

National Pension System (NPS) : Govt. Sector

Sr. No.	Question	Answer
1	What is the role of PFRDA?	As per PFRDA Act 2013, PFRDA is a Regulatory Authority to promote old age income security by establishing, regulating and developing pension funds, to protect the interest of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.
2	What is National Pension System?	<p>“National Pension System” (NPS) means the contributory pension system referred to in section 20 of PFRDA Act whereby contributions from a employee/subscriber are collected and accumulated in an individual pension account called PRAN using a system of Govt. nodal offices, central recordkeeping agencies and pension funds as may be specified by regulations and on exit such collected amounts are paid along with returns thereon, partly in lump-sum to the employee-subscriber and partly (at least 40% of the accumulated amount) as annuities/ periodic pension through the Annuity Service Providers which are life insurance companies.</p> <p>The Central Government has introduced the Defined Contribution based Pension System known as the National Pension System (NPS) replacing the system of Defined Benefit Pension with effect from January 01, 2004 vide the Ministry of Finance (Department of Economic Affairs) notification No 5/7/2003 PR dated 22/12/2003. All State Governments (except Tamilnadu, Tripura & West Bengal) have also implemented NPS for their employees/ employees of the State Autonomous Bodies from the specified dates, mentioned in their respective notifications.</p>
3	Who are covered by the NPS?	NPS is applicable to all employees joining services of Central Government including Central Autonomous Bodies (except Armed Forces) on or after 1st January 2004. Many State Governments have adopted NPS architecture and implemented NPS mandatorily through Gazette Notifications for their employees joining from the specified dates, mentioned in their respective notifications.
4	How does NPS differ from old pension?	<p>The old pension scheme of Government of India is based on the last pay drawn of the employee and is paid after certain minimum service.</p> <p>NPS is referred as Defined Contribution Pension System (DCPS) in which the employer and employee both contribute for building a pension wealth payable at the time of retirement/premature exit/death by way of annuity and lump-sum withdrawal as per norms.</p>

5	What is a PRAN?	PRAN is an acronym for Permanent Retirement Account Number, a unique number provided to each subscriber under NPS which is portable across locations and employments.
6	Are bank details, mobile number, Aadhar, PAN, CKYC identifier and FATCA declaration mandatory for opening NPS account?	As per the current Common Subscriber Registration Form (CSRF) Bank details, mobile number, PAN, FATCA declaration are mandatory field however, CKYC identifier (if available with subscriber) and Aadhar details are optional information required for opening NPS account.
7	What are the KYC documents required for generation of PRAN?	Identity and address proof are the key KYC documents. Details of the KYC documents required are available with Composite Subscriber Registration form (CSRF).
8	Can PRAN be generated for employees who have already expired/left the organization?	No. Registration of subscribers is not permitted under NPS who have expired or left the organization.
9	Can a subscriber use the same PRAN if he shifts from Govt sector to Private or vice-versa/Central Govt to State Govt or vice-versa.	Yes. As PRAN is unique and portable across employment & location, NPS contributions can be uploaded by the current employer in the same PRAN allotted by previous employer, after completion of Inter-sector shifting (ISS).
10	What is the process of Inter Sector Shifting (ISS), how it can be done?	A subscriber can shift from his current sector to any other sector like Central Government, State Governments, All Citizens of India sector (UOS) and Corporates through 'Inter Sector Shifting' functionality. With the help of this feature, a subscriber can continue with the same PRAN irrespective of his geographical location and employment status till he/she exits from NPS. For shifting PRAN from Government sector to UOS, the Subscriber can approach any of the POP rendering services under NPS and submit Form ISS-1 (Inter Sector Shifting form). Form ISS-1 is available on the CRA website - www.npscra.nsdl.co.in . The target PoP will facilitate the shifting of PRAN along with accumulated NPS contributions. While for shifting from UOS to Corporate/Govt. sector employer, subscriber may submit his ISS-1 form to such current employer for completing ISS.

11	Can a subscriber obtain/ use more than one PRAN?	<p>No, an individual is permitted to have only one PRAN which is unique, permanent and portable across jobs/employments and locations.</p> <p>If a subscriber possesses more than one PRAN by any chance, the concerned Nodal office can deactivate the duplicated PRAN by initiating a request with CRA.</p>
12	Who can be a nominee and how are the details to be filled in the form?	<p>Only an individual can become a nominee. Subscriber can nominate a maximum of three nominees and a subscriber cannot fill the same nominee details more than once. Decimals/fractional values for allocation of shares are not accepted in the nomination(s). Sum of percentage share across all the nominees must be equal to 100. If sum of percentage is not equal to 100, entire nomination will be rejected. If a nominee is a minor, then nominee's date of birth and guardian details shall be mandatory. The registration of nominee details will not be done unless all details are duly filled up in the form. A subscriber may refer the instructions for nominations available in the Common Subscriber Registration Form (CSRF)</p>
13	Who can become nominee under NPS?	<p>A subscriber, at the time of joining the National Pension System is required to make a nomination mandatorily, in the prescribed form, conferring on one or more persons the right to receive the amount. For the purpose of nomination referred above, the 'family' means</p> <ul style="list-style-type: none"> ➤ in the case of a male subscriber, his legally wedded wife, his children, whether married or unmarried, his dependent parents and his deceased son's widow and children: ➤ in the case of a female subscriber, her legally wedded husband, her children, whether married or unmarried, her dependent parents, her husband's dependent parents and her deceased son's widow and children.
14	What is Non-IRA PRANs? What are the advantages & benefits of IRA compliance?	<p>Non-IRA subscribers are those whose PRANs were generated on request of their Governments based on their few personal data but not yet submitted Common Subscriber Registration Form (CSRF) and due to which their addresses, photographs and signatures (i.e. complete KYC details) are not maintained in the CRA system.</p> <p>Advantages & Benefits of IRA Compliance to Subscribers:</p>

		<ol style="list-style-type: none"> 1. PRAN cards are issued to all IRA compliant subscribers. 2. Subscriber can check their account balance online using I-PIN. 3. Subscriber can lodge a complaint against any entity using I-PIN. 4. Subscriber can access CRA toll free helpline using T-PIN. 5. No proof of identity and address is required during activation of Tier II account. 6. Value Added Services like online email alerts, SMS alerts etc.
15	What one should do if there are changes in PRAN data?	Subscriber can update his / her details in Tier I in CRA system by submitting a change request Form S2 to the concerned office to which the subscriber is linked. Subscriber may make some changes in his personal information online using I-PIN or through NPS mobile application available at Google android play store/App store.
16	What are the roles of Principal Account Office (for CG) Directorate of Treasury & Accounts (for SG) under NPS?	<p>The Principal Accounts Office (PrAO)/ Directorate of Treasury & Accounts (DTA) act as the oversight authority in NPS monitoring. As per the standard operating procedure for NPS, the PrAO/DTA is required to discharge several functions, most of which are in the nature of monitoring performance of the registered nodal offices under its jurisdiction. The nature of activities required to be carried out by the PrAO/DTA may be summarized as under:</p> <ol style="list-style-type: none"> 1. Consolidate PAO/DTO/ Nodal Office registration forms and forward it to CRA for registration. 2. Monitor the performance of PAO/DDO/DTO/ Nodal offices in discharging their responsibilities in CRA system. 3. Monitor the resolution of grievances raised against PAO/DTO/ Nodal office 4. Take necessary action to ensure compliance of PAO/DDO/DTO with the operational procedure of CRA system and adherence to various circulars/guidelines/ regulations issued by PFRDA.
17	Is NPS applicable to employees of Central Autonomous Bodies?	Yes. In line with the decision of GOI to introduce NPS for new entrants joining central government services on or after 1/1/2004, it has been decided vide OM 1(13)/EV/2001 Dt 13/11/2003 Department of Expenditure, Ministry of Finance that all new entrants in all Autonomous Bodies under various Central Ministries/Departments recruited on or after 1/1/2004 will also be governed by the NPS.

18	How can the Central Autonomous Bodies join NPS?	Department of Expenditure, Ministry of Finance , GOI vide its OM No 1(13)/EV/2008 Dt 30/1/2009 advised all Central Autonomous Bodies to submit Letter of Consent (LOC) indicating their formal commitment towards discharging their obligations under NPS to PFRDA through the Financial Advisors of their respective Ministries/ Departments.
19	Is transition from contributory Provident Fund to Defined Contribution Pension Scheme (NPS) permitted for the employees of Autonomous Bodies, who have joined prior to 01-01-2004? What will be the date of effect in case of transition from CPF to NPS in case of employees who joined prior to 01.01.2004? What are the salient features of this scheme?	<p>Yes. The organizations are permitted to shift to NPS in respect of employees who have joined before 1/1/2004 vide OM No 1(2)/EV/2007 dated 30-06-2009 issued by Department Of Expenditure Ministry of Finance. Date of effect will be the date when such option is exercised by the concerned employee.</p> <p>The other detailed operational features are as follows,</p> <ol style="list-style-type: none"> a. The existing corpus of CPF (both employees and employers') would be transferred to his NPS account / PRAN. b. In order to facilitate the transition from CPF to NPS, the autonomous body would make in addition one time ex gratia payment of 10% of the employer's contribution for each of the employees opting to switch over to NPS. c. Recurring monthly contribution by employee @ 10% of Basic Pay + DA and a matching contribution by the autonomous body would be payable. d. The employer's contribution would be payable from the month the organization/employee shifts over to NPS and would be limited to 10% of Basic Pay + DA.
20	Is NPS applicable to employees of State Autonomous Bodies?	Many State Governments have adopted NPS architecture and implemented NPS for the employees of State Government as well as for the employees of Autonomous bodies, State PSUs, Corporations, Boards, if notified in their respective gazette notifications.
21	Is NPS applicable to Members of All India Service joining the All India Services on or after 1/1/2004	Yes and contribution to NPS is mandatory for all members of All India Services joining the service on or after 1/1/2004 as specified in No 25014/14/2001-AIS II Dt 8/9/2009 issued by Ministry of Personnel, Public Grievances and Pensions.
22	From where I can get Subscriber Information Brochure?	For accessing the latest (updated) Subscriber Information Brochure, subscribers may be visit PFRDA website as NPS->Govt Sector Model-> Subscriber Information Brochure.

23	<p>What is Tier I and Tier II account? Are they different?</p>	<p>Under NPS, two types of account would be available to subscribers i.e., Tier I & Tier II. Tier I account is a pension account where a subscriber contributes his / her savings for retirement and in this account partial withdrawals are permitted subject to fulfillment of certain requirements. While Tier II account is a voluntary investments account in which subscribers are free to deposit or withdraw the contributions whenever he/she wishes. An active Tier I account along with PRAN is a pre requisite for opening of a Tier II. Furthermore, since Tier II is a voluntary investment account, the government does not co-contribute any amount into Tier II account.</p>								
24	<p>How much can a subscriber contribute towards his Tier I account?</p>	<p>A subscriber contributes 10% of his Salary +DA into his Tier-I (pension) account on a mandatory basis every month which is invested along with the matching contribution from the employer. On voluntary basis, subscriber may contribute through various modes i.e. PoPs, Nodal Office and e-NPS.</p>								
25	<p>How can one open a Tier II account, what are the investment options and choice of PFMs available under Tier-II?</p>	<p>An active Tier I account/ PRAN is a pre requisite for opening of a Tier II. Any government employee who has an active Tier I account can approach to his associated DDO/PAO or any POP-SP or through e-NPS (online channel) for activation of Tier II account. Subscriber can choose one Pension Fund and decide investment pattern (Active or Auto choice). For detailed information on investments, subscriber may visit PFRDA website-> All Citizen Model-> Investment Choices.</p>								
26	<p>What is the investment-pattern for Government employees?</p>	<p>Following is the investment pattern for Govt Sector:</p> <table border="1" data-bbox="716 1047 1407 1464"> <thead> <tr> <th data-bbox="716 1047 1062 1088">Particulars</th> <th data-bbox="1062 1047 1407 1088">Exposure Limits</th> </tr> </thead> <tbody> <tr> <td data-bbox="716 1088 1062 1214">Government Securities & related investments</td> <td data-bbox="1062 1088 1407 1214">Upto 50%</td> </tr> <tr> <td data-bbox="716 1214 1062 1341">Debt Instruments & related investments</td> <td data-bbox="1062 1214 1407 1341">Upto 45%</td> </tr> <tr> <td data-bbox="716 1341 1062 1464">Short term debt instruments & related investments</td> <td data-bbox="1062 1341 1407 1464">Upto 5%</td> </tr> </tbody> </table>	Particulars	Exposure Limits	Government Securities & related investments	Upto 50%	Debt Instruments & related investments	Upto 45%	Short term debt instruments & related investments	Upto 5%
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		Equity & related investments	Upto 15%
		Asset backed trust structured & Miscellaneous investments	Upto 5%
		Three funds managers – SBI Pension Fund, UTI Retirement solution, and LIC Pension Fund.	
		For accessing the latest guideline, the pension fund section may be visited in PFRDA website in Intermediaries->Pension Funds-> Circulars.	
27	Is there any timelines on upload of SCF and remittance of funds?	The timelines are specified in OM No 1 (7) 2003 / TA / Partfile/ 279 Dt 2/9/2008 issued by Department of Expenditure, Office of CGA, Ministry of Finance; applicable to Civil Ministries only i.e.: DDOs must submit salary bills to PAOs by 20th , PAO/CDDOs should upload the subscriber contribution files(SCFs) on NPSCAN and obtain the Transaction ID by the 25th of each month. Further, the remittance of NPS contributions (Government's and employees) through RTGS/NEFT should be credited to the account of the Trustee Bank by the PAO on the last working day/salary day of each month for that month.	
29	How I can get Statement of Transactions (SoT)/check my NPS account balances?	Subscriber s can access their SoTs at NPS mobile app/ online login using I-PIN without intervention of concerned office. CRA-NSDL sends SoTs to all subscribers once in a year at their registered postal addresses. Further, subscriber may also approach DDOs/Uploading offices for downloading his SoTs using their official login ids at CRA system.	

30	<p>Are there any tax benefits on NPS contributions for the central government employees?</p>	<p>Tax Benefits:</p> <p>(i) On Employee's contribution: Employee's own contribution is eligible for tax deduction under sec 80 CCD (1) of Income Tax Act up to 10% of salary (Basic + DA). This is within the overall ceiling of Rs. 1.50 Lacs under Sec. 80 CCE of the Income Tax Act.</p> <p>(ii) On Employer's contribution: Up to 10% of Basic & DA (no monetary ceiling) under 80CCD (2). This rebate is over and above 80 CCE limits of Rs 1.50 lacs.</p> <p>(iii) From F.Y. 2015-16, subscriber is being allowed tax deduction in addition to the deduction allowed under Sec. 80CCD(1) for contribution in his NPS account subject to maximum of Rs. 50,000/- under Sec. 80CCD 1(B). At present, At the time of exit, the amount utilized for purchase of annuity is tax exempted. From 1st April, 2016, 40% of the total accumulated corpus under NPS has been made tax free. Further, from FY2017-18 onwards, partial withdrawals will be treated as tax free.</p>
31	<p>How does a subscriber register his grievances/ complaints?</p>	<p>A subscriber can contact his associated PAO/ DTO through his DDO, for resolving his/her grievance, if against the PAO/ DTO. In case grievance pertains to other intermediaries subscriber can lodge grievance in CGMS of CRA or take help of, DDO/PAO/DTO who will lodge the grievance on behalf of subscriber in CGMS.</p> <p>Subscriber can also raise the grievance/complaint through Call Centre using T-PIN or through CRA website using I-PIN. A subscriber can also send a duly filled G1 form to CRA .Subscriber can check the status of the grievance in CRA website at https://cra-nsdl.com/CRA/grievanceStatusLim.do. Further, grievance may be lodged through NPS mobile app.</p>
32	<p>What to do if the grievance has not been resolved by the concerned entity.</p>	<p>Every grievance lodged shall be disposed off within a period of thirty days of its receipt and a final reply shall be sent to the complainant, containing details of resolution of the grievance. If the complainant is not satisfied with the redressal of his grievances or if it has not been resolved by the intermediary within stipulated period of 30 days, he may escalate the grievance to the National Pension System Trust which is the second level of escalation matrix and if remain unresolved, may be escalated to Ombudsman.</p> <p>For Complete information on the issue, please refer to the PFRDA (Redressal of Subscriber Grievance) Regulations, 2015 notified under the provisions of PFRDA Act, 2013.</p>

33	How I can get more details on Exit/withdrawal /partial withdrawal?	Please refer FAQs available at PFRDA website in Exit from NPS->Exit procedure from NPS-> FAQs
34	Whether any Mobile application for NPS is available?	<p>Yes, NPS app may be downloaded from play store in Android and from</p> <p>Subscribers can perform following functions via the NPS App (available in “Google Play Store” as “NPS by NSDL e-Gov”) on the go:</p> <ul style="list-style-type: none">• View Account details• Request for FY wise Transaction Statement• Statement of Holding (SOH) View• View last 5 contributions• Change in address and contact details• Change password and security questions• Change scheme preference• Aadhaar Seeding• Reset Password using OTP• Tier II withdrawal• Option to raise grievance and view status of grievance• Pension and Return Calculator• Link for Subscriber Registration through eNPS