



पेंशन निधि विनियामक और
विकास प्राधिकरण
बी-14/ए, छत्रपति शिवाजी भवन,
कुतुब संस्थागत क्षेत्र,
कटवारिया सराय, नई दिल्ली-110016.
दूरभाष : 011-26517501, 26517503, 26133730
फैक्स : 011-26517507
वेबसाइट : www.pfrda.org.in

**PENSION FUND REGULATORY
AND DEVELOPMENT AUTHORITY**
B-14/A, Chhatrapati Shivaji Bhawan,
Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016.
Ph : 011-26517501, 26517503, 26133730
Fax : 011-26517507
Website : www.pfrda.org.in

CIRCULAR

Circular No. : PFRDA/2017/32/Exit/2

Date:09.10.2017

To,

All stake holders - Government (Central/State), CABs/SABs / DTO/DTA / CDDO/PRAO /PAO/DDO, NPS Trust, CRA, Points of Presence (PoPs) , Retirement Advisers

Subject : Guidelines on deferment of lump sum & annuity and continuation of Tier-II accounts under National Pension System (NPS)

The Authority has notified the PFRDA (Exits and Withdrawals from National Pension System) Regulations, 2015 on 11th May, 2015 & its first amendment on 10th August 2017 and both are in force. This is in continuation of our circular no-PFRDA/2016/13/Exit/06 dated 27-07-2016 which has provided clarification on various aspects of continuation of the NPS accounts.

To provide more clarity and better understanding of various provisions of deferment and continuation of Tier-2 accounts as per regulations and operational guidelines ,we are issuing following guidelines related to deferment of lump sum & annuity and continuation of Tier-2 accounts under NPS :

Sl no	Query	CLARIFICATION
1	Can I defer my lump sum in case of pre-mature exit from the system?	No, subscriber cannot defer lump sum in the case of pre-mature exit from the system.
2	After the attaining the age of 60 years or superannuation, I realized that I would like to continue the NPS account. Can I exercise the option of continuation?	No, as per our exit & withdrawal system , CRA intimates the subscriber and associated office ,if any , 6 months prior the date of superannuation or age of 60 years that subscriber is going to superannuate or going to attain the age of 60 years and also prompts to complete all

Sl no	Query	CLARIFICATION
		the formalities related to exit including exercising the option of deferment of lump sum & annuity ,if required . This is sufficient time for the subscriber to decide the deferment before the age of 60 years or superannuation.
3.	Where employee- employer relationship exists and subscriber wants to continue after the date of superannuation, will employer help in uploading of contributions?	No, after availing the option of continuation as per prescribed process, subscriber has to shift his/her NPS account under individual capacity and continue. Employer shall not assist in the activities of NPS (otherwise willing to do) .
4.	On what corpus the mandatory minimum investment of 40% of the accumulated pension wealth on purchase of annuity would be applied i.e., the corpus available on the date of attaining 60 years or superannuation OR the corpus available at the time of exit after availing the benefit of further contributions to the NPS account .	<p>Minimum 40 % of the accumulated pension wealth available in the PRAN as on the date of final exit(any age after the continuation beyond 60 years or superannuation age) from NPS including those contributions and investment income that have been contributed and accrued to the account beyond the age of 60 years or the age of superannuation shall be mandatorily utilize for annuity purchase and remaining amount shall be paid as lump sum .</p> <p>In case of unfortunate death of the subscriber, exit & withdrawal conditions as specified in the regulations shall apply</p>
5.	Whether one can Exit at any point of time after giving request to continue to contribute to NPS say promise to contribute till 70 years.	Yes, a subscriber can Exit from NPS at any point of time after availing the benefit of continuing to contribute to NPS irrespective of the period of contribution indicated by the subscriber while submitting the request to continue to contribute to NPS.
6.	Can I avail the option of deferment of lump sum and	No, subscriber cannot avail the option of deferment of lump sum and annuity as

Sl no	Query	CLARIFICATION
	annuity during the extended period of contributions/continuation (after the age of 60 years or the superannuation age) ?	available before the age of 60 years of superannuation during the extended period because subscriber can exit the NPS system any time during the extended period as per his/her wish.
7.	Can subscribers who have joined the NPS system between the age of 60 years and 65 years avail the option of deferment of lump sum and annuity ?	<p>No, subscriber cannot avail the option of deferment of lump sum and annuity because he/she has option to continue in the system till the age of 70 years or leave the system any time .</p> <p>If subscriber exits the NPS system before continuing minimum 3 years from the date of joining , exit shall be treated as pre-mature exit and after 3 years it shall be treated as normal exit and exit rules as applicable to pre-mature or normal exit shall apply . For more details, please refer PFRDA (exit and withdrawal from NPS) (second amendment) regulations 2017.</p>
8.	Whether Tier II account can also be continued along with the Tier I when one opts for deferment of lump sum and annuity both after the age of 60 years or superannuation.	<p>Tier- II account shall continue:</p> <p>All the facilities other than one way switch available to Tier-II before the age of 60 should continue till closure of Tier-I (withdrawal of lump sum) or as decided by the subscriber to close the Tier-II.</p>
9.	Whether Tier II account can also be continued along with the Tier I when one opts for deferment of lump sum only after the age of 60 years or superannuation.	<p>Tier- II account shall continue :</p> <p>All the facilities other than one way switch available to Tier-II before the age of 60 should continue till closure of Tier-I (withdrawal of lump sum) or as decided by the subscriber to close the Tier-II.</p>
10.	Whether Tier II account can also be continued along with the Tier I when one opts for deferment of annuity only after	Tier-II shall be closed at the time of lump sum withdrawal from Tier-1.

Sl no	Query	CLARIFICATION
	the age of 60 years or superannuation.	
11.	Whether Tier II account can also be continued along with the Tier I when one opts for deferment of lump sum only with an option of phased withdrawal after the age of 60 years or superannuation.	Tier-II shall be closed at the time of first lump sum withdrawal from Tier-1.

Yours faithfully



(Venkateswarlu Peri)
Chief General Manager

09/10/17