



**पेंशन निधि विनियामक और
विकास प्राधिकरण**

बी-14/ए, छत्रपति शिवाजी भवन,
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**PENSION FUND REGULATORY
AND DEVELOPMENT AUTHORITY**

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Circular

PFRDA/2016/5/Exits/01

03.03.2016

Subject: Clarifications on Settlement of Claims Relating To Exits, Involving Purchase of Annuities.

1. Whereas the Authority has notified the PFRDA (Exits and Withdrawals from National Pension System) Regulations, 2015 on 11th May, 2015 and is in force.
2. Number of claims have been received post the notification of the regulations covering pre-mature exits and also pertaining to claims arising out of the death of the subscriber under NPS. It has been brought to the notice of the Authority that as default annuity schemes mentioned under Regulation 3 of the PFRDA (Exits and Withdrawals from National Pension System) Regulations, 2015 have not been made available by the Annuity Service Providers yet, these claims could not be settled and thus there exists a difficulty in settling claims in accordance with the aforesaid Regulations.
3. The Authority having considered and upon being satisfied that the claims of the subscribers are not being able to be processed and settled in accordance with Regulation 3 of the PFRDA (Exits and Withdrawals from National Pension System) Regulations, 2015 and to ensure that the interest of the subscribers are protected in this regard, has decided that till the time the default annuity schemes as mentioned under aforementioned Regulation 3, are made available to the subscribers, the claims both present and future shall be settled in the following manner:

1.	Existing Provisions	Removal of difficulty
	Regulation 3 (b) applicable in case of pre-mature exit (to extract proviso from regulations) In place of default annuity scheme	Any annuity scheme provided by the Annuity Service Provider such that scheme shall mandatorily cover the spouse of the subscriber.

2.	Regulation 3 (c) applicable in case of death (to extract proviso from regulations)	The entire accumulated pension wealth (100%) would be paid to the nominee/legal heir of the subscriber and there would not be any purchase of annuity/monthly pension.
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4. The above provisions for removal of difficulty shall be in force till the default annuity schemes are devised by the Annuity Service Providers and made available to the subscribers, and shall cease on a date notified by the Authority, whereafter settlement of claims shall be in accordance with the applicable provisions of the regulations. All other provisions of settlement including settlement of lump sum pension wealth shall be continued to be governed by the applicable provisions of the regulations.
5. This clarification for removal of difficulty is issued by the Authority in exercise of its powers under Section 14 of the Pension Fund Regulatory and Development Authority Act, 2013 read with Regulation 39 of the PFRDA (Exits and Withdrawals from National Pension System) Regulations, 2015.

Yours faithfully



(Subroto Das)
Chief General Manager

To,

CEO, National Pension System Trust

Central recordkeeping Agency

Pension Funds

Trustee Bank

Govt Nodal Offices

Annuity Service Providers