



पेंशन निधि विनियामक और

विकास प्राधिकरण

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**PENSION FUND REGULATORY
AND DEVELOPMENT AUTHORITY**

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CIRCULAR

PFRDA/2017/11/PD/3

06 March 2017

To,

All Stakeholders in the National Pension System

Subject: Transfer of amount from recognised Provident Fund/Superannuation fund to National Pension System (Applicable for the individual employees)

1. With a view to facilitate transfer from recognised provident funds to the National Pension System (NPS), Clause (iv) in Rule 8 of Part A of the Fourth Schedule to the Income Tax Act has been inserted through the Finance Act 2016 so as to provide exemption from taxation to one time portability from a recognised provident fund to the NPS. Further, a sub clause (v) to section 10(13) of Income Tax act has been inserted so as to provide for the exemption from tax to any payment from an approved superannuation fund by way of transfer to the account of the employee under NPS referred to in section 80CCD and notified by the Central government. With introduction of this provision in the said clause, transfer of funds of an assessee employee from his existing superannuation fund to a pension account under National Pension System (NPS), is not liable to be treated as income of such assessee for the said Assessment Year.

2. Accordingly, in case the subscriber is interested to get his recognised provident fund/superannuation fund transferred to NPS, he may follow the below mentioned process:

- The subscriber should have an active NPS Tier I account which can be opened either through the employer (where NPS is implemented) by filling up the prescribed subscriber registration form or through the Points-of-Presence (POPs) (Banks/non-banks entities registered as POPs with PFRDA) or online through eNPS on the NPS Trust website www.npstrust.org.in
- The subscriber presently under Govt./Private Sector employment is required to approach the recognised provident fund/Superannuation Fund Trust through the current employer by giving request for transfer of his recognised provident fund / superannuation fund to his NPS account.

- The Recognised Provident fund/Superannuation Fund Trust may initiate transfer of the Fund as per the provisions of the Trust Deed read with the provisions of the Income Tax Act, 1961.
- The Recognised Provident fund/Superannuation Fund may issue the cheque/draft in the name of :

In Case of Govt. employee: **Nodal Office Name (PAO or CDDO Name)<> Employee Name<> PRAN (12 Digit No.)**

In case of Subscriber presently under Private Sector including All Citizen Model: **POP (Name of the POP) Collection Account-NPS Trust<>Subscriber Name<>PRAN (12 Digit No.)**

- In case of Government Employee, the employee should request the recognised provident fund/ Superannuation Fund to issue a letter to his present employer mentioning that the amount is being transferred from the recognised provident fund/ superannuation fund to be credited in the NPS Tier I account of the employee.
- The Present employer/POP i.e. nodal office shall while uploading the fund may mention the transfer from recognised provident fund/ superannuation fund in the remarks column while uploading it through Arrears mode. The upload may be made as per the request letter of the ex-employer.
- In case of Private Sector employee including subscriber covered under All Citizen model, the employee should request the recognised provident fund/ Superannuation Fund to issue a letter to his present employer/POP as the case may be mentioning that amount is being transferred from the recognised provident fund/ superannuation fund to be credited in the NPS account of the employee/individual Tier I account.
- The POP will get the amount collected and the same may be uploaded by the POP in the NPS account of the subscriber.

3. It may be noted that as per the provisions of the Income Tax Act, 1961 the amount so transferred from recognised provident fund/Superannuation Fund to NPS is not treated as income of the current year and hence not taxable. Further, the transferred recognised provident fund/superannuation fund will not be treated as contribution of the current year by employee/employer and accordingly the subscriber would not make IT claim of contribution for this transferred amount.

4. For further clarification, if any, the person may like to contact the undersigned on email akhilesh.kumar@pfrda.org.in , Telephone No. 011-26543158.

Yours faithfully



(Akhilesh Kumar)
Deputy General Manager