

# National Pension System (NPS)

# NPS

NPS(National Pension System) is a defined contribution based Pension Scheme launched by Government of India with the following objectives

- To provide old age income
- Reasonable market based returns over long run
- Extending old age security coverage to all citizens
- Tax Benefit \*

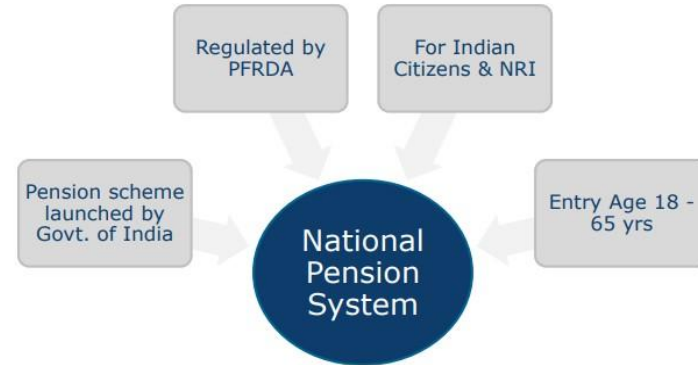
It is based on a unique Permanent Retirement Account Number (PRAN) which is allotted to each Subscriber upon joining NPS.

NPS available to all citizens of India, on a voluntary basis.

NPS accumulates savings into subscribers PRAN while he is working

Subscriber can withdraw accumulations at retirement and also use to procure a pension for the rest of his life.

The employees of corporate entities can also participate through "NPS-Corporate Sector Model".

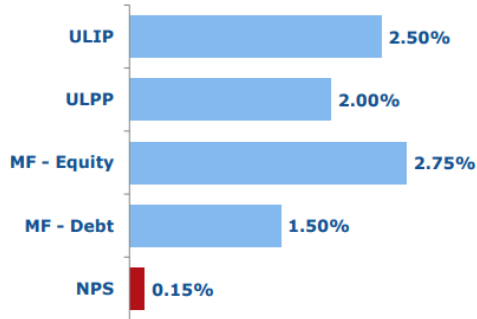


A Unique **Permanent Retirement Account Number (PRAN)** is allocated to each Customer / (subscriber) upon joining NPS

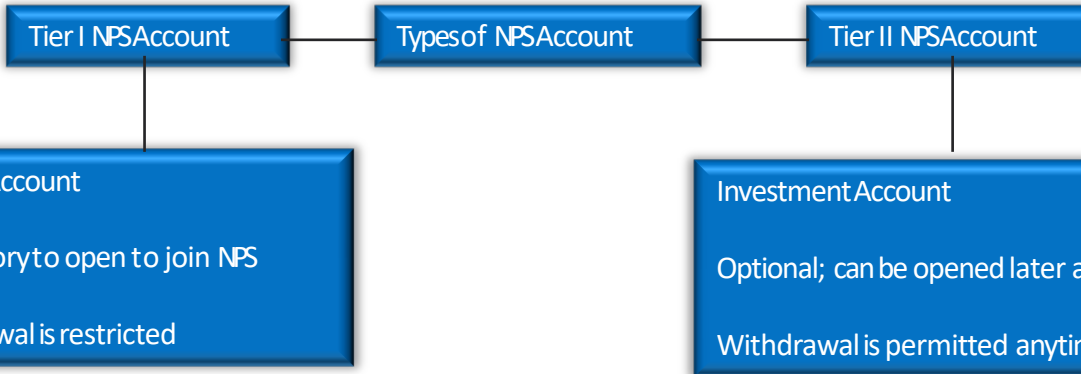
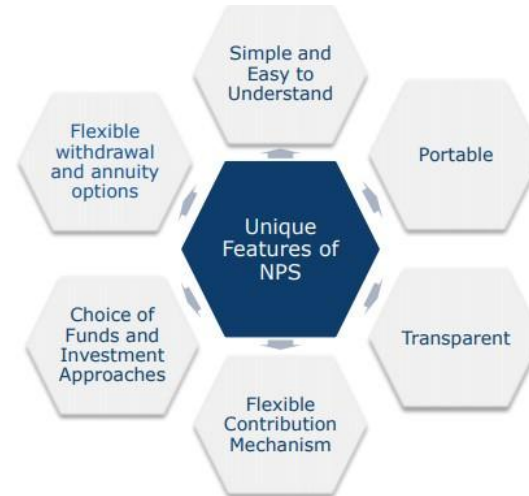
# NPS Scheme Details

## Most Economical Investment

Expense Ratio (as % of AUM)

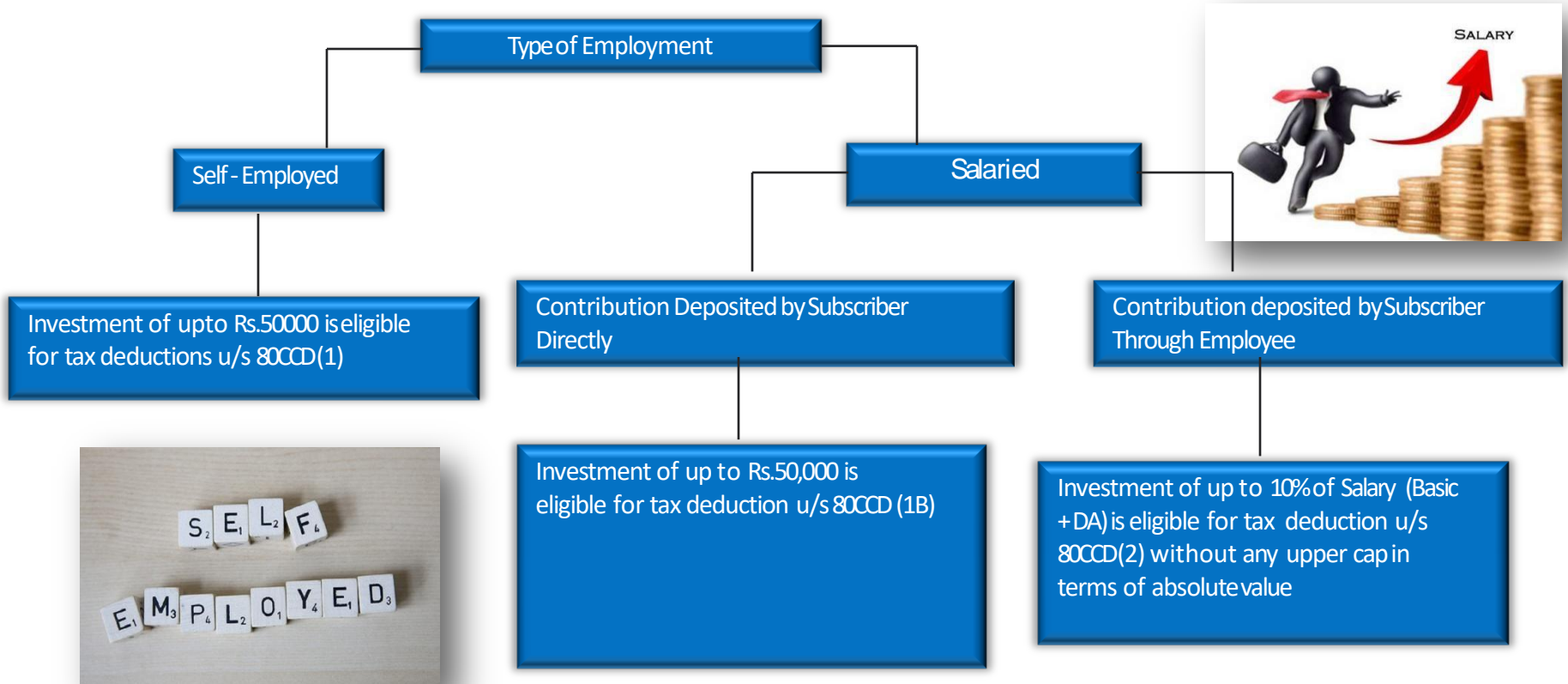


Calculated on an yearly investment of Rs. 50,000 for 10 years or more



Investment for availing of Tax Benefits is done only in Tier I NPS Account. There is no tax benefits in Tier II NPS Account

# NPS Tax Benefit



Tax benefits under 80CCD(1B) and 80CCD(2) are mutually exclusive and can be availed of at the same time

# NPS Eligibility

A citizen of India, whether resident or non-resident can join NPS, subject to the following conditions:

Subscriber should have age between 18 – 65 years

Subscriber should comply with the Know Your Customer (KYC) norms as detailed in the Subscriber Registration Form.

- Subscriber\_Registration\_Form\_CSRF ( Form Attached)
- Proof of Address
- Proof Of Identity
- Cancelled Cheque
- Initial Contribution Cheque ( Subscriber Contribution + Account Opening fees)

The following applicants cannot join NPS:

- OCI and POI in the category of people who cannot open NPS account
- Undischarged insolvent
- Individuals of unsound mind
- Pre-existing account holders under NPS

# NPS Scheme Details

## Investment of Funds

### Choice of Funds

- Asset Class E Equity (maximum allocation is 75%)
- Asset Class C Corporate Bonds / Fixed Income
- Asset Class G Government Securities
- Asset Class A Alternate investment (maximum allocation is 5%)

### Choice of 2 Investment Approaches

- Active Choice Active fund management by Subscriber across E, C, G and A funds (exposure to Fund E and A is restricted to 75% & 5% respectively)
- Auto Choice Investment across 3 funds (E, C and G) is done in a life cycle mode as per age of the Subscriber. It further offers choice between below 3 life cycle funds:
  1. LC-75 Aggressive Life Cycle Funds
  2. LC-50 Moderate Life Cycle Funds
  3. LC-25 Conservative Life Cycle Funds

### Choice of Pension Fund Manager (PFM)

- HDFC Pension Management Company Limited
- Reliance Capital Pension Fund Limited
- UTI Retirement Solutions Limited
- Kotak Mahindra Pension Fund Limited
- LIC Pension Fund Ltd
- SBI Pension Funds Private Limited
- ICICI Prudential Pension Funds Management Company Limited
- Aditya Birla Sun Life Pension Management Limited



# NPS Scheme Details

Funds allocation under different Life Cycle Funds – Auto Choice

Age (Yrs)	LC -75 Aggressive Life Cycle			LC -50 Moderate Life Cycle			LC - 25 Conservative Life Cycle		
	E	C	G	E	C	G	E	C	G
< = 35	75	10	15	50	30	20	25	45	30
36	71	11	18	48	29	23	24	43	33
37	67	12	21	46	28	26	23	41	36
38	63	13	24	44	27	29	22	39	39
39	59	14	27	42	26	32	21	37	42
40	55	15	30	40	25	35	20	35	45
41	51	16	33	38	24	38	19	33	48
42	47	17	36	36	23	41	18	31	51
43	43	18	39	34	22	44	17	29	54
44	39	19	42	32	21	47	16	27	57
45	35	20	45	30	20	50	15	25	60
46	32	20	48	28	19	53	14	23	63
47	29	20	51	26	18	56	13	21	66
48	26	20	54	24	17	59	12	19	69
49	23	20	57	22	16	62	11	17	72
50	20	20	60	20	15	65	10	15	75
51	19	18	63	18	14	68	9	13	78
52	18	16	66	16	13	71	8	11	81
53	17	14	69	14	12	74	7	9	84
54	16	12	72	12	11	77	6	7	87
> = 55	15	10	75	10	10	80	5	5	90

# NPS Scheme Details

## Exit from the Scheme (Closing NPS Account)

Subscriber can exit from the Scheme after 10 years of account opening or attainment of retirement age which ever comes first

### Premature Exit (Vesting Age < 60 years of age)

- Up to 20% of Corpus can be withdrawn in lumpsum
- Balance amount to be invested in Annuity
- If Corpus < Rs.1 lac, then Subscriber can withdraw the entire corpus

### Exit on Maturity (Vesting Age = 60 years of age)

- Up to 60% of Corpus can be withdrawn in lumpsum
- Balance amount to be invested in Annuity
- If Corpus < Rs.2 lac, then Subscriber can withdraw the entire corpus

Upon exit at the retirement age i.e. 60 years, Subscriber can avail either of the following flexibilities:

- Defer the Annuity investment for 3 years from retirement age Or
- Defer the Corpus withdrawal till 70 years of age Or
- Withdraw Corpus in lump sum or in installments (max 10) Or
- Keep on investing in NP still 70 years of age

In case the Subscriber opts to defer investment in Annuity or withdrawal, the amount remains invested and keep on growing



# NPS Scheme Details

Exit Rule for Subscribers joining post 60 years of age

## Exit on Maturity

- Subscriber can exit after completion of 3 years from the date of joining NPS
- Up to 60% of the corpus can be withdrawn in lump sum and balance has to be annuitized

## Pre-mature Exit

- Subscriber exiting before completion of 3 years would be considered as Premature exit
- Up to 20% of corpus in lump sum can be withdrawn and balance has to be annuitized

## Exit due to Death

- Subscriber can exit after completion of 3 years from the date of joining NPS
- Up to 60% of the corpus can be withdrawn in lump sum and balance has to be annuitized

Subscribers joining NPS post 60 yrs can continue to contribute max till 70 yrs however they do not have the option to defer annuity or lump sum withdrawal

# NPS Scheme Details

## Partial Withdrawal from the Scheme

- Allowed after 3 years of account opening
- Up to 25% of Subscriber's own Contribution can be withdrawn
- For specific purposes like Higher Education, Child's marriage, buying home or treatment of Critical illnesses etc
- Another 2 withdrawals allowed any time after the first withdrawal

Contribution for availing of tax benefits u/s 80CCD(2) is treated as Employer's Contribution and withdrawal is not be permitted on it



# NPS Scheme Details

## Tax Treatment on Exit from NPS

Partial Withdrawal

Pre – mature Exit

Exit due to Death

Corpus Withdrawn is tax exempt

Corpus withdrawn in lump sum is tax exempt  
40% of Corpus withdrawn in lump sum is tax exempt

➤ 60% of Corpus withdrawn in lump sum is tax exempt

Tax treatment on Annuity Amount invested in Annuity is tax exempt

Pension received is treated as Income and will be taxed appropriately, if falling into any tax bracket

# NPS Scheme Details

## Investment in Annuity

Subscriber can select any of the Annuity Service Providers and Annuity Schemes to get monthly pension post retirement



- Pension payable for life at a uniform rate to the Subscriber only
- Pension payable for 5, 10, 15 or 20 years certain and thereafter as long as Subscriber is alive

- Pension for life with return of purchase price on death of the Subscriber
- Pension for life with a provision of 50% or 100% of the annuity payable to spouse during his/her lifetime on death of the Subscriber

# NPS Scheme Details

Charges under NPS (Exclusive of GST)

Intermediary	Charge Head	Charges	Frequency of deduction	Mode of deduction
POP (Angel Broking Ltd.)	Subscriber Registration	Rs. 200/-	One time	Additional to contribution amount / paid by Subscriber up front
	Contribution Processing *	0.25%	On each Transaction	
	Non – Financial transaction Processing	Rs. 20/-		
	Persistency Charge (for active retail customers)	Rs. 50/-	Per annum	From NPS Account (by cancelling the units) on the last day of the calendar quarter
CRA (Karvy)	PRAN Generation	Rs. 39.36/-	One time	
	Annual Maintenance	Rs. 57.63/-	Per annum	
	Financial Transaction Processing	Rs. 3.36/-	On each transaction	
Fund Manager	Investment Management	0.01%	Per annum	Recovered through NAV deductions
Custodian	Asset Servicing	0.003%		

\*subject to minimum Rs. 20/- and maximum Rs. 25,000/- per contribution

# Documents to be collected for NPS Registration

Opening New NPS account of the customer, Customer needs to submit the below documents :

- Duly filled and signed CSRF form ( Only in Black Ink)
- One Passport Size Photo
- Self-attested copy of PAN Card (Compulsary)
- Self-attested copy of Address proof (Refer Annexure 1 , except copy of Aadhaar card)
- Cancelled cheque
- Contribution cheque in favor of POP "Angel Broking Limited - Collection A/c NPSTrust"
- NCIS Form

The above set of NPS form and supporting documents need to be sent to the POP Central Operations team Angel

Broking Limited

NPS Operation Team 5<sup>th</sup> Floor,

Akruti Star,

MIDC Central Road, Andheri (East) Mumbai -

400093

Share the Courier details in Attached Format to [npsoperations@angelbroking.com](mailto:npsoperations@angelbroking.com).

For all Product, Process, customer service and any other queries kindly mark an email to [npsproduct@angelbroking.com](mailto:npsproduct@angelbroking.com)

# Documents – Annexure 1

## List of documents accepted as valid KYC

Sr.No.	Identity Proof (Copy of anyone)	Address Proof (Copy of anyone)
1	Passport issued by Govt. of India	Passport issued by Govt. of India
2	PANCard issued by IT dept.	Latest Utility bill (Electricity/ Landline phone/ Water) in the name of the customer (not more than 2 months old) showing the address
3	Voter Id card with photo and residential address	Voter Id card with photo and residential address
4	Valid driving license with photo	Valid driving license with photo and residential address
5	Aadhaar Card/Letter issued by UIDAI	Latest Property house Tax receipt
6	Bank Passbook or certificate with photograph	Bank Passbook or statement with photograph and residential address

Please note copy of KYC documents needs to be self-attested by the customer and OSV stamp needs to be affixed by Sales personnel.

**Thank you**