



PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

PRESS RELEASE

POP CONFERENCE ON NPS

PFRDA organised its POP conference on National Pension System on 9th May, 2016 at the India Habitat Centre (IHC), New Delhi. The prime objective of the conference was to provide a platform to discuss and deliberate on key issues encountered in the coverage of pension sector, the budget announcements relating to the tax benefits and the need and ways to expand the pension coverage across the country. The conference saw an active participation of all the major public and private sector Banks and the non-Bank Point Of Presence (POPs).

In the inaugural address, Dr Badri S Bhandari, Whole Time Member, PFRDA welcomed the participants and brought to fore the scope of improvement vis a vis performance of the POPs in expanding the coverage of NPS in the Private and Corporate segment while acknowledging the good work done by some of the POPs. Currently, the unorganised (all citizen segment) and the Corporate sector comprises of only 5.6% of the subscribers and 9.0% of the AUM under NPS and only 7500 out of 55600 POP branches i.e. 13%, are active in sourcing NPS accounts. He emphasised the need for the activation of all the branches of POPs who are the eyes and face of the system and awareness creation and quality service to the subscribers. He informed that PFRDA is exploring the development of NPS module linked with core banking solutions of the Banks in line with the APY module.

Shri Hemant G. Contractor, Chairman, PFRDA, in the keynote address, stressed upon the need to expand the coverage of pension sector across the informal sector in the country which occupies almost 90% of the workforce. India has the highest percentage of informal workforce in the world, which is largely uncovered by any pension scheme. The demographic changes impacting the need to provide for pension includes increasing longevity, nuclear families and the ever increasing proportion of old age people, especially women whose longevity is higher. These factors have brought the issue of pension centre stage in most of the policies of nations worldwide. NPS has the advantage of market commensurate returns, flexible options, transparency and low cost. He also added that effort was required to meet the challenges facing the unorganised sector including low awareness, low income levels and the lack of long term vision to save for the future. Moreover, 10% of the senior citizen population in the world resides in India and this number would increase from current 100 million to 300 million by 2050 and hence the sense of urgency to expand the coverage to meet the challenge of exponentially increasing fiscal pension liability. PFRDA is planning a nationwide training programme for all the government and non-government nodal



offices primarily to increase the awareness and expand the reach of NPS into the nooks and corners of the country.

The event was graced by presentations by eminent partner and tax expert Mr Kuldip Kumar, PricewaterhouseCoopers Pvt. Ltd. and Mr Kulin Patel, Actuary and Analyst, Willis Towers Watson. The eminent speakers brought to light various tax benefits available under NPS especially section 80CCD (1) and 80 CCD (1B). For Corporates, NPS entails no additional costs but offers attractive tax benefits. NPS stands at a very advantageous position in comparison to superannuation funds and there is a need to spread the awareness about benefits under NPS.

An award function was also hosted during the conclave during which awards were distributed to the best performing Points of Presence for their performance in the National Pension System during 2015-16. HDFC Securities Limited received the award for being the best POP under All citizen model, Corporate model and Private sector. State Bank Of India won the award under the category of highest POP branches activation. ICICI Securities Ltd won under the category of best POP-branch with highest subscriber registration.

Currently, NPS has more than 1.20 crore subscribers with total Asset Under Management (AUM) of more than Rs.1.20 Lakh crores.

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