भारत सरकार **GOVERNMENT OF INDIA**
रेल मंत्रालय **MINISTRY OF RAILWAYS**
रेलवे बोर्ड **(RAILWAY BOARD)**

RBA No. 16 /2013

No. 2010/AC-II/21/18

रेल भवन नई दिल्ली – 110001 dated: 2.07.2013
Rail Bhavan, New Delhi – 110001 dated: 2.07.2013

The General Managers/FA&CAOs/CPOs
All Indian Railways/Production Units

Sub: Master Circular on Product design and exit from NPS.
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A copy of Master Circular issued by Pension Fund Regulatory and Development Authority (PFRDA) vide letter no. PFRDA/2013/2/PDEX/2 dated 22.01.2013 on the above subject is enclosed for information and necessary action.

Please acknowledge receipt.

DA: As above

(Sanjeev Sharma)
Joint Director Accounts
Railway Board

S.No 112

MASTER CIRCULAR

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

PFRDA/ 2013/2/ PDEX / 2

January 22, 2013

To,

All POP's, Aggregators, CRA, Central and State Governments,

Dear Sir/ Madam,

Sub: Master Circular on Product design and Exit from National Pension System (NPS)

For effective regulation of the exits from National Pension System (NPS) Pension Fund Regulatory and Development Authority (PFRDA) has been issuing various circulars from time to time. In order to enable all the stakeholders and other users to have an access to all the applicable circulars at one place, this Master Circular has been prepared.

This Master Circular is a compilation of all the circulars issued by PFRDA on the above subject issued up to December 31, 2012 and which are operational as on date of this circular.

Yours faithfully,

Sd/-

Venkateswarlu Peri
General Manager

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PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-1

Subject: Withdrawal of erroneous contribution received into NPS instead of GPF

There have been various queries and requests from the subscribers and the PAOs/DDOs/DTOs on refund of contribution received into NPS erroneously, due to wrongly classifying subscriber as falling under NPS instead of GPF.

After examining the matter, it has been the decided that such cases will be treated as erroneous transfer by the concerned department and do not fall under the exit/withdrawal from NPS. In all such cases, 100% withdrawal of accrued pension wealth is allowed subject to the condition that such proceeds should mandatorily transferred back to the concerned PAO/DDO from whom the request for withdrawal has arisen.

The concerned subscriber can approach through his PAO/DTO/DDO to our NPS claims cell at CRA for processing of such requests.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-2

Subject: Exit rules under National Pension System for Government Employee Subscribers

PFRDA has issued necessary instructions to CRA for implementation of the withdrawal process under National Pension System (NPS) for all sectors viz., Government Employees, All Citizen model and Swavalamban scheme. The said information is being re-iterated hereunder for the information of all stakeholders for a better appreciation of the matter.

The following are the details for the withdrawals allowed in case of Government Employees subscribers:

a) **Upon Normal Superannuation**: At least 40% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and balance is paid as lump sum payment to the subscriber.
b) **Upon Death**: The entire accumulated pension wealth (100%) would be paid to the nominee/legal heir of the subscriber and there would not be any purchase of annuity/monthly pension.
c) **Exit from NPS before the age of Normal superannuation (irrespective of cause):** At least 80% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and the balance is paid as a lump sum payment to the subscriber.

The subscribers would be able to purchase the annuities directly from the empanelled Annuity Service Providers as per their choice of annuity that is available in the market/with the Annuity Service Provider's(ASP's) empanelled by PFRDA.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-3

Subject: Exit rules under National Pension System for All Citizen model under UoS including Corporates and Swavalamban scheme.

PFRDA has issued necessary instructions to CRA for implementation of the withdrawal process under National Pension System (NPS) for all sectors viz., Government Employees, All Citizen model and Swavalamban scheme. The said information is being re-iterated hereunder for the information of all stakeholders for a better appreciation of the matter.

The following are the details for the withdrawals allowed in case of All Citizen model and Swavalamban scheme subscribers:

a) **Upon reaching the age of 60 Years**: At least 40% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and balance is paid as lump sum payment to the subscriber.
b) **Upon Death**: The entire accumulated pension wealth (100%) would be paid to the nominee/legal heir of the subscriber and there would not be any purchase of annuity/monthly pension.
c) **Exit from NPS before the age of 60 Years (irrespective of cause):** At least 80% of the accumulated pension wealth of the subscriber needs to be utilized for purchase of annuity providing for monthly pension to the subscriber and the balance is paid as a lump sum payment to the subscriber.

The subscribers would be able to purchase the annuities directly from the empanelled Annuity Service Providers as per their choice of annuity that is available in the market/with the Annuity Service Provider's (ASP's) empanelled by PFRDA.

For Swavalamban withdrawals under (a) & (c) above, there is an overriding condition on the lump sum payment payable due to which the entire accumulated pension wealth would be annuitized in case if the monthly pension obtained by using the 40%/80% of the pension wealth is below Rs. 1000/- per month.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-4

Subject: Processing of withdrawal requests of Non IRA Compliant subscribers

PFRDA has issued necessary instructions to CRA with respect to the withdrawal guidelines for Non IRA Compliant subscribers in case of government servants who have died or resigned. The said information is being re-iterated hereunder for the information of all stakeholders for a better appreciation of the matter.

The following are the details of the process to be followed:

	Exit from NPS arising out of death	**Exit from NPS before the age of normal superannuation & arising out of resignation**
Non-IRA Compliant Subscribers	• Certification from the concerned PAO/DTO/DDO (attached as annexure I) • Affidavit from the claimant (attached as Annexure II.) • Filling of respective death claim form along with relevant details	Subscriber has to: • Submit duly filled S1 form for enabling the complete data capture in CRA system. No PRAN generation activity will be undertaken. • Submit duly filled Withdrawal form along with all relevant details and documents.

2. In case of death where PPAN was assigned but corresponding PRAN was not generated and the respective contribution is held with the concerned employer/department, then, the respective employer/department may take appropriate decision at their end.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-5

Subject: Additional Benefit on death/disability of government servant covered by National Pension System (NPS)

PFRDA has in past replied to various queries received from various government departments in reference to OM No. 38/41/P&PWA (A) issued by DoP & PW's dated 05/05/2009 with respect to the additional relief on death/disability of government servants covered by the new Defined Contributory Pension System (NPS). The said information is being re-iterated hereunder for the information of all stakeholders for a better appreciation of the matter.

It has been decided that additional benefits provided in terms of the said OM are over and above the benefits provided by the National Pension System, as per para 3 of the OM.In case the recovery of the accumulated pension wealth under NPS account is to be undertaken as per government's decision, it has to be done by the department concerned directly from the subscriber/nominees/legal heirs after due payment from NPS system to them, in order to fulfill the contractual obligations under NPS.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-6

Subject: Empanelment of Annuity Service Providers (ASPs) under National Pension System for providing annuity services

PFRDA has issued necessary instructions to CRA with respect to the Empanelment of Annuity Service Providers (ASPs) under National Pension System for providing annuity services. The said information is being re-iterated hereunder for the information of all stakeholders for a better appreciation of the matter.

Following seven Annuity Service Providers (ASPs) have been empanelled for the purpose.

1. Life Insurance Corporation of India
2. SBI Life Insurance Co. Ltd.
3. ICICI Prudential Life Insurance Co. Ltd.
4. Bajaj Allianz Life Insurance Co. Ltd.
5. Star Union Dai-ichi Insurance Co. Ltd.
6. Reliance Life Insurance Co. Ltd.
7. HDFC Standard Life Insurance Co. Ltd.

The companies would be offering their approved annuity products to NPS subscribers and would also designing products suiting our requirements.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-7

SUB: Addendum to Form S1 to be used in case of Blind /illiterate applicants of NPS.

With reference to the subject cited above, PFRDA has issued an addendum to Form S1 to be used for enrolling blind/illiterate applicants under NPS to mitigate the problems faced by them during submission of the Form.

Two separate Annexures A1 & A2 categorically will be used for Government employees and for All Citizen Model & Corporate.

Copies of the annexures are attached herewith for information and use.

Annexure A1

DECLARATION

(Declaration in case if the applicant is illiterate, incapable of writing or blind)

Note: *In case the applicant is illiterate or blind or incapable of writing, the thumb impression of the applicant should be attested by a person of standing whose identity can easily be established but not related to CRA/PFRDA and this declaration should be made by him/her.*

I hereby declare that I have fully explained the above questions to the applicant in ..... (language) and I have truthfully recorded the answers and explained to the applicant and that the applicant has affixed his/her thumb impression to the S1 form after duly understanding the contents thereof.

Signature of the Declarant: (.....)

(.....)

Thumb impression*/Signature of the Applicant

Name of the Declarant: .....

Address of the declarant .....

.....

.....

1. Signature of Witness:	2. Signature of Witness:
Name of Witness:	Name of Witness:
Address of Witness:	Address of Witness:

Signature of DDO/DTO/PAO: .....

Name of DDO/DTO/PAO: .....

Stamp:

* Left thumb impression in case of male and right thumb impression in case of female.

Annexure A2

DECLARATION

(Declaration in case if the applicant is illiterate, incapable of writing or blind)

***Note**: In case the applicant is illiterate or blind or incapable of writing, the thumb impression of the applicant should be attested by a person of standing whose identity can easily be established but not related to CRA/PFRDA and this declaration should be made by him/her.*

I hereby declare that I have fully explained the above questions to the applicant in ..... (language name) and I have truthfully recorded the answers and explained to the applicant and that the applicant has affixed his/her thumb impression to the S1 form after duly understanding the contents thereof.

Signature of the Declarant: (.....) (.....)

Thumb Impression*/Signature of the Applicant

Name of the Declarant: .....

Address of the declarant .....
.....
.....

3. Signature of Witness:	4. Signature of Witness:
Name of Witness:	Name of Witness:
Address of Witness:	Address of Witness:

Name of POP/POP-SP: .....

Signature of Authorised Signatory: .....

Name of the Authorised Signatory: .....

Stamp:

* Left thumb impression in case of male and right thumb impression in case of female.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-8

SUB: Online Subscriber Registration facility for Points of Presence

There have been several requests in the past with respect to the implementation of online facility for Points of Presence which is going to make the subscriber registration process simpler and faster. Some of the PoPs have shared their working models and their experience with us in the past. After due examination of the issues involved, the final procedures and operational guidelines on the same are laid out as below:

The following are the operational models available for online Subscriber Registration facility for Points of Presence which can be utilized by the POP's.

Option A: Subscriber File uploads with all details including photograph and signature where PoP is on centralized upload model.
Option B: Subscriber File uploads excluding photograph and signature where PoP is on centralized upload model.
Option C: Online data entry in CRA system where PoP is on de-centralized upload model.

Currently, only Option B is ready to use in the system while Option A is under system development. We shall update you as soon as Option A is also made available for use. The operational details of these options are enclosed as Annexure attached along with and which need to be complied with for availing the facility.

You are also requested to make sure that there are no Non-IRA compliant cases reported from your end. A POP can contact our CRA M/s NSDL to avail and implement the facility.

Annexure

Online PRAN generation by the Points of Presence (PoPs):

There are three alternatives for online PRAN generation as given below:-

A. Subscriber File uploads with all details including photograph and signature where PoP is on centralized upload model.
B. Subscriber File uploads excluding photograph and signature where PoP is on centralized upload model.
C. Online data entry in CRA system where PoP is on de-centralised upload model.

However, the PoP has to select one of these and inform the CRA before activation of such facilty.

For the three alternatives mentioned above, processes are briefly provided below:

A. Subscriber File upload with all details including photograph and signature

1. With DSC based user ids provided by CRA, Subscribers' data to be uploaded by the POP/POP-SP using utilities provided to them by CRA. Photograph and signature of the subscriber should also be scanned and uploaded in the CRA system.
2. On acceptance of the file, certain sanitary checks will be carried out as an internal control measure to prevent data entry errors, correctness of photograph/signature etc.
3. PRAN will be generated on T+1. POP will also get an email along with the PRAN report at end of the day.
4. POP can also download the list of PRANs (with various search criteria) from the CRA system.
5. CRA will forward the PRAN card and I-PIN and T-PIN to the subscribers for accessing CRA system.
6. The scan copy of the documents (form & supporting KYC documents- proof of identity/address/ date of birth) to be uploaded in the CRA system within a week of PRAN generation.
7. The documents (application form and supporting KYC documents) along with the list of PRANs (which will be available for download from CRA system) are to be certified by the POP and to be submitted on monthly basis to CRA-FC. The certification by the POP will be to the extent that the details uploaded at the time of generation of PRAN are as per the information provided in the documents and the documents submitted are complete in all aspects. For the PRAN list, a request needs to be made and an order number will be generated in the CRA system. The forms pertaining to all PRANs generated during the month should be submitted by end of the next month along with the PRAN list. For example, for PRANs generated during the month of April, the POP is required to give the request for the list of PRANs and same will be available for download from the CRA system. The POP is required to download the list and to submit the same along with the supporting KYC documents to the CRA-FC latest by May 31st. On the duplicate copy of the PRAN list, the POP can get acknowledgement from the CRA-FC.

B. Subscriber File upload excluding photograph and signature: This option is applicable in case of POPs who are not in a position to scan the photograph & signature of the subscriber and upload the same in the CRA system.

1. With DSC based user ids provided by CRA, Subscribers' data to be uploaded by the POP/POP-SP using utilities provided to them by CRA.
2. On acceptance of the file, sanitary checks will be carried out as an internal control measure to prevent data entry errors etc.
3. PRAN will be generated on T+1. POP will also get an email along with the PRAN report at end of the day
4. POP can also download the list of PRANs (with various search criteria) from the CRA system.
5. CRA will forward the I-PIN and T-PIN to the subscribers for accessing CRA system.
6. Scan copy of the supporting documents (proof of identity/address/ date of birth) to be uploaded in the CRA system within a week of PRAN generation.
7. The documents (application form and supporting KYC documents) along with the list of PRANs (which will be available for download from CRA system) are to be certified by the POP and to be submitted on monthly basis to CRA-FC. The certification by the POP will be to the extent that the details uploaded at the time of generation of PRAN are as per the information provided in the documents and the documents submitted are complete in all aspects. For the PRAN list, a request needs to be made and an order number will be generated in the CRA system. The forms pertaining to all PRANs generated during the month should be submitted by end of the next month along with the PRAN list. For example, for PRANs generated during the month of April, the POP is required to give the request for the list of PRANs and same will be available for download from the CRA system. The POP is required to download the list and to submit the same along with form and the supporting KYC documents to the CRA-FC latest by May 31st. On the duplicate copy of the PRAN list, the POP can get acknowledgement from the CRA-FC.
8. CRA-FC will update the PRAN with photograph & signature.
9. CRA will forward the PRAN card to the subscriber.
10. It is the responsibility of the PoP to ensure that all the documents as referred at point no. 7 are sent to CRA-FC within 15 days from the date of receipts of PRAN from CRA by mail or any other mode. CRA will be deactivating the account if the CRA-FC does not update/generate the PRAN card by the last working day of the succeeding month of the PRAN generation in the CRA system.
11. For reactivation of such accounts, the PoP has to ensure the submission of documents and also pay for the charges as required for reactivation of accounts.

C. **Online data entry in CRA system:** In this option, the POP need not have separate software/utility for preparing subscriber registration file. The process of PRAN generation through this option is given below:

1. Online PRAN registration is a Maker – Checker activity. Two different DSC based user ids will be required to capture and verify the request
2. POP is required to capture the details in the CRA system using a DSC based user id. With another DSC based user id, the POP should verify the data in the CRA system.
3. Photograph and signature are to be scanned and uploaded in the CRA system.
4. Once the details are verified, certain sanitary checks will be carried out as an internal control measure to prevent data entry errors, correctness of photograph/signature etc.
5. PRAN is generated on T+1 basis (EOD) and POP will get an email along with the PRAN report.
6. POP can also download the list of PRANs (with various search criteria) from the CRA system.
7. The documents (application form and supporting KYC documents) along with the list of PRANs (which will be available for download from CRA system) are to be certified by the POP and to be submitted on monthly basis to CRA-FC. The certification by the POP will be to the extent that the details uploaded at the time of generation of PRAN are as per the information provided in the documents and the documents submitted are complete in all aspects. For the PRAN list, a request needs to be made and an order number will be generated in the CRA system. The forms pertaining to all PRANs generated during the month should be submitted by end of the next month along with the PRAN list. For example, for PRANs generated during the month of April, the POP is required to give the request for the list of PRANs and same will be available for download from the CRA system. The POP is required to download the list and to submit the same along with the supporting KYC documents to the CRA-FC latest by May 31st. On the duplicate copy of the PRAN list, the POP can get acknowledgement from the CRA-FC.

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PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-8

Subject: Revised charge structure of POPs under NPS

Attention of all stakeholders is invited to Initiating the implementation of the recommendations of the Bajpai Committee to Review Implementation of National Pension System (NPS) in the Private (Non-Government) Sector, Pension Fund Regulatory and Development Authority (PFRDA) has announced changes in the charge structure for the Points of Presence (POP) for Private Sector subscribers under National Pension System (NPS) is revised as under, with immediate effect:-

1. An Initial subscriber registration charge of Rs.100/- and an ad valorem transaction charge of 0.25% of the initial contribution amount from subscriber subject to a minimum of Rs.20 and a maximum of Rs. 25,000/-.

2. Any subsequent transaction involving contribution upload – 0.25% of the amount subscribed by the NPS subscriber, subject to minimum of Rs.20/- and a maximum of Rs. 25000/-.

3. Any other transaction not involving a contribution from subscriber – Rs 20/-

The above structure is applicable to both individuals and corporates in the Private (Non-Government) Sector, and is expected to sufficiently incentivize the PoPs to actively participate in the opening of NPS accounts and also provide improved services to account holders. The PoPs have the option to negotiate on the above charges with the subscribers, but within the prescribed charge structure.

PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

Cir no: PFRDA/ 2013/2/ PDEX / 2
SL-9

SUB: Payment gateway proposals from various POPs-Under All Citizen Model Scheme of NPS

We have received several requests from POPs for providing payment gateway options for crediting of NPS contribution (Tier I and Tier II) of the subscribers which would enable them to contribute to the NPS directly without visiting the POP or issuance of physical money instruments. The requests were received for the following gateways:

1. Payment Gateway for subscriptions through credit and debit cards issued by MasterCard & Visa.
2. Netbanking Gateway, which is seamlessly integrated with the core banking systems of Private, Public Sector and Foreign Banks.
3. E-Collect system which enables citizens to remit their contributions through the RBI Payment systems, NEFT & RTGS directly to the POP's NPS account.
4. Cash to Mobile (C2M) Solution

We are hereby inform you that now POPs can provide any of the above payment gateway options which can be made available by them on their websites, subject to the following conditions:

1. POP has to ensure that all functions of SCF upload, Fund transfer, MIS upload etc are performed as per the Service Level Agreement entered with PFRDA. In case of Receipt number being generated for submission of contribution, the POPs has to provide the Receipt no (which should be according to CRA format) to the subscriber. The receipt no. can be forwarded by e-mail to the subscriber if necessary. Further, these numbers should be uploaded as part of the MIS.

2. The POP would be responsible for all and any complaints arising out of the payment gateway or other option being used by the subscriber for remittance of funds to NPS.

3. It is the responsibility of the POP to discuss and integrate their systems with CRA wherever required. Therefore, you may appropriately devise your payment gateway option at your end keeping the above in view.

You may contact CRA for any queries related to the system integration/synchronization.