

Welcome Address – NPS Diwas on 1st October 2025¹

The Hon'ble Minister for Finance & Corporate Affairs, Secretary-Financial Services, the Chief Economic Adviser, dignitaries of the dais, ladies and gentlemen.

It is my privileged to be here today in the august presence of the Hon'ble Finance Minister to celebrate NPS Diwas, a significant day dedicated to National Pension System (NPS) – one of India's most robust and inclusive retirement saving schemes.

The introduction of the NPS in India marked a paradigm shift via a transition from a defined benefit to a defined contribution system. NPS provides a robust platform to provide pension product for all the strata of society and is designed to deliver a sustainable solution for having adequate retirement income in old-age.

The Preamble to the PFRDA Act, 2013, inter alia sets out the objective of providing old-age income security in India which is of a vital importance as the demography of the country is expected to change.

NPS was launched by the Government of India with the vision of providing every Indian citizen an opportunity to build a solid financial foundation for their future. At present, NPS has more than 9 Crores subscribers and AUM of Rs. 15.5 crores as on August 31, 2025 with a very presentable (CAGR) return from the market, more than 9% over the last fourteen years.

Atal Pension Yojana (APY) was launched in the year 2015, by the Prime Minister, and the scheme is implemented, with a focus on the unorganized sector and has shown remarkable growth in coverage with more than 8.25 crore enrolments and AUM of Rs. 47971 crores.

The NPS Vatsalya Scheme is a key step toward inclusive pension coverage, enabling guardians to create a regulated, long-term corpus for minors and dependents. It ensures financial dignity through specialized pension pay-outs and serves as an effective, legally protected, and tax-efficient succession planning tool for intergenerational security.

Considering the vast uncovered population of the country, a lot more needs to be done. The major challenge in extending the NPS to all citizens is increasing awareness and financial literacy among potential subscribers. We must focus on providing ease of onboarding to the subscribers across all strata of society.

In the current regime, improving the pay-outs under NPS is crucial to make the scheme a truly viable retirement solution. With rising life expectancy and inflation, the existing annuity returns often fall short of covering post-retirement needs. Enhancing pay-outs—either through better

¹ Welcome address by Shri S. Ramann, Chairperson, Pension Fund Regulatory and Development Authority (PFRDA) at the Inauguration of the NPS Diwas Conference on 'Inclusive Pensions, Innovative Solutions: Strengthening Retirement Security in India' on 01 October 2025 at New Delhi.

pay-out products, greater flexibility in withdrawals, or improved returns—ensures financial dignity, security, and independence for retirees. It also boosts public confidence in NPS, making it a more attractive and sustainable long-term social security tool.

Recognizing the need to strengthen India's pension landscape and to bring within its ambit a wider spectrum of contributors, the PFRDA is pleased to introduce the Multiple Scheme Framework (MSF). This reform is a significant step forward in expanding the outreach of NPS in the non-government sector, allowing greater flexibility, more personalized retirement solutions and aligned with global best practices in pension system design.

To realize long-term goals such as Viksit Bharat 2047, achieving a fully pensioned society is essential. Channelizing NPS savings into infrastructure, startups, and growth sectors can significantly enhance returns for subscribers through market-linked growth and compounding. By aligning long-term pension funds with nation-building investments, subscribers benefit from higher wealth creation, while the economy gains vital capital. This approach not only boosts retirement outcomes but also deepens financial inclusion, empowering individuals—especially from underserved segments—to participate in and profit from India's growth story.

Evolving pensions toward self-funded models fosters a pensioned society that is financially secure, resilient, and less dependent on government support. By encouraging individuals to take ownership of their retirement through schemes like NPS, we promote a culture of financial responsibility, long-term savings, and dignity in old age. This shift not only reduces fiscal pressure on the state but also ensures inclusive and sustainable social security for all.

On this NPS Diwas, the aim is to spread awareness and encourage people to take charge of their future by investing in this simple and reliable pension system. The earlier we begin, the better the benefits we can reap. As we all know, planning for the future is not just about accumulating wealth — it's about ensuring that we can live our post-retirement life with dignity and financial independence.

As we celebrate NPS Diwas today, let us encourage everyone around us — friends, family, colleagues — to take retirement planning seriously. Financial discipline, even in small steps, can go a long way in securing a brighter future. It's a step toward financial freedom, and by spreading awareness about NPS, we contribute to the larger goal of building a financially secure nation.

Let us remember that the best time to start planning for tomorrow is today. On this NPS Diwas, I urge everyone to take a moment to reflect on their financial goals and explore the possibilities offered by the National Pension System. The future is uncertain, but with the right planning, we can ensure it is secure.

Thank you, and I wish you all a financially bright and secure future.
