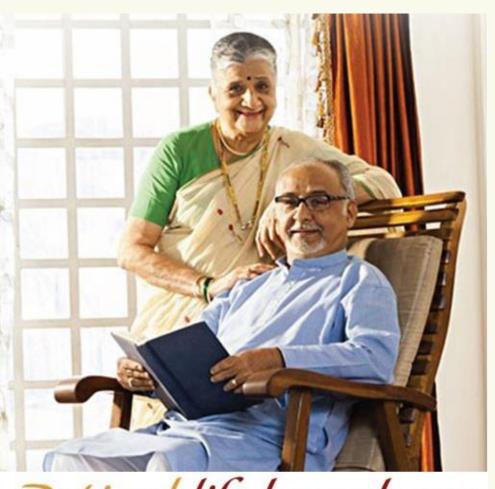
### **NSDL** e-Governance Infrastructure Limited





Retired life ka sahara, NPS hamara National Pension System (NPS)

# Taking through the presentation



1.

Planning for your retirement

2.

NPS – An Overview

- 3.
- Features of NPS
  - Tax Benefit
  - Scheme preference
  - Ease of access

4.

Withdrawal and exit options

# How do you see your Retired life?



Life with financial constraints

Dependent on children

or

A dignified life

Time to pursue interests and hobbies

Can you afford this?

# Challenges in retirement savings

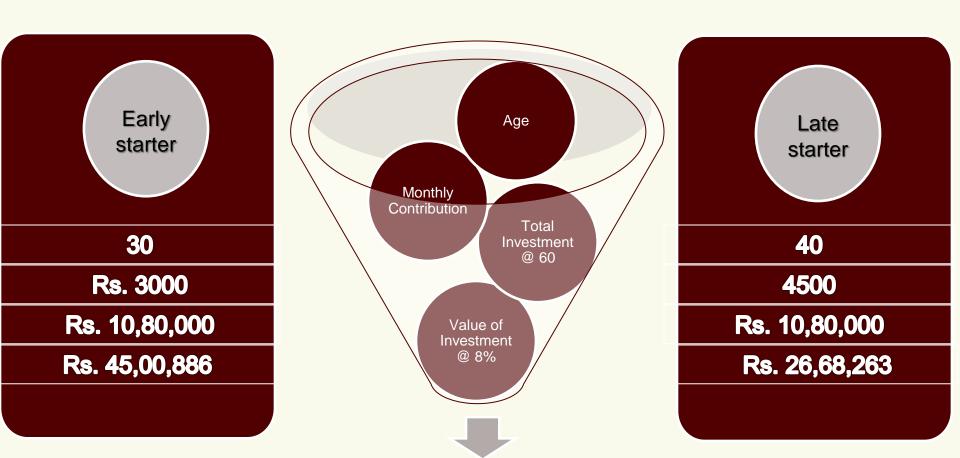


- ➤ In 20s: We think its too early
- ➤ In 30s: Setting up a family
- > In 40s: Children education and housing takes the priority

- ➤ In 50s: There is a sense of urgency for retirement savings
- > By 60: It's too late

# Start early, benefit more...





Both invested the same amount Early starter ends up being richer by Rs. 18.32 L



# Solution?



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## Introduction



- Initiative to provide old-age income security
- Formation of Pension Fund Regulatory and Development Authority (PFRDA)
- Started with Government employees
- Made available for all citizens of India from May 2009
- NPS subscribers in CRA system in excess of 1.2 crore



## Features of NPS



➤ Open for all Indian citizens between 18 – 60 years

Unique and Portable Permanent Retirement Account Number (PRAN)

- ➤ Tier I & Tier II ►
- > Nomination facility
- > Tax Benefit under 80C as well as 80CCD(1B)

# Ease of access



Access to bi-lingual Interactive Voice Response (IVR) using T-PIN

View details / Change of contact details, scheme preference using I-PIN

Instant reset of T-PIN & Online reset of I-PIN through OTP

Online complaint resolution platform

Easy access to information through dedicated website and Facebook

# Stakeholders in NPS















**Subscribers** 

# CRA – Roles and Responsibilities



Issuance of PRAN Kit



PRAN generation

PRAN Kit desptach

Maintenance of the KYC Documents

Provision to change Subscriber Details

Contribution credit

Change of details

Issuance of Annual Statement

Alerts to subscribers

Monthly e-Statement

Quarterly Balance

Central Grievance Management System

# Unique tax benefit for NPS





Additional Tax benefit of Rs. 50,000 u/s 80 CCD (1B)

Investment	With NPS	Without NPS				
Tax Slab	- 10%		20%	30%		
Amount	Rs. 50,000	Rs. 45,000	Rs. 40,000	Rs. 35,000		
After 20 years of Investment						
Corpus at @ 8%	Rs. 22.8 lacs	Rs. 22.8 lacs Rs. 20.5 lacs		Rs. 16 lacs		
Corpus at @ 10%	Rs. 28.6 lacs	Rs. 25.7 lacs	Rs. 22.9 lacs	Rs. 20 lacs		
Diff in Corpus	-	12%	25%	43%		

# Choice of PFMs



#### For Government Sector







### Additional PFMs for Non-Government Sector









# **Investment Option**



#### **Active Choice**

### Subscriber decides allocation pattern amongst E, C and G

Asset Class	Cap on Investment			
Equity (E)	50%			
Corporate Bonds (C)	100%			
Government Securities (G)	100%			

#### **Auto Choice**

## Funds managed on the pattern of a lifecycle fund

Age (in Years)	Asset Class E	Asset Class C	Asset Class G
Upto 35	50%	30%	20%
36	48%	29%	23%
37	46%	28%	26%
-	-	-	-
55 and Above	10%	10%	80%

Investment Option can be changed once in a financial year

## **Partial Withdrawal**

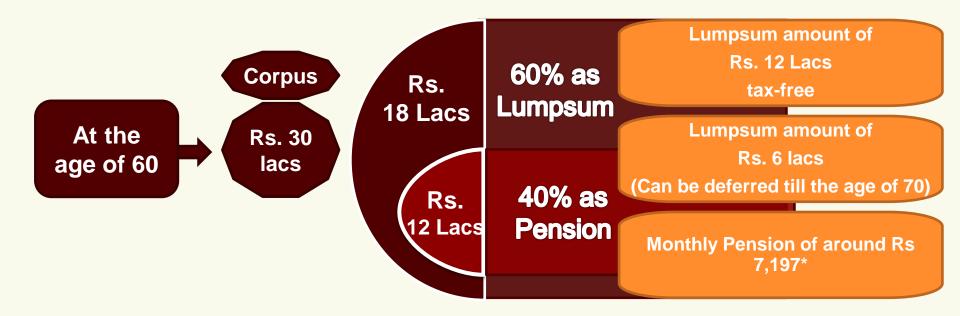


- Withdrawal will be allowed subject to
  - ✓ Subscriber should be in NPS for 10 years
  - ✓ Amount should not exceed 25% of the contributions made by the subscriber
  - ✓ Withdrawal can happen only against specified reasons

Withdrawal option are limited to ensure sufficient terminal corpus

## **Exit Process**





No Service tax of 1.4%

# Exit before the age of 60 years



## At least 10 years under NPS / resignation from Govt job

 20% of Lump sum withdrawal and balance 80% need to be annuitized

#### In case of death of the subscriber

- For Government subscriber: 20% of Lump sum withdrawal and balance 80% need to be annuitized (currently 100% payout to claimant as per PFRDA circular)
- For Non-Government subscriber: 100% payout to claimant

# **Annuity Service Providers**













# Withdrawal Process overview



## Generate claim ID

- \* 6 months prior to retirement age
- \* Generated by Nodal Office/POP

## Initiate request

- \* Subscriber initiates request online
- \* System generated form and documents submitted to Nodal Office/POP

## Authorise request

\* Nodal Office / POP authorises the request

Withdrawal amount remitted directly to subscribers' bank account

# Subscriber Charge Structure



Intermediary	Charge Head	Charges (excluding Tax)	Method of Recovery	
POP	Initial Registration charges	Rs.125		
	Any contribution	0.25% of the amount, subject to minimum of Rs.20/-	Upfront collection	
	Any other transaction not involving a contribution from subscriber	Rs.20	Jonodion	
CRA	One time Account opening charge	Rs.50	Redemption of units on a	
	Annual Maintenance Charge	Rs. 190		
	Transaction (contribution, change in scheme preference, switch and withdrawal)	Rs.4	quarterly basis	

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# Effect of charges on corpus



- Investing Rs. 25,000 per annum for 25 years
- Charges for Option A is 0.25% and Option B is 2.25%
- Return on Investment (CAGR) for both the investment options is 10%

Corpus under Option A will be 23.6 Lacs

Corpus under Option B will be 17.6 Lacs

# Scheme wise return



#### Available at NPS Trust Website

http://www.npstrust.org.in/index.php/navreturns/returns



### **National Pension System Trust**

HOME

ABOUT US

STAKE HOLDERS

LEGAL FRAMEWORK

FINANCIALS & STATISTICS

**ENPS (NPS ONLINE)** 

♦ Home ► NAV & Returns ► Returns

#### Return of NPS Schemes

Please click on the scheme name to get the respective return chart as on  $31^{st}$  March, 2016.

- Central Government Scheme
- State Government Scheme
- NPS Swavalamban Scheme
- Corporate CG Scheme
- Scheme E Tier I
- Scheme C Tier I
- Scheme G Tier I
- Scheme E Tier II
- Scheme C Tier II
- Scheme G Tier II

### Annualised returns for 3 year

Scheme E - Tier I - 12.63% to 13.44% Scheme C - Tier I - 9.78% to 10.50% Scheme G - Tier I - 9.03% to 9.45%

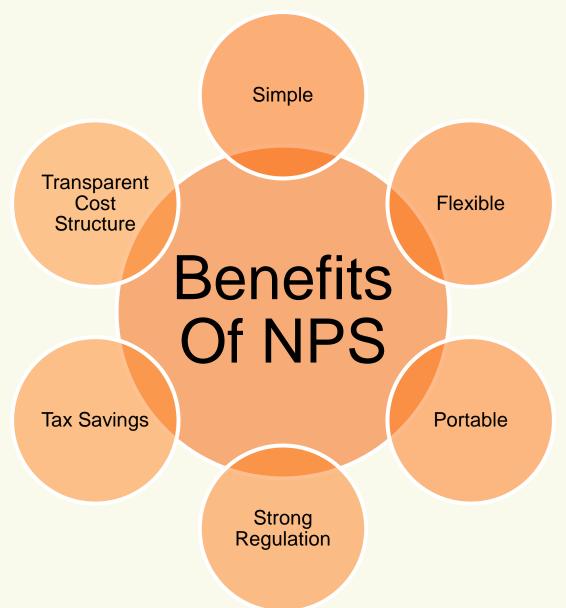
#### Note:

"The returns have been calculated on the basis of Net Asset Value (NAV) declared for the schemes by the Pension Funds"

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# Benefits of NPS





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# Let's keep in touch





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## **Two Tier Structure**



# Tier I

Pension Account

Mandatory

Multiple Tax Benefit

# Tier II

Investment Account

**Optional** 

Anytime withdrawal without exit load

Tier I is mandatory for opening Tier II



# PRAN CARD VIEW







# Statement of Transaction



#### Statement of Transaction

Statement Date : Jun 23, 2015 09:10 PM

Name	SHRI SOMAK BANERJEE
PRAN	110001293945

Financial Year	2015-2016	
	2014-2015	
	2013-2014	
Quarter	2012-2013	
Tier Type	2011-2012	
,.	2010-2011	
	2009-2010	
	2008-2009 ment	

# Statement of Transaction



The total contribution to your pension account till June 23, 2015 was Rs. 34769.21.

The total value of your contributions as on June 23, 2015 was Rs. 44202.29

Your contributions have earned a return of Rs. 9433.08 till June 23, 2015.

The details of your transactions are as under

	Scheme Details	Percentage
Scheme 1	ICICI PRUDENTIAL PENSION FUND SCHEME E - TIER I	50.00%
Scheme 2	ICICI PRUDENTIAL PENSION FUND SCHEME C - TIER I	50.00%

#### Investment Details

#### Account Status as of June 23, 2015

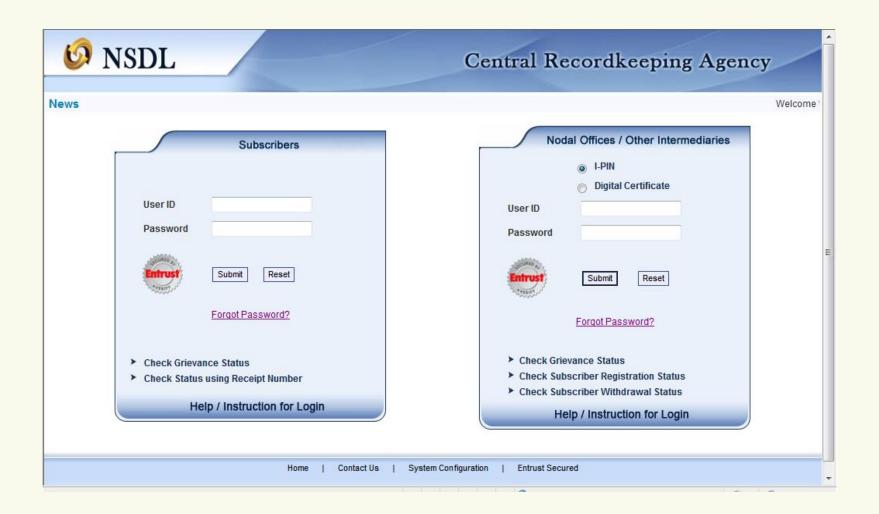
Total Contribution	No of Contribution	Total Withdrawal	Current Valuation	Notional Gain / Loss
(Rs)		(Rs)	(Rs)	(Rs)
34769.21	4	0.0000	44202.29	9433.08

DEMISANA	Total Net Contribution	Total Units	Latest NAV	Value at NAV (Rs)	Unrealized Gain / Loss (Rs)	Return on investment(XIRR)
PFM/Scheme	(Rs)	Total Units	Date			
ICICI PRUDENTIAL PENSION FUND SCHEME E - TIER I	16968.81	16968.81 1068.3122 21.3183 22774.59	5805.78			
IGIGI PROBENTIAL PENSION FOND SCHEME E - HER I	10300.01	1000.3122	23-Jun-15	23-Jun-15	5005.76	44 250/
ICICI PRUDENTIAL PENSION FUND SCHEME C - TIER I	16989.06 1116.9164	19.1847	21427.70	4438.64	<u>11.35%</u>	
IOIO PROBLITIAL PERSIONT OND SCHEME C - HERT		1110.5104	23-Jun-15	21421.70	4430.04	
Total	33957.87			44202.29	10244.42	



# Online Reset





# Online Reset





# Online Reset





Central Recordkeepir

#### Reset I-PIN



#### Note:

- > \* marked fields are mandatory.
- > Please enter the details exactly as printed on PRAN Card.
- > Click on "Generate OTP" if you wish to authorize your request using "One Time Password (OTP)". The OTP will be sent to the mobile number registered with CRA.
- In case you have not registered your mobile number at CRA, please click on "Go to Nodal Office" and get the request authorized by Nodal Office / Point of Presence.

