

## **Frequently Asked Questions**

- ***What is New Pension System?***  
Pension Fund Regulatory and Development Authority [PFRDA] has been established by the Government of India, Ministry of Finance to promote old age income security. The Government has authorized PFRDA to extend NPS on a voluntary basis to all citizens of India including workers of the unorganized sector. The NPS is now available to all citizens of India (other than Government employees already covered under NPS) w.e.f **May 1<sup>st</sup> 2009**.
- ***Who shall be responsible for protecting my interest as a NPS subscriber?***  
**PFRDA** is the Regulator for the NPS and will endeavor to protect the interests of the subscribers.
- ***What is the process of enrolling in NPS?***  
You would be required to go to your nearest Collection Centre / ISSL Point of Presence (POP) office and submit the subscriber registration form along with 2 sets of self attested prescribed address proof identity proof & One Passport sized photograph .On registration, you shall receive the Permanent Retirement Account Number (**PRAN**) from Central Record Keeping Agency (**CRA**)
- ***Who cannot join?***
  - Undischarged insolvent – Individuals who are not granted an order of discharge by a court.
  - Individuals of unsound mind .
  - Pre-existing account holders under NPS .
- ***On registering myself as an account holder will I be issued a certificate?***  
On registering yourself as an account holder, you will receive a welcome kit from Central Recordkeeping Agency (CRA) along with a Permanent Retirement Account Number (PRAN) card bearing your photo, PRAN no., Internet Password (IPIN) for accessing your account on the CRA website [www.npscra.nsdl.co.in](http://www.npscra.nsdl.co.in) and other details.
- ***What will happen if I relocate to another city or country?***  
The PRAN shall remain the same and you shall be able to access your Permanent Retirement Account from anywhere in India, based on the I-PIN sent to you by the CRA.
- ***Will I get printed Account Statement?***  
CRA shall provide annual account statement to the subscriber. The statement shall also be available on CRA website [www.npscra.nsdl.co.in](http://www.npscra.nsdl.co.in).
- ***What are the lower and upper limits for contribution?***  
The permissible minimum amount for contribution is Rs.500/-..There is no upper limit set for contribution.

- ***What are the investment options available?***

You can choose either the **Active Choice** or the **Auto Choice** option.

**Active Choice** : You will be required to choose your asset class viz Equity (**E**), Government Securities (**G**) and Corporate Bonds (**C**). The total percentage allocation should be 100%. The percentage allocated to Equity should not be > 50%. Here your contributions shall be invested in E, C or G asset classes as per the instructions given by you.

**Auto Choice**: Here the investments shall be invested in **E**, **C** or **G** asset classes in the percentage allocations as prescribed by PFRDA depending on your age.

In case of Auto choice, you are not required to choose the asset class. Even if you choose the asset class the same will be ignored and investments will be made as per Auto choice.

- ***Is it mandatory to select the Pension Fund Manager (PFM)?***

Yes, it is mandatory to select one PFM from the six PFMs listed in the form while opting for either Active Choice or Auto Choice. However multiple selections of PFMs are not permitted.

- ***Will I be permitted to change my preference of PFM?***

Yes. You shall be allowed to switch from your existing PFM to another PFM once a year by submission of a duly filled change request form to ISSL.

- ***Can I exit before attaining the age of 60 years?***

Yes, you can exit the system before attaining the age of 60 years provided you annuitize at least 80% of the pension wealth at superannuation to purchase a life annuity from any IRDA-regulated life insurance company. Rest 20% of the pension wealth may be withdrawn as lump sum.

- ***Can I be a part of the system after attaining the age of 70 years?***

No, you have to compulsorily withdraw from the system on or before attaining the age of 70 years.

- ***What if I don't exit the system at or before 70 years?***

If you don't request withdrawal before 70 years, then on attaining age 70 years, your account would be closed with the benefits transferred to you.

- ***Can I exit the system in phases over the age band of 60 to 70 years?***

On attaining the age of 60 years, you will be required to compulsorily annuitize at least 40% of your pension wealth and the remaining 60% can be withdrawn as a lump sum or in a phased manner. In case you opt for a phased withdrawal:

- Minimum 10% of the pension wealth should be withdrawn every year.
- Any amount lying to the credit at the age 70 should be compulsorily withdrawn in lump sum.

- ***In case of death of the subscriber what happens?***  
The option will be available to the nominee to receive 100% of the NPS pension wealth in lump sum. However if the nominee wishes to continue with the NPS, he/she will have to subscribe to NPS individually after following the KYC procedure, transfer the subscriber's fund to the nominees' account and continue the account
- ***Is it mandatory to appoint a nominee?***  
No, it is not mandatory to appoint a nominee. However, in case the Subscriber desires he can nominate a maximum of three nominees. The sum of percentage share across all the nominees must be equal to 100.
- ***On my death can my nominee continue to operate the account in my name?***  
No, the balance standing to the subscriber's account may be transferred into the nominee's account after following regular KYC procedure. In the alternative, the nominee can withdraw the entire amount.
- ***Can I opt not to exit in case of disability?***  
Yes, you may continue with NPS in case of disability if you so desire till 70 years of age.
- ***Can an NRI invest in NPS?***  
Yes, an NRI can invest in the scheme. He/She would need to furnish an Indian address for communication and Indian bank details. Fund transfers by NRIs would be subject to regulatory requirements as prescribed by RBI from time to time and FEMA requirements.
- ***Are there any investment return guarantee?***  
There are no guarantees. NPS is a defined contribution scheme and the benefits would depend upon the amounts contributed and the investment growth up to the point of exit from NPS.
- ***Can I change my name, address, phone no, bank details nomination and employment details registered with NPS?***  
Yes, the same can be changed by forwarding a request to ISSL subject to conditions stipulated by PFRDA. ISSL shall collect processing fees of Rs. 23/- .
- ***Can I change my investment option ?***  
Yes, you can change your investment option by submitting a request to the POP-SP in the format as prescribed by PFRDA. However such switch request will be allowed only once in a year. The POP/POP-SP shall collect processing fees from the subscriber subject to maximum limit of Rs.20 plus applicable tax.