



दक्षिण रेलवे/SOUTHERN RAILWAY

सं./No.P(R)500/NPS/Vol.II

प्रधान कार्यालय/ Headquarters Office  
कार्मिक शाखा/ Personnel Branch  
चेन्नै/Chennai - 600 003  
दि./ Dated:24-08-2015

**पी बी सी सं/ PBC No: 118 / 2015**


All PHODs / DRMs / CWMs / CEWE / CAO / CPM / Dy.CPOs / Sr.DPOs /  
DPOs / SPOs / WPOs / APOs of HQ / Divisions / Workshops / other Units,  
etc.,

(As per mailing list -'A' )

विषय/Sub: Release of Exit Regulations by PFRDA – regarding.

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A copy FA&CAO/MAS letter No. P.541/MAS/HQ/NPS-04 dated  
21-07-2015 along with a copy of Notification dated 11-05-2015 issued by  
Pension Fund Regulatory And Development Authority (PFRDA) on the above  
subject is enclosed for information, guidance and necessary action.

  
(V.SRINIVASAN)  
वरिष्ठ/ कार्मिक अधिकारी/नियम  
Senior Personnel Officer/Rules  
कृते मुख्य कार्मिक अधिकारी  
For Chief Personnel Officer

प्रतिलिपि/Copy to :The Genl.Secy. SRMU  
The Genl.Secy. AISCSTREA  
The Genl.Secy. AIOBCREA

The Genl Secy NFIR

**SOUTHERN RAILWAY**

FA&CAO's Office,  
Park Town,  
Chennai 600 003.  
Dt: 21/07/2015

No. P.541/MAS/HQ/NPS-04

CPO/MAS

Sub: Release of Exit Regulations by PFRDA -- regarding.

Ref: CRA circular No. CRA/PO&RI/Master/2015/005  
Dated 22/06/2015

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PFRDA vide Notification dated 11/05/2015 has issued Regulations for the Exits and Withdrawals under the National Pension System which was circulated vide CRA circular mentioned at reference dated 22/06/2015. It is mentioned that the rules shall come into force from the date of their publication in the official gazette.

D) The salient features of the Exit policy for Government Sector subscribers are summarised below:

Sl No	Type of exit	Condition : Accumulated pension wealth in PRAN a/c	Withdrawal	Special condition/provision
1(a)	Upon attaining the age of superannuation (Where the subscriber desires to opt for withdrawal of APW -60%).	<Rs. 2,00,000/-	The subscriber can opt to withdraw the entire pension wealth without purchasing annuity	The right of the subscriber to receive any pension or other amount under NPS or from the Govt. shall extinguish.
1(b)		>Rs.2,00,000/-	40% of the pension wealth mandatorily used for purchase of annuity and balance 60% paid to the subscriber in one lumpsum.	Provision for monthly or periodical pension - payment will be made by NSDL.

SI No	Type of exit	Condition : Accumulated pension wealth in PRAN a/c	Withdrawal	Special condition/provision
1(c)	Upon attaining the age of superannuation (Where the subscriber does not desire to opt for withdrawal of APW-60%).		Defer withdrawal of lumpsum amount till the age of seventy years in writing 15 days before DOR.	Maximum period of 3 years from the date of superannuation.
2(a)	Retirement before the age of superannuation – VR/Resignation	<Rs.1,00,000/-	The subscriber can opt to withdraw the entire pension wealth without purchasing annuity	The right of the subscriber to receive any pension or other amount under NPS or from the Govt. shall extinguish.
2(b)		>1,00,000/-	80% of the pension wealth mandatorily used for purchase of annuity and balance 20% paid to the subscriber in one lumpsum.	If age of subscriber is less than the minimum age required for purchasing any annuity from any of the empanelled ASPs. the subscriber shall continue to subscribe to NPS till he/she attains the age of such eligibility.
3(a)	Death of the subscriber before attaining the age of superannuation	<Rs. 2,00,000/-	The nominee/legal heir can opt to withdraw the entire pension wealth without purchasing annuity	The right of the nominee/legal heir to receive any pension or other amount under NPS or from the Govt. shall extinguish.

Sl No	Type of exit	Condition : Accumulated pension wealth in PRAN a/c	Withdrawal	Special condition/provision
3(b)		>Rs.2,00,000/-	80% of the pension wealth mandatorily used for purchase of annuity and balance 20% paid to the nominee/legal heir in one lumpsum.	

In all the above cases where amount is utilized by NSDL for the purchase of annuity, the annuity contract shall provide for annuity of life of:

- The Subscriber;
- Spouse of the subscriber/deceased subscriber;
- Living dependent mother of the subscriber/deceased subscriber;
- Living dependent father of the subscriber/deceased subscriber;

After the coverage of the above members, 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 applicable.

#### II) The conditions to apply for exit and withdrawal are:

- The accumulated pension wealth is not liable to seizure, attachment or sequestration by process of any court at the instance of a creditor or in the satisfaction of a decree or order of any such court without the permission of the NPS trust or its representative.
- The subscriber cannot assign, pledge, contract, order, sell or give as security any benefit/future interest receivable by him under the NPS, without the permission of the NPS trust or its representative and which shall be restricted to the limit prescribed by the regulations in vogue at that time.
- The President of India as provided in the service rules of the subscriber, reserves the right of withholding the part of pension wealth accumulated through co-contributions made by the Govt., as employer to the Tier-I account of the NPS account of the subscriber and the investment income

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accruing thereon, for the purpose of recovery of the whole or part of any pecuniary loss caused to the Govt., provided the loss is established in any departmental or judicial proceedings initiated against the subscriber by the employer concerned.

- The right of above such withholding shall have to be exercised prior to the date of superannuation of the subscriber.
- The accumulated pension wealth shall not be paid to the subscriber until the conclusion of departmental or judicial proceedings, as the case may be subject to the final orders passed in such proceedings.
- The subscriber/family member of the deceased subscriber can avail the option of additional relief on the disability/death of the subscriber as provided by the Government, where the Govt reserves the right to transfer/adjust the entire accumulated pension wealth of the subscriber to itself. The subscriber/family member of the deceased subscriber availing such benefits shall specifically and unconditionally undertake to transfer the entire accumulated pension wealth to the Govt.

**Conditions for Permitted withdrawal under NPS:**

- A partial withdrawal of up to 25% of the accumulated pension wealth of the subscriber excluding the contributions made by the employer is allowed.
- After ten years from the date of joining the scheme
- Maximum three times during the entire tenure of subscription under NPS
- A gap of a minimum of 5 years between two such withdrawals.
- The period of 5 years is relaxable only in the case of withdrawal for specified illnesses.

**The Permitted withdrawals under NPS are:**

1. Higher education of children or legally adopted child.
2. Marriage of children including legally adopted child.
3. Construction of a residential house/flat in his/her own name or jointly with legally wedded spouse – only for one property other than ancestral property.
4. Treatment of specified illnesses of self, spouse and children, which shall comprise of hospitalization and treatment of a list of prescribed illnesses.

**Special Conditions governing NPS are:**

1. Default annuity scheme shall not be available or applicable in the case of Government subscribers
2. The subscriber, at the time of joining the scheme is required to make a nomination, in the specified form, conferring on one or more persons the right to receive the amount that may stand to his credit in the accumulated wealth fund in the event of his or her death, before the amount becomes payable or having become payable has not been paid.
3. All payments pertaining to withdrawals under NPS shall be made through electronic transfer only.
4. Contributions/deductions under the NPS made by the employers from the salary of such subscribers shall be stopped at least three months prior to the date of superannuation.
5. The employer shall settle directly the said last three months contributions at their end with the concerned employee.



(T. Hema Suneetha)  
Dy. CAO/G  
for FA&CAO/MAS

## PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY

### NOTIFICATION

#### **Pension Fund Regulatory and Development Authority (Exits and Withdrawals Under the National Pension System) Regulations 2015**

New Delhi, the 11th May, 2015

No.PFRDA/12/RGL/139/8— In exercise of the powers conferred by sub-section (1) of section 52 read with clauses (g), (h), and (i) of sub-section (2) thereof of the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013), the Pension Fund Regulatory and Development Authority hereby makes the following regulations, namely:-

#### CHAPTER I PRELIMINARY

1. Short title and commencement.—(1) These regulations may be called the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015.  
"The regulations aim at providing an effective mechanism in the interest of subscribers, upon exit or withdrawal from the National Pension System, including the conditions, purpose, frequency and limits for withdrawals from individual pension account, as also the conditions, subject to which a subscriber shall exit from the National Pension System and purchase an annuity thereupon."
- (2) They shall come into force on the date of their publication in the Official Gazette.
2. Definitions.- (1) In these regulations, unless the context otherwise requires,-
  - (a) "Act" means the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013);
  - (b) "accumulated pension wealth" means the monetary value of the pension investments accumulated in the Permanent Retirement Account of a subscriber under the National Pension System;
  - (c) "aggregator" means an intermediary registered with the Authority under sub-section (3) of section 27 of the Act, to perform subscriber interface functions under the National Pension System-Swavalamban and have the functional relationship with a known customer base for delivery of some socio-economic goods or services;
  - (d) "annuity service provider" means a life insurance company registered and regulated by the Insurance Regulatory and Development Authority and empanelled by the Authority for providing annuity services to the subscribers of the National Pension System;
  - (e) "citizen of India" means a person qualified to be a citizen of India under the Citizenship Act, 1955 (57 of 1955);
  - (f) "compliance officer" means a person of responsibility from the National Pension System Trust or any other intermediary or entity entrusted with the responsibility of receiving, processing and settlement of withdrawal claims from the subscribers under the National Pension System and responsible for monitoring compliance, of the provisions of the Act or the rules or the regulations made or notifications, guidelines or instructions issued by the Authority from time to time;

- (g) "government sector subscriber" means a subscriber enrolled in the National Pension System through the nodal offices of the Central Government or the State Governments and registered as such with the central recordkeeping agency;
- (h) "National Pension System-Lite" means a feature of optimized group model of National Pension System for persons belonging to unorganized sector of which the National Pension System-Swavalamban is a component where Government of India co-contribution is admissible;
- (i) "Permanent Retirement Account Number (PRAN)" means a unique identification number allotted to each subscriber by the central recordkeeping agency;
- (j) "Swavalamban subscriber" means a subscriber who is registered as such with the central recordkeeping agency under the National Pension System and where Government of India co-contribution is admissible;
- (2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings assigned to them in the Act.

## CHAPTER II

### EXIT FROM NATIONAL PENSION SYSTEM

For the purpose of exit from the National Pension System, the subscribers are categorized and defined as, (1) Government sector, (2) All citizens including corporate sector and (3) NPS- Lite and Swavalamban subscribers. The exit regulations specified hereunder shall apply accordingly to the category to which the subscribers.

3. Exit from National Pension System for government sector subscribers.-A government sector subscriber shall exit from the National Pension System in the manners specified hereunder, namely:-

- (a) Where the subscriber who, upon attaining the age of superannuation as prescribed by the service rules applicable to him or her, retires, then at least forty per cent. out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that,-

- (i) the following shall be the default annuity contract that will be applicable and wherein the annuity contract shall provide 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 be re-issued to the family members in the order specified hereunder at a premium rate prevalent at the time of purchase of such annuity by utilizing the purchase price required to be returned under the annuity contract (until all the family members in the order specified below are covered) :

- (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 mentioned above and wishes to choose the annuity contract of his choice from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option.

(ii) where the subscriber does not desire to withdraw the balance amount, after purchase of mandatory annuity, such subscriber shall have the option to defer the withdrawal of the lump sum amount until he or she attains the age of seventy years, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of superannuation to the National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose;

(iii) where the subscriber desires to defer the purchase of annuity, he or she shall have the option to do so for a maximum period of three years from the date of attainment of age of superannuation, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of superannuation to the National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose. It shall be a condition precedent to opt for such deferment of annuity purchase that in case if the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, the annuity shall mandatorily be purchased by the spouse (if any) providing for annuity for life of the spouse with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order of preference provided hereunder at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract ( until all the members given below are covered):-

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

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children legal heirs of the subscribers as applicable;

(iv) where the subscriber desires to defer the withdrawal of lump sum amount or, the purchase of annuity, the subscriber shall be allowed to do so, provided the subscriber agrees to bear the maintenance charges of the Permanent Retirement Account, including the charges payable to the central recordkeeping agency, pension fund, Trustee Bank or any other intermediary, as may be applicable from time to time;

(v) where the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than a sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity and upon such exercise of this option, the right of such subscriber to receive any pension or other amount under the National Pension System or from the government shall extinguish;

(b) where the subscriber who, before attaining the age of superannuation prescribed by the service rules applicable to him or her, voluntarily retires or exits, then at least eighty per cent. out of the accumulated

pension wealth of the subscriber shall mandatorily be utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that the annuity contract shall provide 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 be re-issued to the family members in the order specified hereunder at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the annuity contract (until all the members given below are covered) :-

- (i) living dependent mother of the deceased subscriber ;
- (ii) living dependent father of the deceased subscriber.

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

Provided that if the accumulated pension wealth of the subscriber is more than one lakh rupees but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empanelled annuity service providers as chosen by such subscriber, such subscriber shall continue to subscribe to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:

Provided further that if the accumulated pension wealth of the subscriber is equal to or less than one lakh rupees, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity and upon such exercise of this option the right of the subscriber to receive any pension or other amounts under the National Pension System shall extinguish and any such exercise of this option by the subscriber, before the regulations are notified, shall be deemed to have been made in accordance with this regulation;

(c) where the subscriber who, before attaining the age of superannuation, dies, then at least eighty percent out of the accumulated pension wealth of the subscriber shall be mandatorily utilized for purchase of annuity and balance pension wealth shall be paid as lump sum to the nominee or nominees or legal heirs, as the case may be, of such subscriber:

Provided that,-

(i) The annuity contract shall provide for annuity for life of the spouse of the subscriber (if any) with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order specified hereunder at the premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until all the members given below are covered):-

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

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

(ii) Provided further that if the accumulated pension wealth in the permanent retirement account 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 without requiring to purchase any annuity and upon such exercise of this option the right of the family members to receive any pension or other amounts under the National Pension System shall extinguish;

4. Exit from National Pension System by citizens, including corporate sector subscribers.- Any subscriber, including a corporate sector subscriber, registered under the National Pension System, shall exit from the National Pension System in the manner specified hereunder, namely:-

(a) where a subscriber attains the age of sixty years or superannuates in accordance with the service rules applicable to such subscriber, at least forty percent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum. In case, the accumulated pension wealth of the subscriber is equal to or less than a sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity:

Provided that,-

(i) the subscriber can continue to subscribe to the National Pension System beyond the age of sixty years or the age of superannuation, so specified, by intimating in writing, the age, not exceeding seventy years, until which he would like to contribute to his individual pension account.

Such intimation shall be given to the National Pension System Trust or any intermediary or entity authorized by the Authority for this purpose. Notwithstanding such intimation, the subscriber may exit at any point of time, from the National Pension System by submitting a request in writing to the National Pension System Trust or any intermediary or entity authorized by the Authority for this purpose ;

(ii) the subscriber shall have the option to defer the withdrawal of lump sum amount until he or she attains the age of seventy years, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of sixty years or, the age of superannuation, as the case may be, to the National Pension System Trust or any intermediary or entity authorized by the Authority for this purpose;

(iii) the subscriber shall have the option to defer the purchase of annuity for a maximum period of three years, from the date of attainment of sixty years of age or the age of superannuation, as the case may be, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of sixty years or the age of superannuation, as the case may be, to the National Pension System Trust or any intermediary or other entity authorized by the Authority for this purpose;

(iv) the subscriber shall be allowed to continue to subscribe, defer the withdrawal of lump sum amount or the purchase of annuity, as the case may be, provided the subscriber agrees to bear the maintenance charges of the Permanent Retirement Account, including the charges payable to the central recordkeeping agency, pension fund, Trustee Bank or any other intermediary, as may be applicable from time to time;

(b) where the subscriber who, before attaining the age of sixty years or the age of superannuation as prescribed by service rules, voluntarily opts to exit from the national pension system, the option so exercised shall be allowed only upon such subscriber having subscribed to the national pension system for at least a minimum period of ten years. In case of such subscriber, at least eighty percent out of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that if the accumulated pension wealth of the subscriber is more than one lakh rupees but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empanelled annuity service providers as chosen by such subscriber, such subscriber shall continue to subscribe to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:

Provided further that if the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than one lakh rupees, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity;

(c) where the subscriber who, before attaining the age of sixty years or the age of superannuation as prescribed by the respective service rules applicable to him or her, dies, then the entire accumulated pension wealth of the subscriber shall be paid to the nominee or nominees or legal heirs, as the case may be, of such subscriber:

Provided that,-

(i) the nominee or family members of the deceased subscriber shall have the option to purchase any of the annuities being offered upon exit, if they so desire, while applying for withdrawal of benefits on account of deceased subscribers' Permanent Retirement Account;

(ii) in case, the nomination is not registered by the deceased subscriber before his death, the accumulated pension wealth shall be paid to the family members on the basis of the legal heir certificate issued by the Revenue authorities of the State concerned or the succession certificate issued by a court of competent jurisdiction.

**5. Exit from National Pension System by NPS-Lite and Swavalamban subscribers.-**Any subscriber registered under National Pension System as NPS-Lite or Swavalamban subscriber, can exit from the National Pension System, in the manner specified hereunder, namely:-

(a) Upon a subscriber, attaining the age of sixty years, at least forty percent of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that,-

(i) for a Swavalamban subscriber the annuity purchased by utilizing the mandatory minimum of forty percent of the accumulated pension wealth of the subscriber shall yield at least a monthly annuity or pension of one thousand rupees, failing which the entire accumulated pension wealth shall be annuitised in such a manner so as to yield at least a monthly annuity or pension of one thousand rupees and balance if any thereafter shall be paid in lump sum to the subscriber. However there shall be no implicit or explicit guarantee that the annuity purchased even with entire accumulated pension wealth would yield a monthly annuity or pension of one thousand rupees;

(ii) if the accumulated pension wealth of the subscriber is equal to or less than a sum of one lakh rupees, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity and upon such exercise of this option, the right of the subscriber to receive any pension under the National Pension System shall extinguish and any such exercise of this option by the subscriber, before the regulations are notified, shall be deemed to have been made in accordance with this regulation;

(b) at any time, before attaining the age of sixty years, subject however that at least eighty percent out of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization shall be paid to the subscriber in lump sum:

Provided that for a Swavalamban subscriber the annuity purchased by utilizing the mandatory minimum of forty percent. Out of the accumulated pension wealth shall yield at least a monthly annuity or pension of one thousand rupees per month, failing which the entire accumulated pension wealth shall be annuitised in such a manner so as to yield at least a monthly annuity or pension of one thousand rupees and balance if any thereafter shall be paid as lump sum to the subscriber. However there shall be no implicit or explicit guarantee that the annuity purchased even with entire accumulated pension wealth would yield a monthly annuity or pension of one thousand rupees:

Provided that subject to the provisions of this clause, where the accumulated pension wealth does not exceed one lakh rupees, the whole of the pension wealth shall be paid to the subscriber, without any annuitisation if the subscriber has continued in the scheme for a minimum period of twenty-five years;

Provided further that the migration of Swavalamban subscriber or subscribers to any other pension scheme of Government of India and as approved by the Authority shall not be deemed as an exit and withdrawal for the purposes of these regulations.

(c) where a subscriber who, before attaining the age of sixty years, dies, the entire accumulated pension wealth of the subscriber shall be paid to the nominee, or the legal heir of such subscriber and there shall not be any condition of mandatory purchase of annuity and provision of a monthly or periodical pension and there shall not be any requirement of the annuitisation of the accumulated pension wealth of such deceased

subscriber. The nominee or family members of the deceased subscriber shall have the option to purchase any of the annuities being offered upon exit, if they so desire:

Provided that, where a nomination is not registered by the subscriber before his death, the accumulated pension wealth of such subscriber shall be paid to the family members on the basis of the legal heir certificate issued by the Revenue authorities of the State concerned or the succession certificate issued by a court of competent jurisdiction.

6. Conditions to apply for exit and withdrawal.- A subscriber registered under the National Pension System shall not exit therefrom, and no withdrawal from the accumulated pension wealth in the Tier-I of the Permanent Retirement Account of such subscriber shall be permitted, except as specified hereunder, namely:-

(a) no pension or accumulated pension wealth in Tier-I account of the Permanent Retirement Account of the subscriber under the National Pension System on account of past or present services, shall be liable to seizure, attachment or sequestration by process of any court at the instance of a creditor, for any demand against the subscriber, or in the satisfaction of a decree or order of any such Court except where the National Pension System Trust or its authorised representative has accorded prior sanction for assignment of the pension wealth accumulated in the pension account of the subscriber, which shall be restricted to such limit as prescribed in Regulation 8;

(b) any assignment, pledge, contract, order, sale or security of any kind made by any subscriber of the National Pension System, with respect to any benefit receivable by him or her under the National Pension System, or in respect of any money payable at or on account of any such benefit to such subscriber under the National Pension System, or for giving or assigning any future interest therein shall be null and void except where the National Pension System Trust or its authorized representative has accorded prior permission for such assignment of the pension wealth accumulated in the pension account of the subscriber and which shall be restricted to such limit as prescribed in Regulation 8 to which the assignment was agreed or approved by the National Pension System Trust or its authorised representative;

(c) the President of India or the Governor of a State, as the case may be, if so provided in the service rules, governing the employment of the subscriber, reserves the right of withholding the part of pension wealth, accumulated through co-contributions made by the Central Government or the State Government, as employer to the Tier-I account of the National Pension System account of the subscriber and the investment income accruing thereon, for the purpose of recovery of the whole or part of any pecuniary loss caused to the Central Government or the State Government, provided such loss is established, in any departmental or judicial proceedings, initiated against such subscriber by the employer concerned..

Such right of withholding shall have to be exercised prior to the date of superannuation of the subscriber, pursuant to a notice to be given to the National Pension System Trust or an entity to whom such authorization has been given, and seeking to withhold the said pension wealth of such subscriber. Upon such right of withholding being validly exercised:-

(i) the pension wealth which are payable under the National Pension System shall not be paid to such subscriber until the conclusion of the departmental or judicial proceedings, as the case may be and subject to the final orders, passed in such proceedings.;

(ii) the amount withheld as specified in sub-clause (i) shall remain subscribed to the scheme in the mode and manner in which it was held prior to resorting to such action by the concerned Government and the final settlement of the withheld amount shall be made by the National Pension System Trust, or any intermediary or other entity, authorized for this purpose by the Authority, normally within ninety days of the receipt of an appropriate order from the concerned Government;

(iii) the amount withheld becomes payable to the subscriber on the final settlement, as certified by the concerned Government department which has sought withholding of such benefits, and shall be paid to the subscriber as soon as possible and in no case beyond ninety days of receipt of the final order by the National Pension System Trust or any other entity or person, authorized for the purpose by the Authority;

(e) If the subscriber or the family members of the deceased subscriber, upon his death, avails the option of additional relief on death or disability provided by the Government, the Government shall have right to adjust or seek transfer of the entire accumulated pension wealth of the subscriber to itself. The subscriber or family members of the subscriber availing such benefit shall specifically and unconditionally agree and undertake to transfer the entire accumulated pension wealth to the Government, in lieu of enjoying or obtaining such additional reliefs like family pension or disability pension or any other pensionary benefit from such Government authority;

(g) all benefits receivable, including the purchase of annuity as specified under these regulations, shall be arranged to be paid by the National Pension System Trust or the central recordkeeping agency or any other entity authorized for the purpose by the Authority after processing the withdrawal applications in accordance with the provisions of these regulations, or any guidelines, order or notification, as may be issued by the Authority, from time to time;

(h) for a subscriber, exiting from Tier-I account under the National Pension System, the amounts lying in the Tier-II account shall also be monetized and closed simultaneously upon payment of the eligible benefit;

### **CHAPTER III**

#### **WITHDRAWALS, PURPOSE, FREQUENCY AND LIMITS UNDER NATIONAL PENSION SYSTEM**

7. Conditions of withdrawals under National Pension System.- The National Pension System Trust or the central recordkeeping agency acting on behalf of the National Pension System Trust or any other entity authorized by the Authority for the purpose, may on receipt of an application for withdrawal from a subscriber in the specified form and subject to fulfillment of conditions so specified may allow withdrawal from the National Pension System in the mode and manner permitted under these regulations, guidelines, circulars, orders or notifications issued by the Authority from time to time:

Provided that the subscriber shall be required to submit the application form for withdrawal, specified for the purpose, along with documents, so specified and comply with the requirements contained in the operational

guidelines issued by the Authority with respect to the permissible withdrawals under the National Pension System.

8. The following withdrawals shall be permitted under National Pension System.- (1) A partial withdrawal of accumulated pension wealth of the subscriber, not exceeding twenty-five per cent. of the contributions made by the subscriber and excluding contribution made by employer, if any, at any time before exit from National Pension System subject to the terms and conditions, purpose, frequency and limits specified below:-

(A) Purpose: A subscriber on the date of submission of the withdrawal form, shall be permitted to withdraw not exceeding twenty-five percent of the contributions made by such subscriber to his individual pension account, for any of the following purposes only:-

- (a) for Higher education of his or her children including a legally adopted child
- (b) for the marriage of his or her children, including a legally adopted child;
- (c) for the purchase or construction of a residential house or flat in his or her own name or in a joint name with his or her legally wedded spouse.

In case, the subscriber already owns either individually or in the joint name a residential house or flat, other than ancestral property, no withdrawal under these regulations shall be permitted;

(d) for treatment of specified illnesses: if the subscriber, his legally wedded spouse, children, including a legally adopted child or dependent parents suffer from any specified illness, which shall comprise of hospitalization and treatment in respect of the following diseases:

- (i) Cancer;
- (ii) Kidney Failure (End Stage Renal Failure);
- (iii) Primary Pulmonary Arterial Hypertension;
- (iv) Multiple Sclerosis;
- (v) Major Organ Transplant;
- (vi) Coronary Artery Bypass Graft;
- (vii) Aorta Graft Surgery;
- (viii) Heart Valve Surgery;
- (ix) Stroke;
- (x) Myocardial Infarction
- (xi) Coma;
- (xii) Total blindness;
- (xiii) Paralysis;
- (xiv) Accident of serious/ life threatening nature.
- (xv) any other critical illness of a life threatening nature as stipulated in the circulars, guidelines or notifications issued by the Authority from time to time.

(B) Limits: the permitted withdrawal shall be allowed only if the following eligibility criteria and limit for availing the benefit are complied with by the subscriber:-

- (a) the subscriber shall have been in the National Pension System at least for a period of last ten years from the date of his or her joining;



(b) the subscriber shall be permitted to withdraw accumulations not exceeding twenty-five per cent of the contributions made by him or her and standing to his or her credit in his or her individual pension account, as on the date of application for withdrawal;

(C) Frequency: the subscriber shall be allowed to withdraw only a maximum of three times during the entire tenure of subscription under the National Pension System and not less than a period of five years shall have elapsed from the last date of each of such withdrawal. The mandatory requirement of five years having elapsed between two withdrawals shall not apply in case of "treatment for specified illnesses or in case of withdrawal arising out of exit from National Pension System due to the death of the subscriber. The request for withdrawal in the specified form, shall be submitted by the subscriber, along with relevant documents to the central recordkeeping agency or the National Pension System Trust, as may be specified, for processing of such withdrawal claim. Provided that where a subscriber is suffering from any illness, specified in sub-clause (d), the request for withdrawal may be submitted, through any family member of such subscriber.

(2) A subscriber having a valid and active Tier-II account of the Permanent Retirement Account can withdraw the accumulated wealth either in full or part, at any time by applying for such withdrawal, on such application form and in such mode and manner, as may be specified by the Authority in this behalf. There shall be no limit on such withdrawals till the account has sufficient amount of accumulated pension wealth to take care of the applicable charges and the withdrawal amount:

Provided that the Tier-II account shall stand automatically closed at the time of exit of the subscriber from the National Pension System, even if an application so specified for the purpose has not been received from the subscriber, and the accumulated wealth in such account shall be transferred to the bank account provided by the subscriber, while submitting his application for exit from the National Pension System.

9. Withdrawal process.- (1) The National Pension System Trust or any other intermediary or entity authorized by the Authority for the said purpose shall be responsible for processing and authorizing approving the withdrawal and exit claims lodged by the subscriber in accordance with the provisions of the Act, these regulations, directions, guidelines issued by the Authority and the Pension Fund Regulatory and Development Authority (National Pension System Trust) Regulations, 2015, where applicable. The National Pension System Trust shall frame suitable operational processes or guidelines for facilitating withdrawals and Exit of subscribers from National Pension System.

#### CHAPTER IV

#### ANNUITY PURCHASE AND ANNUITY SERVICE PROVIDERS

10. Conditions of annuity purchase upon exit.- (1) The subscriber, at the time of exit, shall mandatorily purchase an annuity providing for a monthly or periodical annuity or pension as specified in these regulations. Such annuity shall be purchased from an annuity service provider who is empanelled by the Authority.

(2) The exercise of option of the annuity and the type thereof shall be made by the subscriber at the time of exit from the National Pension System, unless otherwise specified by the Authority through circulars, notifications or guidelines issued by it from time to time.

(3) Once an annuity is purchased, the option of cancellation and reinvestment with another annuity service provider or in another annuity scheme shall not be allowed unless the same is within the time limit specified

by the annuity service provider, for the free look period as provided in the terms of the annuity contract or as specifically provided by the Insurance Regulatory and Development Authority.

(4) The subscriber shall have an option to choose from various types of annuities, provided by the annuity service provider and the annuity so chosen shall be provided by the empanelled annuity service provider.

(5) There shall be a default annuity service provider and a default annuity scheme for the benefit of subscribers exiting from the National Pension System. The information on the default annuity service provider and default annuity scheme applicable shall be such as may be specified by the Authority and placed on its website, apart from communicating to the subscriber through circulars, guidelines or notification issued by it. Such default annuity scheme shall not be available or applicable in the case of Government subscribers covered under regulation 3.

11. Empanelment of annuity service providers.- (1) On and from the commencement of these regulations, an applicant, meeting the eligibility criteria as specified in these regulations for grant of an empanelment certificate to act as an empanelled annuity service provider, shall make an application in the specified form accompanied by a empanelment fee referred to in sub-regulation (2) and such documents in support thereon, as may be specified by the Authority.

(2) One time empanelment fee of rupees one lakh, shall be submitted along with the application, to the Authority. The empanelment fee shall be realized by the Authority within fifteen days from the date of sending intimation of grant of certificate of empanelment under regulation 17:

Provided that every empanelled annuity service provider shall, at the time of renewal of empanelment certificate pay such renewal fees, if any, as may be specified by the Authority, from time to time through a circular, order or notification issued by it.

(3) An application, not complete in all respects and not conforming to the instructions specified in the application form and these regulations shall be rejected. Provided that, before rejecting any such application, the applicant shall be given a reasonable opportunity to withdraw or complete the application in all respects and rectify the errors, if any. The Authority may seek such additional information for disposal of the application from the Applicant as may be deemed relevant.

(4) An annuity service provider empanelled by the Interim Pension Fund Regulatory and Development Authority prior to the commencement of these regulations, may continue to act as such, for a period of ninety days from the notification of these regulations or, if it makes an application for grant of empanelment till the disposal of its application by the Authority.

12. Eligibility criteria for grant of certificate.- (1) The following shall be the eligibility criteria for any applicant to act as an empanelled annuity service provider:-

- (a) any Life Insurance Company registered and regulated by the Insurance Regulatory and Development Authority and dealing with annuity products in the domestic market for the last three years;
- (b) the applicant having a minimum net worth of rupees two hundred and fifty crores;

- (c) the applicant shall have competency in design, development and offering of annuity products, which is demonstrable by the details of the annuity products filed with the Insurance Regulatory and Development Authority;
- (d) not barred from dealing with or selling annuity products in the market by the Insurance Regulatory and Development Authority;
- (e) any other criteria as may be specified by the Authority from time to time through resolutions, notifications, circulars, guidelines, norms or memoranda.

(2) The Authority reserves the right to waive or modify some or all of the above criteria for reasons to be recorded in writing.

13. Disclosure of information.- (1) The Authority, having regard to the interest of the subscribers may, have the right to disclose to the public, of the information on the application made by the applicant.

(2) Any material change in the information furnished to the Authority while making the application for empanelment or subsequently shall be intimated to the Authority by the annuity service provider promptly but not later than thirty days of the occurrence of such change.

14. Furnishing of information and clarification.- (1) The Authority may require the applicant to furnish any further information or clarification, for the purpose of disposal of the application for empanelment, and, thereafter, in regard to any other matter as may be deemed necessary by the Authority. The applicant or its principal officer shall, if so required, appear before the Authority for a personal representation in connection with the application;

(2) The applicant shall furnish such information and clarification to the satisfaction of the Authority, within the time specified in this regard by the Authority.

15. Verification of information.- (1) While considering the application and the information furnished by the applicant and its eligibility, the Authority may, if it so desires, verify the information in any manner, as it deems necessary, including by physical verification of documents, office space, and inspection of the availability of office space, infrastructure, and technological support which the applicant is required to have.

(2) For the purpose of verification of information, the Authority may appoint any person including any of its officers or an auditor or an external agency.

16. Consideration of application.- (1) For considering the eligibility of the applicant and grant of certificate of empanelment to such applicant, the Authority shall take into account all matters which it deems relevant to the activities in the pension sector and the National Pension System, including but not limited to the following:-

- (a) whether the applicant or any of its associates have in the past been refused grant of empanelment certificate by any of the financial sector regulators in India including the Reserve Bank of India, the Securities

and Exchange Board of India, the Insurance Regulatory and Development Authority and the Authority and if so, the ground for such refusal;

(b) whether the applicant has in the past five years been imposed with penalties by any of the financial regulators such as the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority and the Authority or by a court of law or tribunal, on matters concerning violation of provisions of the laws, the regulations made or directions, guidelines and circulars issued by the respective regulator and if so, the ground for such refusal;

(c) whether the applicant satisfies the eligibility criteria and other requirements as specified in these regulations;

(d) whether the grant of a certificate to the applicant is in the interest of the subscribers and or the orderly development of pension sector or of the National Pension System.

(2) While considering the application, the Authority may invite the applicant to make a presentation to the Authority on such a date, time and place determined by the Authority. The purpose of such presentations shall be to allow the applicants to present its proposal to the Authority and to explain the key strengths in its proposal.

(3) Any application for grant of certificate of empanelment,-

(a) which is not complete in all respects and does not conform to the requirements in the and the requirements specified in these regulations;

(b) which does not contain such additional information as required by the Authority;

(c) which is incorrect, false or misleading in nature;

(d) where the applicant is not in compliance with the eligibility requirements as set out under these regulations;

(e) which in the opinion of the Authority is not in the interest of subscribers and or the objective of orderly development of the pension sector or the National Pension System;

(f) where the applicant is not a 'fit and proper person';

shall be rejected by the Authority for reasons to be recorded by it in writing.

(4) Before rejecting an application, the applicant shall be given an opportunity in writing to make good the deficiencies within the time specified by the Authority, for the purpose:

Provided that where an application is rejected for the reason that it contains false or misleading information, no such opportunity may be given and the applicant shall not make any application for grant of certificate under these regulations or any other regulations for a period of one year from the date of such rejection.

(5) An application for grant of certificate of empanelment, under these regulations, which is complete in all respects, shall be disposed of by the Authority, within a period of sixty days from the date of receipt of such request.

17. Procedure for grant of certificate of empanelment.- (1) The Authority on being satisfied that the applicant is eligible, shall grant a certificate of empanelment in the form specified in Annexure III and send an intimation to the applicant in this regard:

Provided that where a pending proceeding before the Authority or any court or tribunal may result in the suspension or cancellation of the certificate, the Authority may give a conditional certificate of empanelment.

(2) Within thirty working days of the date of receipt of certificate of empanelment, the annuity service provider shall enter into an agreement with the National Pension System Trust or the central recordkeeping agency for the purpose of operationalization of the process for purchase of annuities by the subscribers of the National Pension System.

**18. Conditions of certificate of Empanelment.**—Any certificate of empanelment granted by the Authority to an annuity service provider shall be subject to the following conditions, namely,-

- (a) where the annuity service provider proposes to change its status or constitution, it shall intimate to the Authority of such information along with the approval obtained from the Insurance Regulatory and Development Authority, for continuing to act as an annuity service provider;
- (b) it shall pay the applicable fees in accordance with these regulations;
- (c) it shall abide by the provisions of the Act, the rules and the regulations made or any direction, guidelines or circulars as may be issued by the Authority thereunder;
- (d) it shall abide by the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 and the rules and regulations framed thereunder.
- (e) it shall meet the eligibility criteria and other requirements specified in these regulations throughout the tenure of the certificate of empanelment:

Provided that the Authority may impose such other and further conditions as it may deem fit in the interest of subscribers or for orderly development of the National Pension System or the Pension sector.

19. Effect of refusal to grant certificate of empanelment or expiry of certificate of empanelment.—(1) Where an existing annuity service provider has failed to apply for renewal of empanelment of certificate and upon expiry of certificate of empanelment or has been refused grant of certificate of empanelment under these regulations, or has surrendered its certificate, or has been directed to be wound up by an order of a court, such annuity service provider shall,-

- (a) forthwith cease to act as an annuity service provider for subscribers of National pension System;
- (b) make provisions as regards liability incurred or assumed by the annuity service provider, if any;
- (c) take such other action, within the time limit and in the manner, as may be required under the relevant regulations or as may be directed by the Authority.

(2) While refusing grant of certificate of empanelment under these regulations to an annuity service provider, the Authority may impose such conditions upon the annuity service provider as it deems fit for protection of interest of the subscribers and such conditions shall be complied with.

20. Period of validity of certificate of empanelment.- (1) Subject to compliance with the provisions of the Act, these regulations, the certificate granted to an annuity service provider shall be valid unless surrendered by it or suspended or cancelled in accordance with these regulations.

(2) An Annuity Service Provider who has been granted a certificate of empanelment, to keep such empanelment in force, shall pay a fee of rupees twenty-five thousand within ninety days before the expiry of five years from the date of first empanelment or date of the payment of fee last accepted by the Authority, by way of making an application in the specified form to the Authority.

21. Exemptions in certain cases from eligibility criteria.- (1) If any of the applicants does not fulfill any of the eligibility criteria as specified for the annuity service provider, it may request the Authority through an application seeking exemption from such criteria.

(2) The Authority, if in its opinion feels, that the non-fulfillment of the eligibility conditions of which relaxation is sought would not prejudicially affect the interest of the subscribers, and such relaxation would not hamper orderly development of the pension sector and more specifically the National Pension System, it may grant exemption from some of the criteria to such entity for reasons to be recorded in writing. The Authority may in such circumstances impose such additional conditions as it may deem fit for grant of empanelment. .

22. Duties and responsibilities of empanelled annuity service providers.- (1) The main functions of a empanelled annuity service provider is,-

(a) to provide different kinds of immediate annuities to the subscribers at the time of exit from the National Pension System;

(b) to provide minimum immediate annuity variants options as required by the Authority and to be able to provide any new variant as required by the Authority from time to time in the interest of subscribers in conformity with the Insurance Act, 1938 (4 of 1938) and the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), and the rules, regulations and guidelines made thereunder;

(c) to provide monthly or any other periodical annuity payment to the subscriber for the annuity contract purchased by the subscriber under the National Pension System;

(d) the annuity service provider shall be responsible for handling the grievances and issues related to or arising out of the entering into the annuity contract with the subscribers under the National Pension System.

(2) The initial customer interaction for the National Pension System, shall be,-

(a) addressing queries of potential subscribers regarding purchase of annuities;

(b) providing and displaying of Insurance Regulatory and Development Authority approved information on annuities and application form or offer document or other publicity material pertaining to immediate annuities available including the annuity calculators.

(3) Subscriber registration for purchase of annuity,-

(a) to make available the necessary infrastructure required for receipt and acceptance of applications with the specified premiums and issuance of annuity contracts in line with the approvals granted by the Insurance Regulatory and Development Authority;

(b) facilitate or provide infrastructure required for online purchase of annuity products by the subscribers through the central record keeping agency registered and regulated by the Authority, including the necessary software support. The annuity service provider shall provide the necessary application forms, literature on the available annuities and other facilities available to the subscribers through the central recordkeeping agency system or any other mode specified for the purpose;

(c) issuance of the annuity contract as per the choice of the subscriber provided in the annuity application in line with these regulations and guidelines specified by the Insurance Regulatory and Development Authority;

(d) the annuity service provider shall be responsible for delivering the monthly, quarterly or annual pension or annuity as chosen by the subscriber under the National Pension System in the annuity application form and the annuity contract entered by such subscriber. However, in case of government sector subscribers, the annuity payable shall be on monthly basis only;

(e) the annuity service provider shall be responsible for collection, verification and subsequent actions for issuance of annuity contracts against purchases by subscribers under the National Pension System from the central recordkeeping agency or its representative or other entity which is authorized by the Authority for the purpose;

(f) the annuity service provider shall provide the information on annuity purchases made by the subscribers under the National Pension System to the National Pension System Trust and the central recordkeeping agency in the form, format and interval to be specified by the National Pension System Trust.

(4) The handling of subscriber requests such as receiving, processing and effecting requests from the subscribers for change in address, nomination or any other activity in connection with the annuity contract entered into by the annuity service provider.

(5) The annuity service provider shall be responsible for receiving from, and resolving the, grievances of subscribers under the National Pension System who had purchased the annuity from it and follow them up till their redressal in accordance with the grievance redressal guidelines or regulations for insurers issued by the Insurance Regulatory and Development Authority.

(6) Any complaint from a subscriber relating to the services provided shall be dealt by the annuity service provider and settled in accordance with the provisions of the Insurance Regulatory and Development Authority, Act 1999 (41 of 1999), and the rules and regulations made thereunder, by the annuity service provider under intimation to the National Pension System Trust. This shall be without prejudice to the powers of the Authority to cancel or suspend the empanelment of the annuity service provider or take such other measures as deemed necessary in the subscriber's interest.

23. Fees and charges to be charged from the subscribers.- There shall not be any additional fees or charges other than the premium as approved by the Insurance Regulatory and Development Authority for the product

but excluding any taxes imposed by the Government. There shall not be any additional intermediation expense or charge for the product issued to the subscribers.

24. Appointment of compliance officer.- (1) Each annuity service provider shall appoint a compliance officer who shall be responsible for monitoring compliance of duties of annuity service provider as provided under these regulations and any other rules, regulations, guidelines issued by the Insurance Regulatory and Development Authority and for redressal of grievances reported by the subscribers who have purchased the annuities from the annuity service provider upon exit from the National Pension System. The name and details of such compliance officer shall be intimated to the Authority within thirty days of such appointment.

(2) The compliance officer shall be responsible for activities related to the coordination with other entities in the National Pension System like the National Pension System Trust, the central recordkeeping agency, Trustee Bank or any other specific entity connected with annuity purchases or any activity related to it.

25. Code of conduct.-The empanelled annuity service provider shall at all times observe the code of conduct for insurers or any other similar rules, guidelines or regulations specified by the Insurance Regulatory and Development Authority for fair dealing in activities related to the annuity purchase by subscribers.

26. Power of the Authority to take up any of the matters associated with Insurance Regulatory and Development Authority.-In order to remove any difficulties in the annuity purchase, grievances arising out of annuity purchase or any other matter associated with annuity purchase by subscribers under the National Pension System, the Authority may take up the matter directly with the Insurance Regulatory and Development Authority.

27. Confidentiality.- The empanelled annuity service provider shall maintain absolute confidentiality with respect to all records, data and information received by it under the National Pension System including information received from a subscriber. The annuity service provider shall not, without the prior permission of the Authority, produce or share such data or information as evidence, or for any other purpose, except as required by the due process of law.

28. Cancellation of empanelment.-The Authority may cancel the empanelment of an annuity service provider, after giving a reasonable opportunity of hearing and for reasons to be recorded in writing.

#### *CHAPTER V* INSPECTION AND AUDIT

29. Inspection and audit.- (1) The powers of the Authority with respect to audit and inspection of intermediaries entrusted with the functions of managing the withdrawals from the National Pension System shall be in accordance with the regulations governing the specific intermediaries under the National Pension System.



**CHAPTER VI  
INQUIRY**

30. Conduct of inquiry.- (1) The inquiry proceedings and action in case of default shall be in accordance with the regulations governing the specific intermediaries like the National Pension System Trust, the central recordkeeping agency or any other intermediary.

(2) Where the default involves, the National Pension System Trust, the central recordkeeping agency and or any other intermediary, a common inquiry may be held for the purpose.

**CHAPTER VII  
MISCELLANEOUS**

31. Prevention of fraud or mismanagement.-The National Pension System Trust or the central recordkeeping agency or the annuity service provider or any other intermediary or entity entrusted with the functions of managing the withdrawals from the National Pension System by the Authority shall take all possible steps to prevent fraud or mismanagement of the withdrawals of the subscribers upon exit from the National Pension System.

32. Nomination.-Notwithstanding anything contained in these regulations or in any other law for the time being in force, a subscriber, at the time of joining the National Pension System is required to make a nomination, in the specified form, conferring on one or more persons the right to receive the amount that may stand to his or her credit in the accumulated wealth or fund in the event of his or her death, before that amount becomes payable or having become payable has not been paid. The nominee or nominees, as the case may be, shall be entitled, on the death of the subscriber, to receive, to the exclusion of all other persons, all such moneys which have so remained unpaid:

Provided that,-

- (i) if the nominee predeceases the subscriber, the nomination shall so far as it relates to the right conferred upon the said nominee, become void and of no effect;
- (ii) where a provision has been duly made in the nomination, in accordance with these regulations, conferring upon some other person the right to receive all such moneys, which have so remained unpaid, in the event of the nominee predeceasing the subscriber, such right shall, upon the nominee being deceased, pass to such other persons standing as nominees;
- (iii) a subscriber may in his nomination distribute the amount that may stand to his credit in the fund amongst his nominees at his own discretion;
- (iv) if a subscriber has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his family. Any nomination made by such subscriber in favour of a person not belonging to his family shall be invalid;
- (v) 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;
- (vi) if at the time of making a nomination the subscriber has no family, the nomination may be in favour of any person or persons but if the subscriber subsequently acquires a family, such nomination shall forthwith be deemed to be invalid and the subscriber shall make a fresh nomination in favour of one or more persons belonging to his family;

- (vii) where the nomination is wholly or partly in favour of a minor, the subscriber may, for the purposes of this Scheme, 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;
- (viii) where there is no major person in the family, the subscriber may, at his discretion, appoint any other person to be a guardian of the minor nominee;
- (ix) a nomination made under the National Pension System may at any time be modified by a subscriber after giving a written notice of his intention of doing so in the form specified. A nomination or its modification so made shall take effect to the extent that it is valid on the date on which it is received by the intermediary under the National Pension System;
- (x) if a subscriber proves that his spouse has ceased, under the personal law governing him or her, or the customary law of the community to which the spouses belong, to be entitled to maintenance he or she shall no longer be deemed to be a part of the subscriber's family for the purpose of this Scheme, unless the subscriber subsequently intimates by express notice in writing to the designated intermediary for the purpose that he or she shall continue to be so regarded; and
- (xi) if a subscriber by notice in writing to the designated intermediary for the purpose expresses her desire to exclude her husband from the family, the husband and his dependent parents shall no longer be deemed to be a part of the subscriber's family for the purpose of this Scheme, unless the subscriber subsequently cancels in writing any such notice.

*Explanation I* -- For the purposes of this chapter,-

(a) the expression "family",

(i) in relation to a male subscriber, means his legally wedded wife, his children, whether married or unmarried, his dependent parents and his deceased son's widow and children;

(ii) in relation to a female subscriber, means 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;

*Explanation II* -- In either of the above two cases, if the child of a subscriber [or as the case may be, the child of a deceased son of the subscriber] has been adopted by another person and if, under the personal law of the adopter, adoption is legally recognized, such a child shall be considered as excluded from the family of the subscriber.

33. **Submission of withdrawal application.**-A subscriber seeking withdrawal from Tier-I account of the National Pension System shall submit his withdrawal application along with the requirements mentioned thereon to the central recordkeeping agency as per the operational withdrawal and exit guidelines issued by the Authority from time to time.

34. **Requirement of submission of documents.**-A subscriber seeking withdrawal from Tier-I account of the National Pension System shall submit all the documents as specified on the withdrawal application form. The withdrawal application forms applicable to various categories of the subscribers shall be as per the forms provided by the Authority from time to time.

35. **Providing bank account details.**-A subscriber seeking withdrawal from Tier-I account of the National Pension System shall provide the Bank details mandatorily apart from Aadhar card or PAN card issued by Income-Tax Department, whichever is available in the section provided in the withdrawal form in order to provide credit of the National Pension System claim amount directly in to their Bank accounts.

36. **Mode of payments under National Pension System.**-All payments pertaining to withdrawals under National Pension System shall be made through electronic transfer only and the withdrawal amount shall be directly credited to the subscriber or claimant's bank account as furnished in the withdrawal form. ♦

37. **Stoppage of last three months deductions by employer.**-Contributions deductions under the National Pension System made by the employers from the salary of such subscriber shall be stopped at least three months prior to the date of superannuation, , as may be applicable, to ensure that the exit and withdrawal of the subscriber is smooth and effective. The employer shall settle directly the said last three months contributions at their end with the concerned employee. .

38. **Reports and disclosures.**-The annuity service provider, the National Pension System Trust or the central recordkeeping agency shall submit such information and reports as required by the Authority in the mode, manner and frequency as specified by the Authority from time to time.

39. **Power of the Authority to issue directions and clarifications.**-The Authority shall have power to issue necessary directions, restricting the provisions relating to withdrawals and exit, as the case may be, under these regulations, so as to comply with any requirements to move from any other pension or superannuation schemes not covered under the Act, to the National Pension System. The Authority may issue clarifications and guidelines in order to remove any difficulties in the application or interpretation of these regulations.

[ADVT-III/4/Exty./203/49/15]

HEMANT G. CONTRACTOR, Chairperson