

PRESS RELEASE

National Pension System (NPS) is an initiative of Pension Fund Regulatory and Development Authority (PFRDA), the apex body established by Government of India to regulate and develop the pension sector. NPS has been extended to all citizens of India with effect from 1st May 2009. To extend the coverage of NPS to the weaker and economically disadvantaged sections of the society with their limited investment potential, PFRDA has introduced **NPS-Lite** which specifically targets the economically disadvantaged sections of society and promotes small savings during their productive life. It aims at building up a corpus sufficient enough to buy an annuity for their old age.

"NPS-Lite Model" has been designed to ensure ultra-low administrative and transactional costs, for making such small investments viable. NPS-Lite works on a "group" model and shall be available through "Aggregators" appointed by PFRDA. It also aims at harnessing the outreach and capacity of the Government operated schemes, NGOs, MFIs, NBFCs etc. in targeting and servicing the old age savings needs of low income workers.

"Swavalamban Scheme" of Govt of India, which grants an incentive of Rs 1000 to all eligible NPS accounts shall be available to all NPS Lite account holders as well, if they meet the prescribed criteria.

"Andhra Pradesh Building and Other Construction Workers Welfare Board" has already been appointed as an aggregator under NPS-Lite for making NPS available to its more than a million potential member base.

Other details of NPS Lite are available at PFRDA website www.pfrda.org.in.