

Exits and Withdrawals under NPS

Regulation 3 of Chapter-II

PFRDA (Exits and Withdrawals under NPS) Regulations, 2015

Exit from NPS is permissible for those who

- a) Attain the age of Superannuation
- b) Attain 60 years and where it is permitted, (on exercising an option) to continue to remain subscribed to such system, till such period.
- c) Joined NPS after 60 years (but before 65 years) upon attaining the maximum age permitted to be subscribed or any date prior thereto
- d) Died before any of the dates mentioned at (a) to (c) above
- f) Voluntary closure of account by the Subscriber, where so permitted by the authority.

...Provided

A Subscriber is deemed to have been exited from NPS notwithstanding that no claims are received from the subscriber

Where a subscriber ceases to be in employment other than retirement or superannuation, it shall not be treated as exit and he shall have the option to continue his individual pension account, if available under new employment or as voluntarily available to citizens unless the subscriber prefers a claim.

Exit Categories

- A) Government Sector
- B) All citizens including corporate sector
- C) NPS-Lite and Swavalamban

A) Exit under Government Sector

(a) Upon attaining the age of superannuation

(a) (i)

- a) Atleast 40% shall be utilised for purchase of annuity.
- b) The balance 60% or less shall be paid in lumpsum or as per the options provided by the authority.

(a) (ii)

- a) Atleast 40% shall be utilised for purchase of annuity.
- b) Shall have the option to defer the withdrawal of the lumpsum grant until he attains 70 years of age by intimating before 15 days prior to superannuation through form

(a) (iii)

- a) Can defer purchase of annuity for a maximum period of (3) years from the date of superannuation by intimating before 15 days prior to superannuation through form
- b) After deferment, if the subscriber dies before due date, the spouse shall purchase the annuity for life (as in default option). The balance 60% or less shall be paid in lumpsum or as per the options provided by the authority.

(a) (iv)

Where it is desired to defer the withdrawal of benefits, the expenses, maintenance charges and fee payable shall remain applicable.

(a) (v)

Where the accumulated wealth is \leq 2,00,000/-, there is option to withdraw entire amount without purchasing Annuity.
(once, it is decided, the right of subscriber to receive pension shall extinguish)

(a) (vi)

Where it is desired to continue under NPS and contribute to PRAN beyond the age of superannuation, there is option for it up to 70 years by intimating before 15 days prior to superannuation.

If one could not, he can make a request to NPS Trust within 180 days. Beyond 180 days, the Trust has to condone delay.

(a) (vii)

Where the subscriber is discharged from service on account of Invalidation or Disability, the exit shall be determined as per (a)

(b) Upon retiring from service voluntarily

- a) Atleast 80% shall be utilised for purchase of annuity.
- b) The balance 20% or less shall be paid in lumpsum **or** as per the options provided by the authority.
- c) If the accumulated wealth is more than 1.00 lakh, but the age of subscriber is less than the minimum age required for purchasing any annuity, she/he shall continue to subscribe to NPS until he gets the age for purchase of annuity.
- d) If the accumulated wealth is ≤ 1.00 lakh, she/he shall have the option to withdraw entire amount without purchasing annuity

(c) When die before the age of superannuation

- a) At least 80% shall be utilised for purchase of annuity.
- b) The balance 20% or less shall be paid in lumpsum or as per the options provided by the authority.
- d) If the accumulated wealth is ≤ 2.00 lakh, she/he shall have the option to withdraw entire amount without purchasing annuity

Documents Required

Superannuation/ Premature exit

- Original PRAN Card
- PAN
- Aadhar Card
- Cancelled cheque
- Photo
- Retirement order

Death

In addition to the above,

- Death certificate
- Family members certificate
- Identity proof of claimant

ANNUITY

- Annuity for life
- Annuity for life with return of purchase price on death
- Annuity payable for life with 100% annuity payable to spouse on death of annuitant
- Annuity for life with a 100% of the annuity payable to the spouse for life. Upon death with return of purchase price on the death of last survivor
- Annuity to subscriber and spouse throughout their life. Thereafter, to subscriber's mother then father. Thereafter, the return of purchase price to children/legal heir.

ANNUITY SERVICE PROVIDERS

- Life Insurance Corporation of India
- SBI Life Insurance Corporation of India
- HDFC Life Insurance Co. Ltd
- ICICI Prudential Life Insurance Co. Ltd
- Bajaj Allianz Life Insurance Co. Ltd
- India First Life Insurance Co. Ltd
- Star Union Dai-ichi Life Insurance Co. Ltd