



पेंशन निधि विनियामक और विकास प्राधिकरण  
Pension Fund Regulatory and Development Authority  
A Public awareness initiative on old-age income security

## Retirement Planning and Tax Savings

Simply put, Retirement Planning calls for saving today for a bright tomorrow.

One of the key advantages of retirement planning- while saving for your future, you get to enjoy tax benefits today.

NPS comes with a unique mix of Tax advantages. Tax benefits are available for both salaried and self employed. NPS is an eligible instrument under IT Act for claiming Tax deductions.

## Advantage NPS- Benefits for Salaried Employees

Deduction upto 10 % of salary (Basic + DA) from taxable income- **u/s 80 CCD (1)\* subject to max. of Rs. 1.00 Lakh** within overall ceiling of Rs. 1.50 Lakh u/s 80 CCE\*.

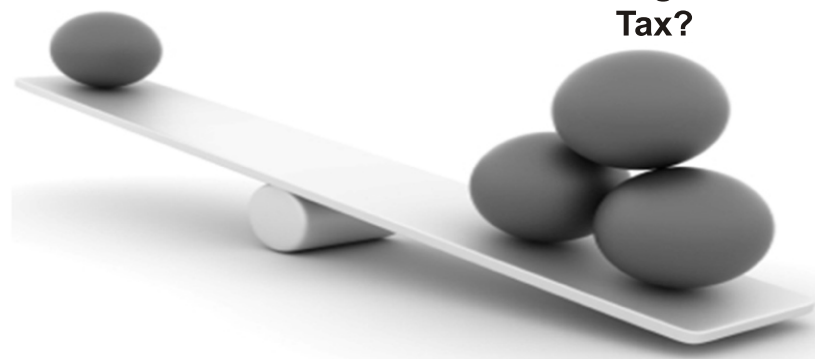
Most importantly, if your employer is also contributing towards your pension account, an **additional deduction** of 10 % of salary (basic + DA) **u/s 80 CCD (2)\*; this limit is over and above the overall ceiling of Rs. 1.50 Lakh u/s 80 CCE\*.**

Illustration for Corporate Employee		
(Amounts in Rs. Lakh)	With NPS contribution only from employee	With NPS contribution from employee and employer
Salary (Basic+DA)	15.00	15.00
Allowances	3.00	1.50
NPS Co-Contribution (10% of Salary)	Nil	1.50
<b>Total Salary</b>	<b>18.00</b>	<b>18.00</b>
Total Deductions u/s 80 CCD(1) if subscriber contributes 10% of salary to NPS	1.00	1.00
Deduction u/s 80 CCD(2) on employer contribution	Nil	1.50
Taxable Salary	17.00	15.50
Tax (including surcharge) with NPS	3.45	2.99
Total Tax payable (including surcharge) without NPS	3.76	3.76
<b>Tax Saving by investing in NPS</b>	<b>0.31</b>	<b>0.77</b>

\*Sections referred are from Income Tax Act, 1961, as amended from time-to-time.

\*\*Tax Slabs for AY 2015-16

## Savings for Retirement?



**One weighing more than the other on your mind?**

## Consider a BALANCED APPROACH

Consider



To know more about NPS or your nearest POP-SP call on Toll Free Number

**1800 110 708**

OR

**SMS**

**NPS to 56677\***

\*Standard charges applicable.

OR

Visit our website

**www.pfrda.org.in**

## Advantage NPS- Tax Benefits for Corporates and Employers

You are a Corporate if you are a proprietorship concern, a partnership firm, an SME, a Pvt./ Public Ltd. Co., a PSU or an MNC etc.

As "Corporates", if you are providing towards the NPS contributions of your employees you can claim that as a **Business Expense for Tax deduction-** upto 10% of salary **u/s 36 (1) iv (a)\*.**

## Advantage NPS- Benefits for Self employed Individuals

Deduction from taxable income **u/s 80 CCD (1)\* subject to maximum limit of Rs.1.00 Lakh**, within overall ceiling of **Rs.1.50 Lakh u/s 80 CCE\*.**

## What is NPS?

A highly efficient, technology driven system to save small amounts today, to build a fund for life's second innings.

## Why NPS?

- Low Cost Product
- Tax benefits for Individuals, Employees and Employers
- Attractive Market Linked Returns
- Safe, Secure and Easily Portable
- Professionally Managed by Experienced Pension Funds
- Regulated by **PFRDA**, a Regulator set up through an Act of Parliament

## Who Can Join?

You can join, if you are any or all of the following:

- Citizen of India; Resident or Non-Resident
- Age between 18-60 years, as on date of joining
- Salaried or Self Employed

## Where can I open NPS account?

At any of the Points of Presence-Service Provider (POP-SP), authorized by PFRDA.