



nps
national
pension
system



Procedural Aspects - Role of Nodal Offices, Subscriber

By

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Points for Discussion



1. NPS/CPS Introduction
2. NPS Architecture – Entities - Role
3. **Registration** of Nodal Offices, Subscribers
4. **Mapping** of Nodal Offices and Subscribers
5. **Subscription Collection** – Audit of Claims – Employees working State Autonomous Bodies and Foreign Service Organisations
6. Subscription Amounts (**Funds**) transfer
7. **Functionalities available for Subscribers** in CRA
8. **Subscriber related Issues** – Change of details, Grievances, Missing Credits, Error Rectification



Points for Discussion



9. Functionalities available for Nodal Offices in CRA
10. Partial Withdrawal – Procedure
11. Exits and Withdrawals
12. Gratuity
13. Knowledge Sources - Important Web Portals
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1. NPS Introduction

Implementation

In Telangana, it is mandatory for all employees joining services on or after 01.09.2004.

(G.O.Ms.No.653, Finance (Pen.I) Dept., dated 20.10.2004)

PRAN

Each subscriber's NPS account is identified through unique 12 digit **Permanent Retirement Account Number (PRAN)**.

Contributions

Both employer (Govt.) and employee contribute 10% of Basic Salary & Dearness Allowance (DA) every month.

(G.O.Ms.No.653, Finance (Pen.I) Dept., dated 20.10.2004)



1. NPS Introduction

Unique

PRAN is unique in number

Benefit of Low Cost

The pension wealth accumulates over a period of time till retirement; and the account maintenance charges being low, larger would be the eventual benefit of the accumulated pension wealth



1. NPS Introduction

Tax Benefits

Benefits available for employee's own contribution under Section 80 CCD(1) (up to 1.50 lacs), and exclusive benefit over and above 1.5 L limit under sec 80 CCD(1B) up to 50K ,
for employer's contribution under 80 CCD(2) (10% of salary without any monetary limit)
as per relevant sections of Income Tax Act 1961



1. NPS Introduction

Protection of subscriber's interest

Prudently regulated by the Pension Fund Regulatory & Development Authority (PFRDA) under PFRDA Act and the regulations and guidelines issued there under

Transparency

Through online access to your pension account.

[by login into www.cra-nsdl.com with his login credentials i.e. with PRAN and i-PIN (internet personal identification number)] or by downloading the nps mobile app from NSDL / google play store

Portability

The PRANs are transferrable across all geographical locations and employments in India.



1. NPS Introduction

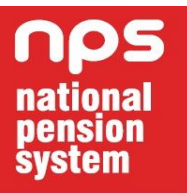
Types of Accounts

Tier-I account (Mandatory)

Income Tax benefits as per IT Act, 1961 available for both employer and employee contributions.

Tier-II account (Voluntary)

Tax benefits are not available. An active Tier I account will be a pre requisite for opening of a Tier II.



1. NPS Introduction

Particulars	Tier I	Tier II
Option of selection of the account	Mandatory	Optional
Withdrawal facility available	limited	Yes
Minimum contribution at the time of a/c opening	NA	Rs 1000
Minimum amount for subsequent contribution	NA	Rs 250
Minimum contribution required per year	NA	NA
Minimum no of contribution per year	NA	1
Frequency of contributions permitted	unlimited	unlimited



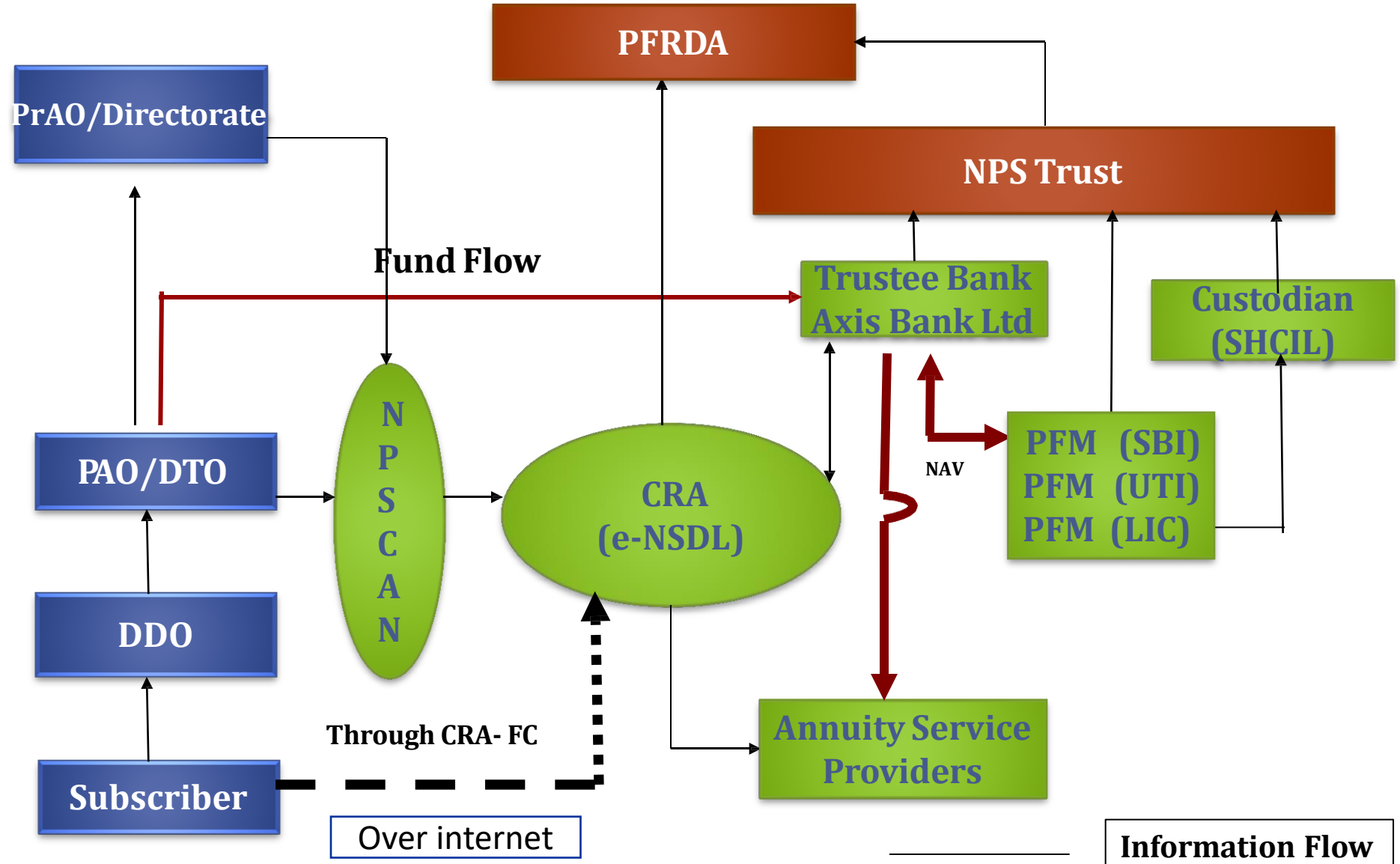
2. NPS Architecture



Sl. No.	Name of the intermediary	Duty / Responsibility
1	PFRDA	Regulator
2	NPS Trust	Care taker of Assets and Funds, Monitors the operations of intermediaries
3	CRA (NSDL)	Record Keeping, Customer Services
4	Points of Presence (PoP) (DDO/STO)	Collection and distribution points
5	PFM's (SBI,UTI,LIC)	Asset management as per investment guidelines
6	Custodian (SHCIL)	Care taker of assets purchased by PFM's
7	Trustee Bank (Axis Bank)	Fund pooler, Fund Flow manager
8	Annuity Service Provider	Monthly Pension provider
9	Retirement Advisor	To advise the subscribers to purchase suitable annuity from empanelled ASPs



2. NPS Architecture





Pension Fund – Scheme Preference Allocation Ratio



- **Among 3 Pension Fund Managers for State Government model, w.e.f. 08.05.2018**
 - i. SBI Pension Limited – 33.5%
 - ii. UTI Retirement Solutions Limited – 34%
 - iii. LIC Pension Fund Limited – 32.5%

(PFRDA letter No. PFRDA/2018/02/PF/02, dated 08.05.2018)



Investment Choices and Pattern



- Under Tier I only one default scheme.
- w.e.f. 10.06.2015, vide PFRDA Circular No. PFRDA/2015/16/PFM/7, dated 03.06.2015.

Sl. No.	Investment Choice	Pattern
1	Government Securities and Related Investments	Upto 50%
2	Debt instruments and related investments	Upto 45%
3	Short debt instruments and related investments	Upto 5%
4	Equities and Related investments	Upto 15%
5	Asset backed, Trust structured and Miscellaneous Investments	Upto 5%



3. Registration of Nodal Offices, and Subscribers in CRA NSDL



Level	Office Name / Employee Name	Registration Form	Office Nomenclature in CRA NSDL	Registration No. Allotted by CRA NSDL	Form submission at CRA FC (Karvy, Hyd)
State Level	Directorate of Treasuries and Accounts	Form N 1	DTA / PrAO	7 digit no.	Through proper channel
Taluk level	Sub Treasury Office	Form N 2	DTO/PAO	7 digit no. starts with 4	Through DTA
Office level	DDO	Form N 3	DDO	Alpha Numeric Starts with SGV - - - - any one Alphabet (8 strokes length)	Through STO and DTA
Employee level	Employee	CSRF Form	Subscriber	12 digit no.	Through DDO, STO

Note: Forms can be downloaded from www.npscra.nsdl.co.in > Home >



Subscriber Registration - Nomination

- **Family means**
- **In the case of a male subscriber**, his legally wedded wife, his children, whether married or unmarried, his dependent parents and his deceased son's widow and children
- **In the case of a female subscriber**, her legally wedded husband, her children, whether married or unmarried, her dependent parents, her husband's dependent parents and her deceased son's widow and children:



Subscriber Registration - Nomination



- **If a subscriber has a family** at the time of making a nomination, then any nomination made by such subscriber in favour of a person not belonging to his family shall be invalid.
- A fresh nomination shall be made by the subscriber on his marriage and any nomination made before such marriage shall be deemed to be invalid.
- If at the time of making a nomination **the subscriber has no family**, the nomination may be in favour of any person or persons
- Where the nomination is wholly or partly in favour of a minor, the subscriber may appoint a major person of his family, to be the guardian of the minor nominee in the event of the subscriber predeceasing the nominee and the guardian so appointed.



4. Mapping of Nodal Offices and Subscribers



- **Procedure:**
 - DDO Registration No. shall be mapped to the concerned STO.
 - If not, DDO Registration No. shall be shifted to the STO by present STO by logging into CRA NSDL.
 - SOP for **DDO shifting** shall be used.
- (www.treasury.telangana.gov.in > National Pension System/CPS > Standard Operating Procedures > DDO Shifting)



4. Mapping of Offices and Subscribers



- Subscriber (PRAN) shall be mapped to Telangana State.
- If not, Subscriber shall be shifted to TS by present STO by logging into CRA NSDL. Filled in **ISS-I** form duly attested by DDO of present station shall be obtained from the subscriber.
- SOP for **Subscriber shifting** shall be used.

(www.treasury.telangana.gov.in > National Pension System/CPS > Standard Operating Procedures > DDO Shifting)

- DDO shall enter Correct PRAN No. of the new subscriber in IFMIS.
- **Treasury Officer shall check the PRAN No. of the new subscriber in IFMIS audit screen with the PRAN No. mentioned in the schedule. (First Salary Bill).**



5. Subscriptions – Audit of Claims.



- **Procedure:**
- 10% of Pay + DA shall be deducted in regular monthly pay bills and as well as arrear pay bills.
- In case of Suspension cases, EOL cases – no subscription.
(Cir.Memo No.178/42/A2/HRM.V/2017, Fin., Dt.20.04.2017)
- No manual bills. Only online bills.
- No payment without PRAN.



5. Subscriptions - Audit of Claims.



Office Name	Salary payment by	Employee subscription deducted by	Employer Contribution by	Employee Subscription + Employer Contribution payment Agency	Details collection
Regular Government Departments	Treasury / Pay and Accounts Office	Treasury / Pay and Accounts Office	State Government	DTA / Pay and Accounts Office	Data captured through HRMS
Foreign service organisations	Foreign Service Organisation - Cheque payment	Foreign Service Organisation	Foreign Service Organisation	Foreign Service Organisation through Challan remittance to Govt.	Data enfaced on the challan
State Autonomous Bodies	SAB - Cheque payment	SAB	SAB	SAB	Data captured through their office



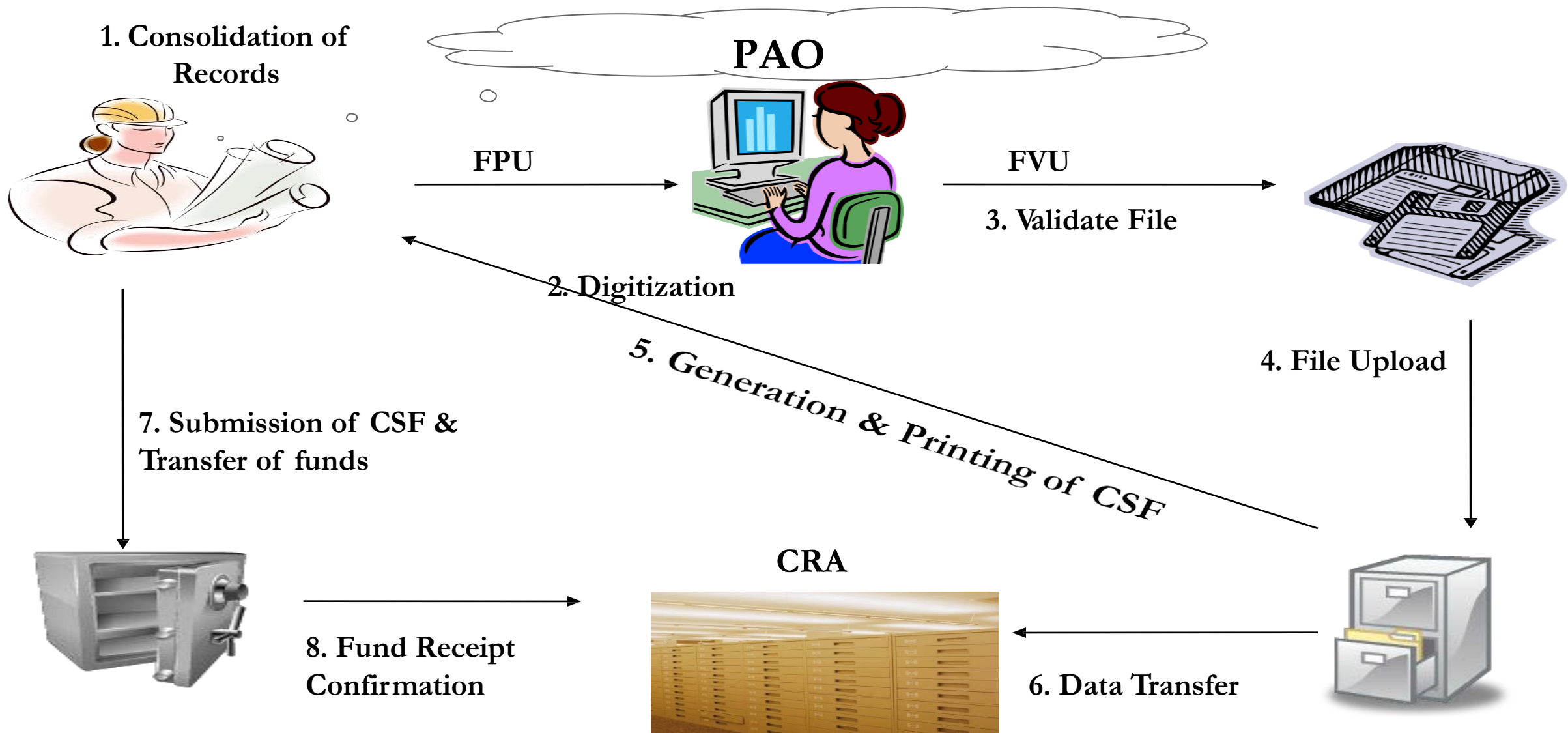
5. Subscription in SABs and Foreign Service Organisations



- **Foreign Service Organisations** – through Challans
- **Foreign Service Organisations** shall register at DTA, TS to obtain User ID and Password.
- A separate screen provided in www.treasury.telangana.gov.in > National Pension System.
- With the login credentials, the challans for Employee and Employer Contributions can be generated.
- After remittance, the copies of challans with details of subscription amounts shall be sent to DTA for uploading of amount.
- **State Autonomous Bodies** shall register in CRA NSDL, PFRDA and NPS Trust through DTA, TS.
- SABs shall send Letter of consent and Master Creation Form on their institution letter head.
- Other registration of nodal offices within SAB shall be done as in the case of Govt. Offices.



6. Uploading of Subscriber Contribution to CRA NSDL - Process Flow





6. Transfer of NPS Amounts

- **Two way approach (G.O.Ms.No.196, Fin. (Pen.I), Dt.24.07.2012)**
- **1) Data Transfer**
Data shall be transferred to CRA NSDL
- **2) Funds Transfer**
Funds shall be transferred to Trustee Bank (Axis Bank)



7. Functionalities available for Subscribers



- On internet by login into www.cra-nsdl.com with login credentials (i-pin)
- Through nps mobile app
- Functionalities in www.cra-nsdl.com
 - i. Transaction – Reprint of PRAN, FATCA self certification.
 - ii. Account Details – Personal details.
 - iii. Grievance – Logging, Status view.
 - iv. **Transaction Statement** (Account statement)
 - v. Exit Claim withdrawal request – Initiation, Status, deferment,
 - vi. Views – DDO, PAO, PrAO, e-PRAN
 - vii. Update details – Address, AADHAR



8. Subscriber related issues:



Issue	Address	Procedure	Prescribed Format
i - PIN forgotten	www.cra-nsdl.com	By clicking 'forgot password' option	
	www.npscra.nsdl.co.in	by clicking 'generate password' option	
PRAN application status	www.cra-nsdl.com	By clicking 'Check status using receipt number' in	
	www.npscra.nsdl.co.in	By clicking 'PRAN Application Status (through Acknowledgement No.)	
Tracking dispatch status of PRAN	www.npscra.nsdl.co.in	By clickng 'Track PRAN Card Status'	
Subscriber details modification	Mobile app (or) www.cra-nsdl.com	By logging in by Subscriber or by the mapped nodal office	S2 form submission at mapped nodal office
Transaction statement	Mobile app (or) www.cra-nsdl.com	By logging in	
PRAN Card Lost	www.cra-nsdl.com	By logging in	No need to obtain duplicate PRAN card, e-PRAN in pdf form can be downloaded.



8. Subscriber related issues:



Issue	Address	Procedure	Prescribed Format
Grievance raising	Mobile app (or) www.cra-nsdl.com (or) www.npscra.nsdl.co.in	By logging in	
Partial withdrawal or Exit initiation	www.cra-nsdl.com	Initiated By logging in by Subscriber or by the mapped nodal office	Prescribed form (can be downloaded from www.npscra.nsdl.co.in > Home > State Government > Forms) submission at mapped nodal office
Shifting of PRAN to new State (or) SAB	Generally PRAN shifts to the new DTA once the SCF is matched and booked. If not contact your concerned Treasury (or) salary payment agency		ISS form submission at mapped nodal office
Missing Credits	Contact your concerned Treasury where the salary was paid with supporting documents		Prescribed form can be downloaded from www.treasury.telangana.gov.in
Error Rectification Module (Excess amount transferred to PRAN or Transfer to PRAN of another subscriber)	Contact your concerned Treasury where the salary was paid with supporting documents		



8. Change in Subscribers' Details



Type of Request	Activity at Treasury (or) PAO	
	Maker	Authoriser
Change in Personal & Bank Details (other than Core Data)	Yes	No
Change in Core Data	Yes	Yes
Change in Nomination Details	Yes	Yes
Change in Employment Details	Yes	Yes
Change in Scheme Preference	Yes	Yes
Reissue of I-Pin / T-Pin	Yes	Yes
Reprint of PRAN card	Yes	Yes



Types of grievances

Contribution amount not reflected

Delay in remitting contribution amount

Incorrect contribution amount

Incorrect processing of subscriber details PRAN card related

SOT related

S2 form not processed (Delay in Processing Subscriber Changes Request)

Withdrawal Related



Grievance redressal-Escalation Matrix for Subscriber



A subscriber can approach

Entity	For
Intermediary	Subscriber can register complaint against intermediary in CGMS. *Redressal of Grievances (TAT 30 days)
National Pension System Trust	Representation against non-receipt of response or if not satisfied with the resolution of the grievances, by the intermediary(TAT 30 days)
Ombudsman	Appeal against the intermediary
PFRDA	Revision of the Award by Ombudsman
Securities Appellate Tribunal	Appeal against the order passed by the Authority

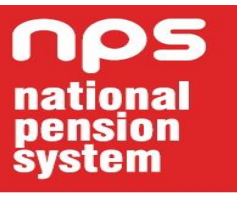
* Acknowledgement is generated in 3 working days

Unique grievance number is allotted. If the complaint pertains to other intermediary, the same is transferred within 3 working days.

Any failure on the part of intermediary under NPS or any other pension scheme to follow the above-mentioned procedures and time-frames would attract penalties in addition to any compensation payable. (**Penalty up to Rs.10 Lakhs**)



9. Functionalities in CRA NSDL for Nodal Offices



- **DDO level**
- Functionalities in www.cra-nsdl.com
 - i. Views – Subscriber details, Subscriber list, Statement of Transaction, e-PRAN
 - ii. Grievance – Log grievance request, Grievance status view, provide feedback for grievance raised
 - iii. Exit withdrawal request – Initiation.



10. Partial Withdrawals

- **A) Authority:**
- PFRDA (Exits and Withdrawals from NPS) Regulations, 2015 (**Regulation 8**) and
- Circular No. PFRDA/2016/7/Exit/2, dated 21.03.2016 of PFRDA and
- Circular No. PFRDA/2018/40/Exit, dated 10.01.2018 of PFRDA
- Circular No. PFRDA/2018/55/Exit/5, dated 06.08.2018 of PFRDA
- **B) Eligibility and Limit:**
- **Subscriber to NPS for at least for a period of 3 years**
- **Not exceeding 25% of accumulations made by the subscriber**
- **C) Frequency: Maximum of 3 times in entire service**



10. Partial Withdrawals (contd.)



- D) Purpose:**

Sl. No.	Reason	In respect of	Remarks
1	Higher Education	Children including legally adopted	
2	Marriage	Children including legally adopted	
3	Purchase / Construction of House or Flat	On own name or jointly	
4	Treatment of illness	Self, Wife, Children and parents	Cancer, Kidney failure, Primary Pulmonary Arterial Hypertension, Multiple Sclerosis, Major organ transplant, Aorta Graft Surgery, Heart Valve Surgery, Stroke, Myocardial Infarction, Coma, Total blindness, Paralysis, Accident of serious threatening nature, any other critical illness specified
5	Medical expenses due to disability or incapacitation	self	
6	For skill development	self	Duration of course should be more than 3 months.
7	establishment of own venture	self	



10. Partial Withdrawals (contd.)



• D) Purpose:

Sl. No.	Reason	Documents to be produced
1	Higher Education	Copy of the admission letter along with fees schedule
2	Marriage	Self declaration
3	Purchase / Construction of House or Flat	Photo copy of title documents of property, approved plan and self declaration (or) Loan sanction letter from bank
4	Treatment of illness	Certificate from doctor
5	Medical expenses due to disability or incapacitation	Disability certificate from a Government surgeon or doctor stating the nature and extent of disability and certificate from doctor
6	For skill development	a) Admission/Sanctions letter from university in India/abroad with fee detail b) For distance learning programs, copy/s of invoice/s which confirm the payment of required fee for desired course c) For other skill development programmes, copy of invoices confirming payment of fee for the desired course d) study leave sanction letter/NOC provided by the organisation/ department/ministry, if required in terms of the employee's service conditions (not applicable where employee-employer relationship does not exists)
7	establishment of own venture	a) Registration Certificate of entity b) Proof of ownership of the entity (it should be in the name of the subscriber) c) Registration number issued by Government Authorities like GST/ Income Tax/Govt.



10. Partial Withdrawals (Contd.)

- **E) Procedure:**
- Subscriber shall submit in form 601 PW with supporting documents in the Treasury through DDO concerned.
- The Treasury Officer shall verify the documents submitted, signature of the DDO and Bank Account Number of the individual (Copy of Bank Account) and authorise with his login credentials within 3 days.
- The Treasury Officer shall record the details in a register and send a copy of partial withdrawal request to CRA NSDL.



10. Partial Withdrawals (Contd.)



- E) Procedure:
- The amount will be credited to the account of subscriber in T+3 days by CRA NSDL.
- Withdrawal amount received after the execution of the withdrawal request can be different from the requested amount to the extent of difference in NAV of two different days.



11. Exits /Withdrawals on Death/Pre-mature and Superannuation



Processing of Exit Request of the Subscriber through ONLINE has been made mandatory from 1st April 2016.

Vesting Criteria	Benefit
<p>On attaining the Age of superannuation.</p> <p>Deferment of lump sum.</p> <p>Deferment of annuity</p> <p>If Corpus <= Rs. 2.00 Lakh</p>	<p>At least 40% of the accumulated pension corpus to be annuitised</p> <p>The Subscriber may choose to purchase an annuity for an amount greater than 40 percent also.</p> <p>The lump sum can be deferred and can be withdrawn in installments or lumpsum at any time between superannuation and 70 years of age.</p> <p>Annuity purchase can also be deferred for a maximum period of 3 years from the age of superannuation</p> <p>Option to withdraw complete/entire pension wealth (Only in superannuation cases)</p>
Vesting Criteria	Benefit
<p>Exit before attaining the superannuation age or voluntary retirement</p> <p>If Corpus <= Rs. 1.00 Lakh</p>	<p>80% of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity</p> <p>Subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity .</p>
Vesting Criteria	Benefit
<p>Death due to any cause before superannuation</p> <p>If Corpus <= Rs. 2.00 Lakh</p>	<p>At least 80% out of the accumulated pension wealth of the subscriber shall be mandatorily utilized for purchase of annuity</p> <p>If amount in the PRAN of the subscriber at the time of his death is equal to or less than two lakh rupees, the nominee or legal heirs as the case may be, shall have the option to withdraw the entire accumulated pension wealth</p>

12. Exits Cases : Annuities – Types & Service Providers

The following are the most common variants that are available:

- i. **Annuity for life** --payment of annuity ceases on death.(no return of purchase price to nominee)
- ii. **Annuity guaranteed for 5, 10, 15 or 20 years and for life thereafter (no return of purchase price)**
- iii. **Annuity for life with return of purchase price on death**
- iv. **Annuity for life increasing at simple rate of 3% p.a. (no return of purchase price to nominee)**
- v. **Annuity for life with a provision for 50% of the annuity to the spouse of the annuitant for life on death of the annuitant-** payment of annuity ceases and 50% of the annuity is paid to the surviving named spouse during his/her life time. If the spouse predeceases the annuitant, payment of annuity will cease after the death of the annuitant. It can be with or without return of purchase.

VI Annuity for life to the subscriber, after death of subscriber 100% annuity to the spouse and after death of spouse return of the purchase price to the nominee. (Default Scheme)

At present the following 5 ASPs are providing the Annuity services to NPS subscribers:

1. Life Insurance Corporation of India SBI Life
2. Insurance Co. Ltd.
3. ICICI Prudential Life Insurance Co. Ltd.
4. HDFC Standard Life Insurance Co Ltd Star Union
5. Daichi Life Insurance Co. Ltd

Default Annuity

▶ Default Annuity : It provides for annuity for life of the subscriber

and his or her spouse (if any) with provision for return of purchase price of the annuity and upon the demise of such subscriber, the annuity shall be re-issued to the family members in the order as specified below:

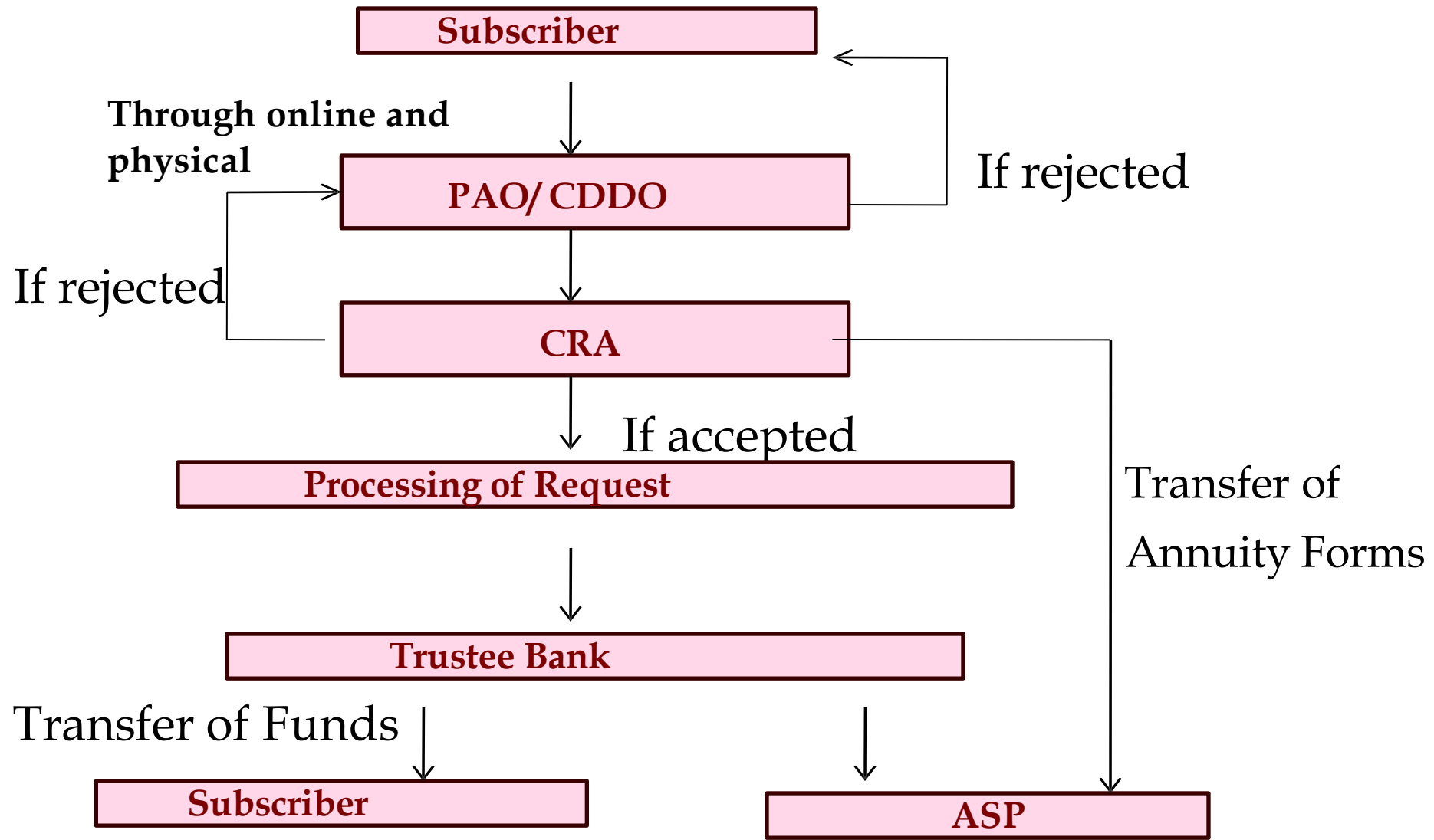
- (a) living dependent mother of the deceased subscriber;
- (b) living dependent father of the deceased subscriber.

- After the coverage of all the family members specified above, the purchase price shall be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber, as may be applicable.

- The subscriber who wishes to opt out of the default option and wishes to choose the annuity contract of his choice from the available annuity contracts with the ASPs, shall be required to specifically opt for such an option.**



11. Exit Claims – Process Flow





11. Exit Claims – Retirement Advisor



- As per Notification published in PFRDA web portal

Other than Individual	Sensage Financial Services Private Limited	10-2-5/11, AC Guards, Near Income Tax Towers, Hyderabad - 4	9949090786 and 040-23333322; shabbir@sensageonline.com	Regn No. RAN00005051E
Individual				



11. Exit Claims – Disciplinary Cases Pending



- Guidelines are mentioned in PFRDA (Exits and Withdrawals) Regulations
- The concerned nodal officer (DDO / STO) shall not process the Exit Claim, unless there is clearance from the competent authority.



12. Gratuity

- **A) Authority:**
 - i. G.O.Ms.No.60, Finance (HRM.V) Department, dated 23.05.2018
 - ii. Cir.Memo No.1149/223/A2/2016, dated 06.07.2018 of Finance (HRM.V) Department
- **B) Calculation of Retirement Gratuity and DCRG:** As per Formula prescribed in TSRPR 1980 and to the maximum amount prescribed.
- **C) Form to be used:** As prescribed in G.O.Ms.No.263, Finance (PSC) Department, dated 23.11.1998 along with Service Book.



12. Gratuity (Contd.)

- **D) Competent Sanctioning Authority:** As delegated as per G.O.Ms.No.208, Finance (PSC) Department, dated 04.06.2010.
- **E) Authorisation Authority:** AG or DSA as the case may be
- **F) Expenditure HOA and Apportionment:**
 - HOA: 2071-01-104-15-040-042; apportionment in respect of employees who were appointed prior to 02.06.2014.
- **G) Other issues (Anticipatory Gratuity, Lapsation, Nomintion etc.):** As per Rule 47,48,49 of TSRPR 1980.
- **H) Maintenance of Register:** Gratuity Payment Register



13. Important Web Portals



- i. www.pfrda.org.in
- ii. www.npstrust.org.in
- iii. www.npscra.nsdl.co.in
- iv. www.pensionsanchy.org.in
- v. www.treasury.telangana.gov.in > National Pension System.
- vi. Youtube channel – **NSDL – NPS ki pathashala**

14. NPS Charges

Intermediary	Charge Head	Service Charge	Method of Deduction
CRA	PRAN Opening (One Time)	Rs. 50	Paid by Government/ Organisation
	PRA Maintenance (Per Annum)	Rs. 190	
	Per Transaction (Financial/Non-Financial)	Rs. 4	
Custodian	Asset Serving (Per Annum)	0.0032% p.a for Both Electronic Segment & Physical Segment	Through NAV cancellation/ deduction
PFM	Investment Management fee (Per Annum)	PFM charges 0.0102 %	
NPS Trust	Trust fee	No charges w.e.f. 25.01.2019	



**THANK YOU
FOR
YOUR
ATTENTION!
ANY QUESTIONS?**