



PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

PFRDA/2017/3/CSG/1

Date: 01st February, 2017

To,

All Central Government Ministries & Departments/ State Governments

PrAOs, PAOs, CDDOs, NCDDOs & other CG Nodal offices;

DTAs, DTOs, DDOs & other SG Nodal offices

Autonomous Bodies

Subject: Reactivation of frozen PRANs where 20% of the accumulated pension corpus has been withdrawn as lump sum but subscriber subsequently reemployed in establishments covered under NPS

1. The Pension Fund Regulatory and Development Authority has been receiving requests from government employees subscribing to NPS who had on premature leaving/ change of employment discontinued their NPS accounts and, in some case, had also withdrawn the lump sum amount as applicable under the Exit under NPS Regulations, to reactivate the PRAN account/ open a new PRAN on reemployment/ reinstalment in establishments which are covered under the NPS. In some cases subscribers had withdrawn 20% lump sum amount in their PRANs which were later deactivated. Later they got new PRANs generated due to fresh employment, which also got deactivated as these being duplicate PRANs. Thus, in such a scenario the subscriber could not use either the previous PRAN or the new PRAN.
2. In this context it may be clarified that PRAN is unique and portable across locations and employment. The same PRAN should continue throughout the

working tenure of the employee/subscriber. As currently applicable, the subscriber is required to intimate his previous PRAN to the employer on joining new service. The basic purpose of NPS is to provide social security to the subscriber during their old age. If subscribers withdraw inspite of the fact that they can continue in the system up to their superannuation from service or 60 years of age, the very purpose of NPS is defeated.

3. With a view to preserve the accumulations for pension and alleviate the hardship during old age, all NPS subscribers are advised to continue in the system with the same/ first PRAN till the subscriber attains the age of superannuation or 60 years even if the subscriber has become jobless temporarily and withdrawn 20% from his/her PRAN. The 20% withdrawn amount will be considered as a special withdrawal and same PRAN would be activated on the employees joining a new employer and making contribution to the NPS.



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