NSDL e-Governance Infrastructure Limited

National Pension System (NPS)

Retired life ka sahara, NPS hamara
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
Both invested the same amount
Early starter ends up being richer by Rs. 18.32 L
Solution ?
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
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

- Point of Presence
- Central Recordkeeping Agency
- Pension Fund Manager
- Subscribers

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CRA – Roles and Responsibilities

- Issuance of PRAN Kit
- Maintenance of the KYC Documents
- Provision to change Subscriber Details
- Issuance of Annual Statement
- Alerts to subscribers
- Central Grievance Management System

PRAN generation
PRAN Kit despatch
Contribution credit
Change of details
Monthly e-Statement
Quarterly Balance
# Unique tax benefit for NPS

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

<table>
<thead>
<tr>
<th>Investment</th>
<th>With NPS</th>
<th>Without NPS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Slab</strong></td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td><strong>Amount</strong></td>
<td>Rs. 50,000</td>
<td>Rs. 45,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>After 20 years of Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Corpus at @ 8%</strong></td>
</tr>
<tr>
<td><strong>Corpus at @ 10%</strong></td>
</tr>
<tr>
<td><strong>Diff in Corpus</strong></td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Cap on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (E)</td>
<td>50%</td>
</tr>
<tr>
<td>Corporate Bonds (C)</td>
<td>100%</td>
</tr>
<tr>
<td>Government Securities (G)</td>
<td>100%</td>
</tr>
</tbody>
</table>

Auto Choice

Funds managed on the pattern of a lifecycle fund

<table>
<thead>
<tr>
<th>Age (in Years)</th>
<th>Asset Class E</th>
<th>Asset Class C</th>
<th>Asset Class G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 35</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>36</td>
<td>48%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>37</td>
<td>46%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>55 and Above</td>
<td>10%</td>
<td>10%</td>
<td>80%</td>
</tr>
</tbody>
</table>

- 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

At the age of 60

Corpus
Rs. 30 lacs

Rs. 18 Lacs

60% as Lumpsum
Lumpsum amount of Rs. 12 Lacs tax-free

Rs. 12 Lacs

40% as Pension
Lumpsum amount of Rs. 6 lacs (Can be deferred till the age of 70)
Monthly Pension of around Rs 7,197*

*100% Annuity to Spouse with ROP

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

- SBI Life
  - INSURANCE
  - With Us, You're Sure

- LIC
  - LIFE INSURANCE CORPORATION OF INDIA

- HDFC Life
  - Sarvatha ke jivyo!

- ICICI PRUDENTIAL
  - LIFE INSURANCE

- Star Union Dai-ichi
  - LIFE INSURANCE
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

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

Return of NPS Schemes

Please click on the scheme name to get the respective return chart as on 31st 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"
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
Name / नाम
SOMAK BANERJEE

Father's Name / पिता का नाम
BISWANATH BANERJEE

Date of Birth / जन्म तारीख
16/04/1978

Permanent Retirement Account Number
110001293945

Subscriber Signature
Statement of Transaction

Statement Date: Jun 23, 2015 09:10 PM

<table>
<thead>
<tr>
<th>Name</th>
<th>SHRI SOMAK BANERJEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRAN</td>
<td>110001293945</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2015-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014-2015</td>
</tr>
<tr>
<td></td>
<td>2013-2014</td>
</tr>
<tr>
<td></td>
<td>2012-2013</td>
</tr>
<tr>
<td></td>
<td>2011-2012</td>
</tr>
<tr>
<td></td>
<td>2010-2011</td>
</tr>
<tr>
<td></td>
<td>2009-2010</td>
</tr>
<tr>
<td></td>
<td>2008-2009</td>
</tr>
</tbody>
</table>
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:

<table>
<thead>
<tr>
<th>Scheme Details</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 1: ICICI PRUDENTIAL PENSION FUND SCHEME E - TIER I</td>
<td>50.00%</td>
</tr>
<tr>
<td>Scheme 2: ICICI PRUDENTIAL PENSION FUND SCHEME C - TIER I</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

Investment Details

Account Status as of June 23, 2015

<table>
<thead>
<tr>
<th>Total Contribution (Rs)</th>
<th>No of Contribution</th>
<th>Total Withdrawal (Rs)</th>
<th>Current Valuation (Rs)</th>
<th>Notional Gain / Loss (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>34769.21</td>
<td>4</td>
<td>0.0000</td>
<td>44202.29</td>
<td>9433.08</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PFM/Scheme</th>
<th>Total Net Contribution (Rs)</th>
<th>Total Units</th>
<th>Latest NAV Date</th>
<th>Value at NAV (Rs)</th>
<th>Unrealized Gain / Loss (Rs)</th>
<th>Return on investment(XIRR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI PRUDENTIAL PENSION FUND SCHEME E - TIER I</td>
<td>16866.81</td>
<td>1068.5122</td>
<td>23-Jun-15</td>
<td>22774.59</td>
<td>5805.78</td>
<td></td>
</tr>
<tr>
<td>ICICI PRUDENTIAL PENSION FUND SCHEME C - TIER I</td>
<td>16889.06</td>
<td>1116.9184</td>
<td>23-Jun-15</td>
<td>21427.70</td>
<td>4438.64</td>
<td>11.35%</td>
</tr>
</tbody>
</table>

Total: 33657.87

44202.29
10244.42
Online Reset

Central Recordkeeping Agency

- Reset Password using secret question
- Instant Reset I-PIN
## Reset I-PIN

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRAN*</td>
<td></td>
</tr>
<tr>
<td>Subscriber Name*</td>
<td></td>
</tr>
<tr>
<td>Subscriber's Father's Name*</td>
<td></td>
</tr>
<tr>
<td>DOB *</td>
<td></td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
</tr>
<tr>
<td>New Password*</td>
<td></td>
</tr>
<tr>
<td>Confirm Password*</td>
<td></td>
</tr>
</tbody>
</table>

**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.

[Go to Nodal Office] [Generate OTP] [Reset]