



GOVERNMENT OF INDIA PROJECT NATIONAL PENSION SYSTEM (NPS)



The best pension plan under Government of India's NPS for all Indian Citizens

What is NPS?

NPS is a voluntary, simple, regulated, portable, flexible and efficient tax saving pension system that allows you to make small but consistent savings for your retirement.

Benefits of NPS :

It is meant for **all citizens** of the country between the age group of 18 to 60 years at the time of joining. It is **voluntary** -NPS is open to every Indian citizen. It is **simple** - All you have to do is open an account with POP and get a PRAN. It is **flexible** - You can choose to operate your account from anywhere in the country, even if you change your city, job or your pension fund manager. It is **regulated** - NPS is regulated by PFRDA, with transparent investment norms and regular monitoring and performance review of fund managers by NPS trust. For NPS A/C, Nomination facility also available.

Types of accounts : A subscriber can open the following two types of accounts under NPS
TIER I : This is a non withdrawable account to which the Subscriber shall contribute his/her savings for building a retirement corpus.

TIER II : This is a voluntary savings facility which provides liquidity to subscribers will be free to withdraw their savings from this account whenever they wish. Tier I account is pre-requisite for having a Tier II account.

Investment Option : NPS offers two approaches to invest your money.

Active Choice : You will have an option to actively decide as to how your NPS pension wealth is to be invested in the Equities, Fixed income securities and Government securities.

Auto Choice : NPS offers an easy option for participants who do not have time or required interest to manage their NPS investments. In such case, your funds will be invested in accordance with the Auto Choice option

What are the choices offered for partial and pension withdrawal for NPS?

On attaining Pension Account completion of 10 years : Completion of 10 years for Pension Account but not at the age 60 years , Subscriber can withdraw upto 25% of deposited contribution amount maximum three times with a gap of atleast five years between two partial withdrawals. Subscriber is also eligible to take out his/her complete pension by purchasing an annuity.

On attaining the age of 60 years : Either Subscriber can take 100% pension by taking an annuity of corpus or **A) 40%** of the corpus Mandatorily to be purchased as annuity. **B) 60%** of the corpus withdrawal in Lump sum or phased withdrawal.

Tax Benefit for NPS : A) Under NPS, Tax deduction can claimed upto 10% of salary or gross income subject to overall ceiling of Rs. 1.5 Lakh U/S 80 CCE of Income Tax Act 1961 and additional deduction for the investment **upto Rs. 50000/-** in NPS (Tier I) has been introduced under subsection **80 CCD (1B)**. B) The amount so received as pension would be regarded as income in the hands of the recipient and would be taxed as per the I.T. slabs in the receipt. C) On closure of the NPS account at the age of 60 years or above, 40% withdrawal of accumulated pension wealth corpus will be TAX FREE.

How much do you need to contribute in NPS per year?

Account Type	Details	Amt.
Tier I	Minimum amount per contribution	Rs. 500
	Minimum contribution per year	Rs. 6000
	Minimum number of contributions per year	ONE
Tier II	At the time of Activation	Rs. 1000
	Minimum amount per contribution	Rs. 250
	Minimum yearly balance	Rs. 2000

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Let Your Retired Life be full
of Fun and Happiness

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Peaceful Retirement



`` Gagangiri Complex `` , Office No. 4, Near ICICI Bank,
Above Fast Photo Studio, Vishrantwadi, Alandi Road, Pune-15.

Mob. : 9822188965 / 9922939415

Reg. No. U74900PN2014PTC152639

www.swavalambanpariwar.com E-mail : npspran2013@gmail.com