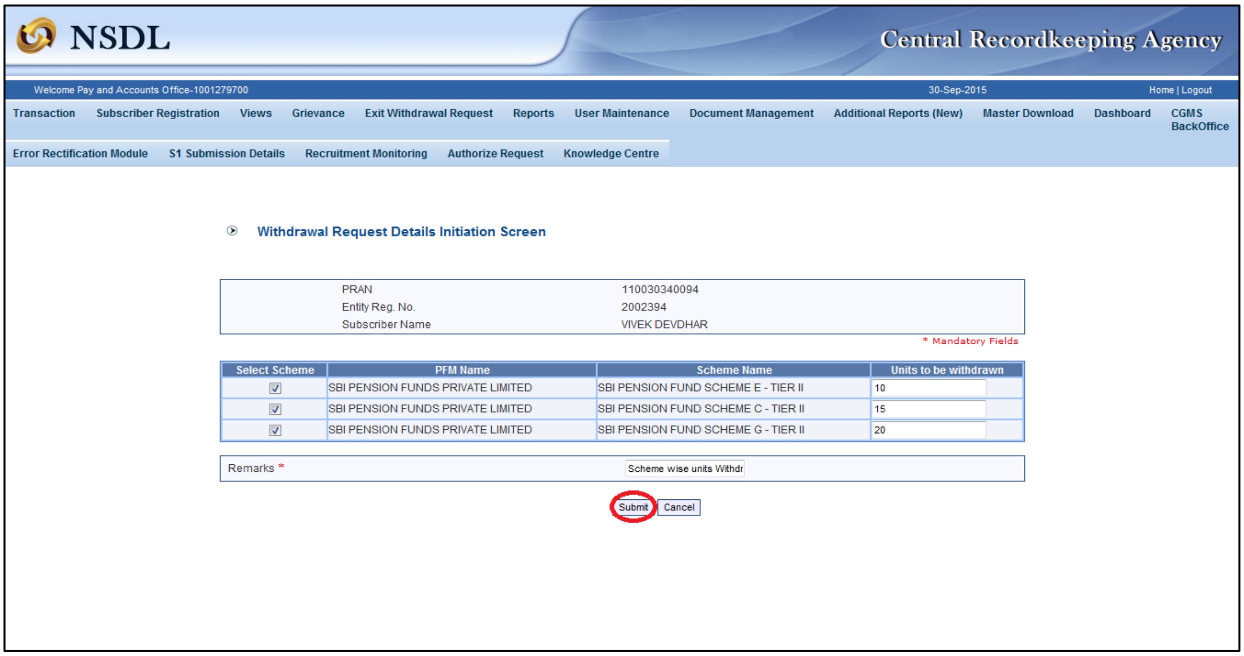

Figure 53

- The Maker is required to verify that all the details are correct and confirm the same by clicking **'Confirm'** button as shown in **Figure 54** below.

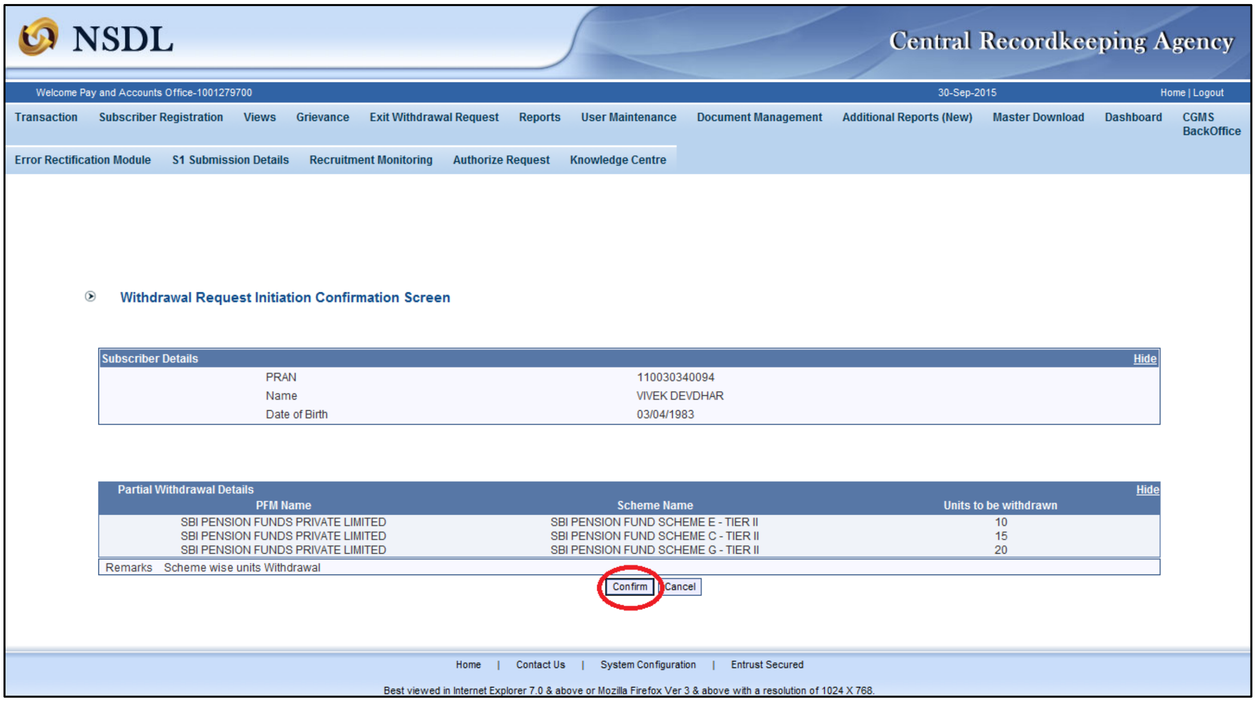

Figure 54

- On confirmation of the details, a message along with an 'Acknowledgement No' will be displayed to the User for successfully capturing of the Withdrawal request as shown in **Figure 55** below:

Figure 55

B. Verification of Tier II Withdrawal request:

- The PAO Checker is required to login to CRA system for authorizing the Tier II Withdrawal request.

- The Checker is required to click **'Authorize Transaction'** under the main menu **'Transaction'** as shown in **Figure 56** below.

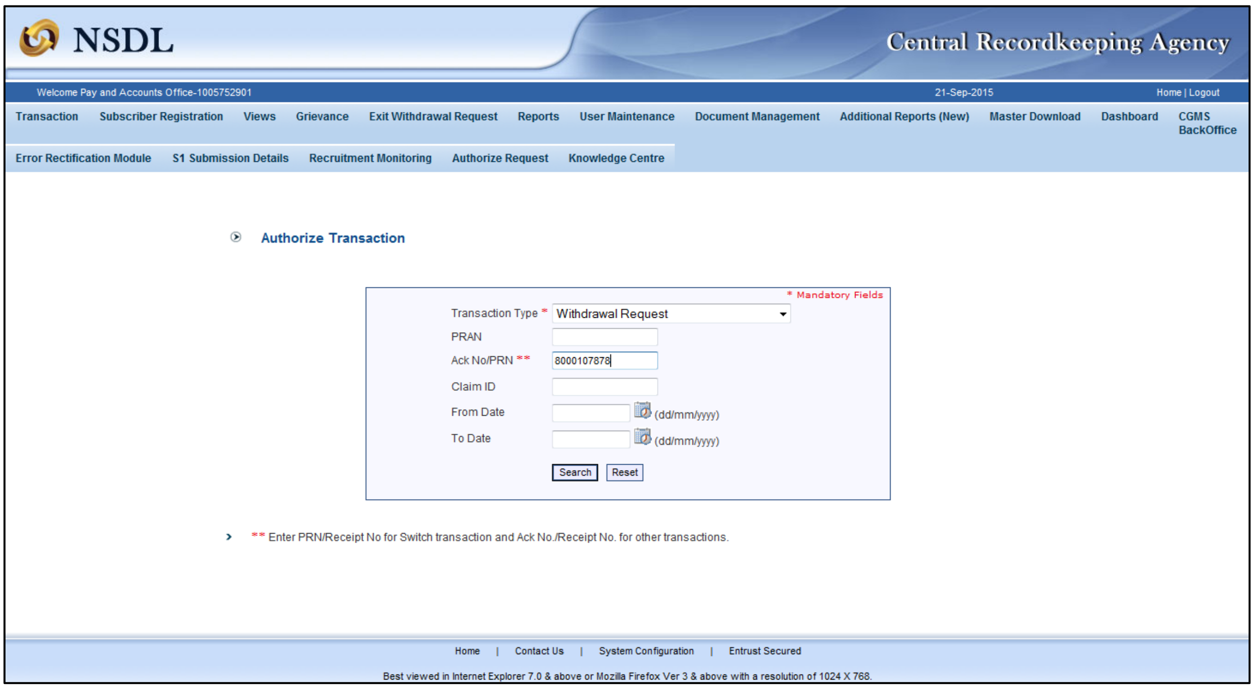

Figure 56

- The Checker is required to select the **'Transaction Type'** as **'Withdrawal Request'** and provide the PRAN or the Acknowledgement Number generated at the time of request capture. The User also has an option to search the request by providing the required date range. After entering the details as shown above, the Checker is required to click on '**Search'** button. On searching the request, the details of the captured Withdrawal request is available as shown in **Figure 57** below.

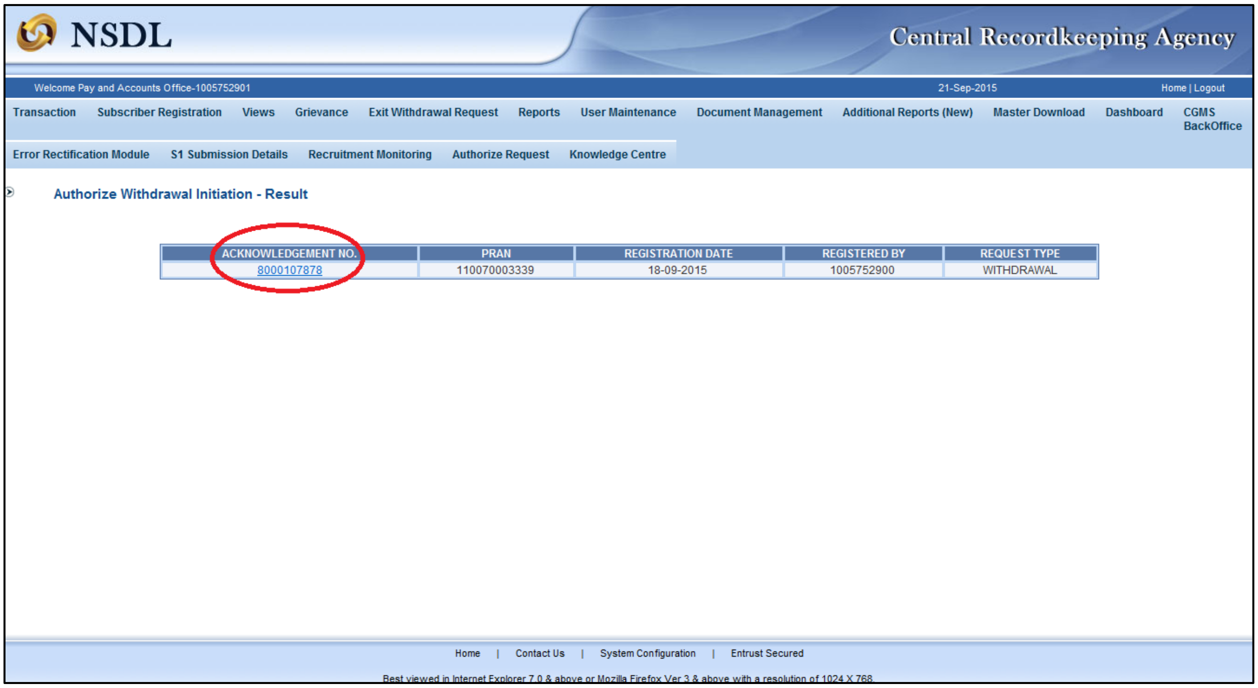

Figure 57

- In order to view the details of the change request, the Checker is required to click on the hyperlink available at **'Acknowledgement No.'.** The Subscriber withdrawal details will be displayed along with the option to **'Authorise'** or **'Reject'** the request as shown in **Figure 58** below:

Figure 58

- The Checker is required to verify the captured details with the physical withdrawal request. If all the details are correct, the Checker is required to authorize the request by selecting **'Authorize'** button. In case of any discrepancy, Checker is required to enter the necessary reasons for rejection and can reject the request by selecting '**Reject**' option. On successful authorization of Withdrawal request, a message as shown in below **Figure 59** will be displayed to the User.

Figure 59

On execution of Withdrawal request the units from the scheme(s) will be blocked immediately. Redemption (Units withdrawal) will happen on T or T+1 depending on authorization of request before or after Pay-In (before 1.30 pm). T being the date of execution. Latest available NAV will be considered for units redemption. On T+3, funds will be transferred to the 'Withdrawal account' of the Trustee Bank. The amount shall be credited to the bank account (registered for Tier II account) of the subscriber. This is explained with an example as given below:

- Withdrawal request is authorized on September 8, 2015 before Pay-In (before 1.30 pm approx.)[1] then the request will be executed on the same day i.e. on September 8, 2015 (referred as Day T).
- The units will be redeemed by the PFMs on September 8, 2015 on the basis of NAV of September 7, 2015.

[1] May change as directed by PFRDA/NPS Trust

- The units will be redeemed by the PFMs on September 8, 2015 on the basis of NAV of September 8, 2015. Hence, there may be difference in the amount requested as compared to the amount realized.
- On T+3 day (i.e. on September 11, 2015), funds will be transferred to the Withdrawal account with the Trustee Bank.
- If Withdrawal request is authorized on September 8, 2015 after Pay-In (after 12.30 pm) then the request will be executed on the next day i.e. September 9, 2015 (will be day T) and the latest NAV (i.e. NAV of September 8, 2015) will be considered for unit redemption.
- In this case the funds will be transferred to the Trustee Bank on September 14, 2015 (However while processing the request, only business days will be considered)
- Further, as per instructions issued by CRA, the funds will be transferred on same day to subscriber's bank account from Trustee Bank Withdrawal account.

C. Request Status view for Tier II Withdrawal:

- The User can check the status of captured request by selecting **'Withdrawal Request Status View'** under the main menu **'Exit Withdrawal Request**' as shown in **Figure 60** below:

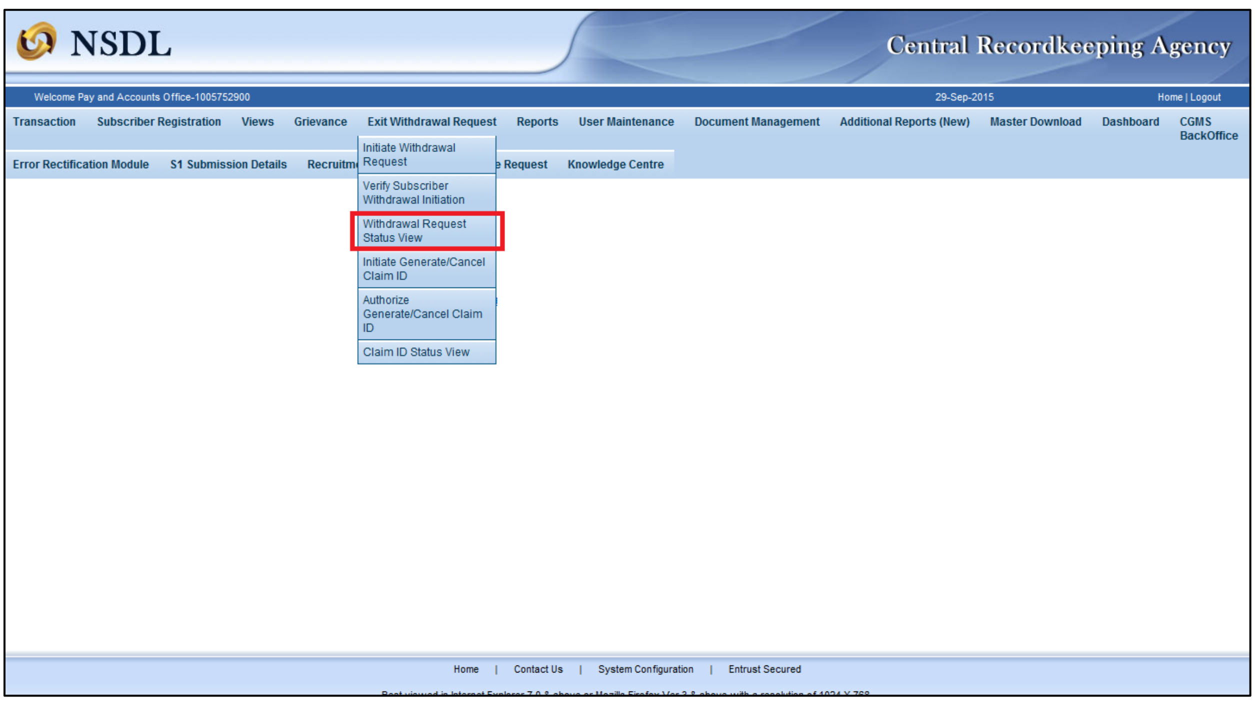

Figure 60

- On selection of **'Withdrawal Request Status View',** the User is required to provide the PRAN, the Acknowledgement Number generated at the time of request capture or Claim ID and '**Submit'** as shown in **Figure 61** below. The request status can also be examined by providing the date range. However, it may be noted that 'Claim ID' is not applicable in case the withdrawal request is only for 'Tier II' account.

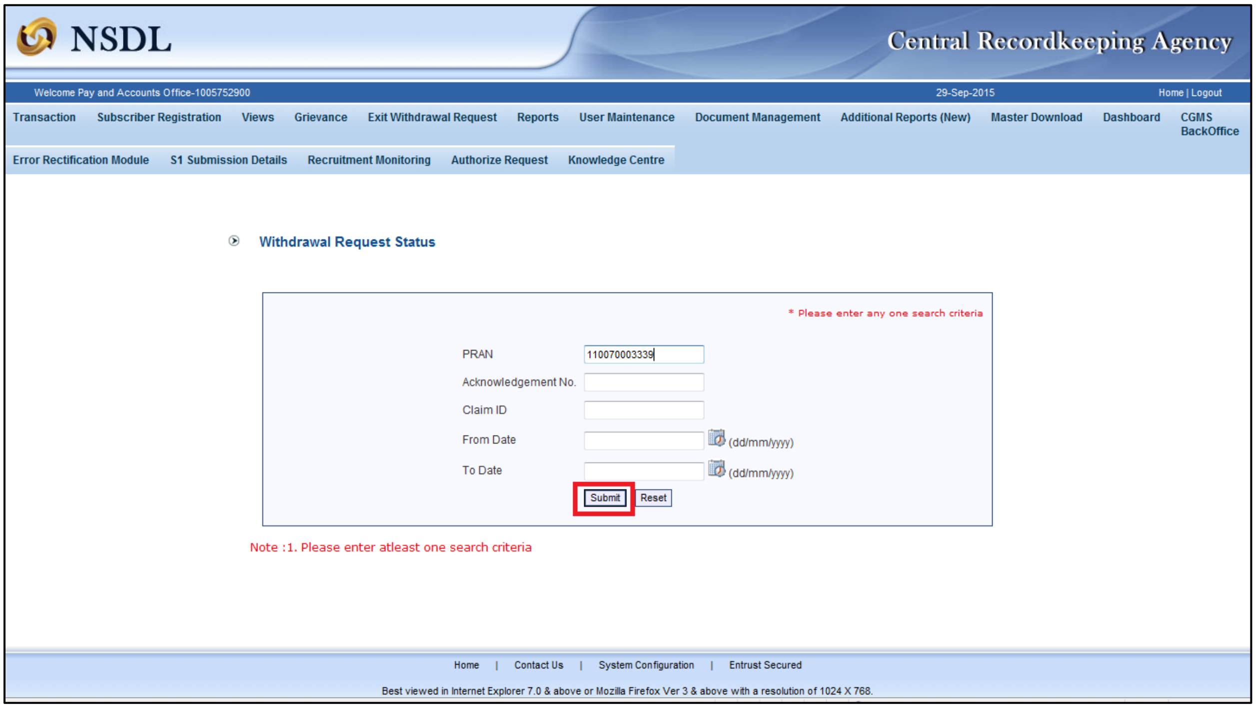

Figure 61

- On submission of the request, User is required to click on the hyperlink available on '**Acknowledgement Number**' to view the complete details of Tier II Withdrawal as shown in **Figure 62** below.

Figure 62

Exceptions for Tier II Withdrawal request:

- In order to process Tier II Withdrawal request, Status of PRAN must be 'Active' and is required to have unit balance available in Tier II account.
- Tier II of PRAN must be in 'Active' status to process Tier II Withdrawal request.
- Tier II Withdrawal request for a Subscriber can be processed by the mapped PAO and POP/POP-SP.
- It may be noted that Tier II Withdrawal request will not be allowed, if any previous request is pending for authorization in CRA system.