National Pension System (NPS)
Planning for your retirement

NPS – An Overview

Features of NPS

- Tax Benefit
- Scheme preference
- Withdrawal and exit options

Ease of access
How do you see your Retired life?

Life with financial constraints
Dependent on children

Or

A dignified life
Time to pursue interests and hobbies

Can you afford this?
Why Retirement Planning

Should expect to live longer, thanks to science and medicine

Might not be living with our children, as our elders did

TODAY

AFTER 30 YRS

Rs.100

Rs.760

*Assumed inflation rate of 7% p.a
Challenges in retirement savings

- In 20s: We think it’s too early
- In 30s: Setting up a family
- In 40s: Children education and housing takes the priority
- In 50s: There is a sense of urgency for retirement savings
- By 60: It’s too late
Solution ?
Introduction

- Initiative to provide old-age income security
- Started with Government employees
- Made available for all citizens of India from May 2009
- NPS subscribers in CRA system around 96 lakhs
About PFRDA

- Designing of NPS architecture
- Appointment and monitoring of entities
  - Service level agreement with all entities
  - Investment guidelines for PFM
  - Performance monitoring of entities including PFM
- Investment through NPS Trust
- Effective Complaint Redressal
Stakeholders in NPS

- Subscribers
- Pension Fund Manager
- Central Recordkeeping Agency
- Point of Presence
- Stakeholders in NPS

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CRA – Roles and Responsibilities

- Issuance of PRAN Kit
- Maintenance of the KYC Documents
- Provision to change Subscriber Details
- Issuance of Annual Statement
- Alerts to subscribers
- Central Grievance Management System
Features of NPS

- Open for all Indian citizens between 18 – 60 years
- Unique and Portable Permanent Retirement Account Number (PRAN)
- Tier I & Tier II
- Nomination facility
- Withdrawal
  - Lump Sum
  - Purchase of Annuity
- Tax Benefit under 80CCE as well as 80CCD(1B)
Unique tax benefit for NPS

**Additional Tax benefit of Rs. 50,000 u/s 80 CCD (1B)**

<table>
<thead>
<tr>
<th>Investment</th>
<th>With NPS</th>
<th>Without NPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Slab</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>Amount</td>
<td>50,000</td>
<td>45,000</td>
</tr>
</tbody>
</table>

**After 25 years of Investment**

<table>
<thead>
<tr>
<th>Corpus at @ 8%</th>
<th>36.5 lacs</th>
<th>32.9 lacs</th>
<th>29.2 lacs</th>
<th>25.6 lacs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corpus at @ 10%</td>
<td>49.2 lacs</td>
<td>44.2 lacs</td>
<td>39.3 lacs</td>
<td>34.4 lacs</td>
</tr>
</tbody>
</table>

Sensex return last 10 years ~ 15.50%
EPF return last 10 years ~ 8.60%
Choice of PFMs

Default scheme for Government Sector

For Non-Government Sector
Investment Option

Active Choice
Subscriber decides allocation pattern amongst E, C and G

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Cap on Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity (E)</td>
<td>50%</td>
</tr>
<tr>
<td>Corporate Bonds (C)</td>
<td>100%</td>
</tr>
<tr>
<td>Government Securities (G)</td>
<td>100%</td>
</tr>
</tbody>
</table>

Auto Choice
Funds managed on the pattern of a lifecycle fund

<table>
<thead>
<tr>
<th>Age (in Years)</th>
<th>Asset Class E</th>
<th>Asset Class C</th>
<th>Asset Class G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 35</td>
<td>50%</td>
<td>30%</td>
<td>20%</td>
</tr>
<tr>
<td>36</td>
<td>48%</td>
<td>29%</td>
<td>23%</td>
</tr>
<tr>
<td>37</td>
<td>46%</td>
<td>28%</td>
<td>26%</td>
</tr>
<tr>
<td>55 and Above</td>
<td>10%</td>
<td>10%</td>
<td>80%</td>
</tr>
</tbody>
</table>

Investment Option can be changed once in a financial year
Withdrawal will be allowed subject to

- Subscriber should be in NPS for 10 years
- Amount should not exceed 25% of the contributions made by the subscriber
- Withdrawal can happen only against specified reasons

Withdrawal option are limited to ensure sufficient terminal corpus
Exit Process

- Upon attainment of the age of 60 years
- At any time before attaining the age of 60 years
- Death of the subscriber

Deferred Annuity for 3 years

Deferred withdrawal up to the age of 70 years

Contribution allowed beyond the age of 60 years
Indicative Annuity Chart of LIC

Amount (in Rs)

100% Annuity to Spouse with RoP
100% Annuity to Spouse
50% Annuity to Spouse
3% PA Increasing
Life with RoP
Life

(With purchase price of one lac at 60 years)

ROP: Return of Principal
# Subscriber Charge Structure

<table>
<thead>
<tr>
<th>Intermediary</th>
<th>Charge Head</th>
<th>Charges (excluding Tax)</th>
<th>Method of Recovery</th>
</tr>
</thead>
<tbody>
<tr>
<td>POP</td>
<td>Initial Registration charges</td>
<td>Rs.125</td>
<td>Upfront collection</td>
</tr>
<tr>
<td></td>
<td>Any contribution</td>
<td>0.25% of the amount, subject to minimum of Rs.20/-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Any other transaction not involving a contribution from subscriber</td>
<td>Rs.20</td>
<td></td>
</tr>
<tr>
<td>CRA</td>
<td>One time Account opening charge</td>
<td>Rs.50</td>
<td>Redemption of units on a quarterly basis</td>
</tr>
<tr>
<td></td>
<td>Annual Maintenance Charge</td>
<td>Rs.190</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Transaction (contribution, change in scheme preference, switch and withdrawal)</td>
<td>Rs.4</td>
<td></td>
</tr>
</tbody>
</table>
Effect of charges on corpus

- Investing Rs. 25,000 per annum for 25 years
- Charges for Option A is 0.25% and Option B is 2.25%
- Return on Investment (CAGR) for both the investment options is 10%

Corpus under Option A will be 23.6 Lacs
Corpus under Option B will be 17.6 Lacs
Ease of access

- Subscriber Master Report to ensure accuracy of records
- Access to bi-lingual Interactive Voice Response (IVR) using T-PIN
- Email statement to registered ID using T-PIN
- View of transactions statement and account details online using I-PIN
- Instant reset of T-PIN & Online reset of I-PIN through OTP
- Logging of complaints against the interfacing entity
- Dedicated Corporate website for dissemination of information
Scheme wise return

Available at NPS Trust Website

http://www.npstrust.org.in/index.php/navreturns/returns

Return of NPS Schemes

Please click on the scheme name to get the respective return chart as on 30th June, 2015.

- Central Government Scheme
- State Government Scheme
- NPS - Swavalamban Scheme
- Corporate CG Scheme
- Scheme E - Tier I
- Scheme C - Tier I
- Scheme G - Tier I
- Scheme E - Tier II
- Scheme C - Tier II
- Scheme G - Tier II
## Returns – Tier I

<table>
<thead>
<tr>
<th>PFM</th>
<th>Date of Inception</th>
<th>Returns since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>E</td>
</tr>
<tr>
<td>SBI</td>
<td>15-May-09</td>
<td>9.94%</td>
</tr>
<tr>
<td>LIC</td>
<td>23-Jul-13</td>
<td>19.76%</td>
</tr>
<tr>
<td>UTI</td>
<td>21-May-09</td>
<td>12.43%</td>
</tr>
<tr>
<td>ICICI</td>
<td>18-May-09</td>
<td>12.95%</td>
</tr>
<tr>
<td>RELIANCE</td>
<td>5-May-09</td>
<td>11.76%</td>
</tr>
<tr>
<td>KOTAK</td>
<td>1-May-09</td>
<td>11.76%</td>
</tr>
<tr>
<td>HDFC</td>
<td>1-Aug-13</td>
<td>24.56%</td>
</tr>
</tbody>
</table>
Benefits of NPS

Simple

Transparent Cost Structure

Tax Savings

Flexible

Portable

Strong Regulation
THANK YOU

Contact Us:
Central Recordkeeping Agency
1st Floor, Times Tower, Kamala Mills Compound
Senapati Bapat Marg, Lower Parel, Mumbai – 400013
Tel: 022-24994200; Helpline:-1800 222 080
Email: info.cra@nsdl.co.in,
Website: http://www.npscra.nsdl.co.in/
Two Tier Structure

Tier I

- Pension Account
  - Mandatory
  - Multiple Tax Benefit

Tier II

- Investment Account
  - Optional
  - Anytime withdrawal without exit load

Tier I is mandatory for opening Tier II
PRAN CARD VIEW

Name / नाम
SOMAK BANERJEE

Father's Name / पिता का नाम
BISWANATH BANERJEE

Date of Birth / जन्मतिथि
16/04/1978

Permanent Retirement Account Number
110001293945

Subscriber Signature
### Statement of Transaction

**Statement Date:** Jun 23, 2015 09:10 PM

<table>
<thead>
<tr>
<th>Name</th>
<th>SHRI SOMAK BANERJEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRAN</td>
<td>110001293945</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>2015-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014-2015</td>
</tr>
<tr>
<td></td>
<td>2013-2014</td>
</tr>
<tr>
<td></td>
<td>2012-2013</td>
</tr>
<tr>
<td></td>
<td>2011-2012</td>
</tr>
<tr>
<td></td>
<td>2010-2011</td>
</tr>
<tr>
<td></td>
<td>2009-2010</td>
</tr>
<tr>
<td></td>
<td>2008-2009</td>
</tr>
</tbody>
</table>
Statement of Transaction

The total contribution to your pension account till June 23, 2015 was Rs. 34769.21.
The total value of your contributions as on June 23, 2015 was Rs. 44202.29.
Your contributions have earned a return of Rs. 9433.08 till June 23, 2015.

The details of your transactions are as under:

<table>
<thead>
<tr>
<th>Scheme Details</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme 1</td>
<td>50.00%</td>
</tr>
<tr>
<td>Scheme 2</td>
<td>50.00%</td>
</tr>
</tbody>
</table>

Investment Details

Account Status as of June 23, 2015

<table>
<thead>
<tr>
<th>Total Contribution (Rs)</th>
<th>No of Contribution</th>
<th>Total Withdrawal (Rs)</th>
<th>Current Valuation (Rs)</th>
<th>Notional Gain / Loss (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>34769.21</td>
<td>4</td>
<td>0.0000</td>
<td>44202.29</td>
<td>9433.08</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PFM/Scheme</th>
<th>Total Net Contribution (Rs)</th>
<th>Total Units</th>
<th>Latest NAV Date</th>
<th>Value at NAV (Rs)</th>
<th>Unrealized Gain / Loss (Rs)</th>
<th>Return on investment(XIRR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICICI PRUDENTIAL PENSION FUND SCHEME E - TIER I</td>
<td>16866.81</td>
<td>1068.3122</td>
<td>23-Jun-15</td>
<td>22774.39</td>
<td>5805.78</td>
<td>11.35%</td>
</tr>
<tr>
<td>ICICI PRUDENTIAL PENSION FUND SCHEME C - TIER I</td>
<td>1699.06</td>
<td>1116.9184</td>
<td>23-Jun-15</td>
<td>21427.70</td>
<td>4438.64</td>
<td></td>
</tr>
</tbody>
</table>

Total 33957.87 44202.29 10244.42
## Online Reset

### Reset l-PIN

<table>
<thead>
<tr>
<th>Field</th>
<th>Required</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRAN</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Subscriber Name</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Subscriber’s Father’s Name</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>DOB</td>
<td>*</td>
<td>(dd/mm/yyyy)</td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Password</td>
<td>*</td>
<td></td>
</tr>
<tr>
<td>Confirm Password</td>
<td>*</td>
<td></td>
</tr>
</tbody>
</table>

**Note:**

- * marked fields are mandatory.
- Please enter the details exactly as printed on PRAN Card.
- Click on “Generate OTP” if you wish to authorize your request using “One Time Password (OTP)”. The OTP will be sent to the mobile number registered with CRA.
- In case you have not registered your mobile number at CRA, please click on “Go to Nodal Office” and get the request authorized by Nodal Office/Point of Presence.

[Go to Nodal Office] [Generate OTP] [Reset]