

National Handloom Development Corporation Limited

National Pension Scheme-2017

Pension Scheme – The scheme is known as NHDC NPS-2017.

What is NPS -

- a. NPS is a voluntary, simple, regulated, portable & flexible pension system that allows making regular savings for the retirement.
- b. NPS is a useful retirement planning tool & also a good tax planning investment opportunity.
- c. NPS is regulated by Pension Fund Regulatory & Development Authority (PFRDA). PFRDA is a statutory body set up by Govt. Of India, Ministry of Finance to promoted Old Age Income Security & regulates the Pension sector.

Effective date – The scheme is effective from 01 April 2017.

Eligibility –

- a. All regular employees of the corporation shall be eligible under the scheme.
- b. The membership under the scheme shall be till the Age of retirement which is presently 58 Years in the Corporation.

Contribution –

The scheme will consist both contributions i.e Employer & Employee contribution in the following manner:

- a. The Minimum contribution under the scheme is:
Employer – 5% of Basic + DA
Employee - 5% of Basic + DA
- b. The Maximum contribution under the scheme is:
Employer – Presently fixed – 5% of Basic + DA
Employee – No limit

Tax Benefit under the Scheme –

An employee shall be eligible to claim following Tax benefits:

- a. Contribution made by an employee upto Rs.50,000/- is exempted under section 80CCD 1(B)
- b. Contribution made by the employer upto 10% of Basic + DA is exempted under section 80 CCD (2)

Note: Above Exemption are over & above the rebate provided under section 80CCE of Income Tax Act.

Methodology of the Scheme –

- a. The Scheme shall be monitored by Pension Fund Regulatory & Development Authority (PFRDA), which is a statutory body setup by Govt of India.
- b. Corporation will select a **Point of Presence (POP)** who will act as a Interface between NHDC & NSDL.
- c. The fund shall be managed by the shortlisted Pension Fund Manager & Stock Holding Corporation of India Ltd will be responsible in the Capacity of **Custodian** for the custody of underlying securities.
- d. Corporation has opted for **Tier-I Account** where Pension Fund cannot be withdrawn before retirement.
- e. Corporation has selected **Auto Choice (Life Cycle Fund)** investment Option, where the investment shall be made by the Pension Fund Manager considering the Age Group of the employee.
- f. Corporation has opted **Moderate risk** fund option for investment, where funds are invested in fixed income instruments other than Govt. Securities.
- g. Employee will fill up NPS Account opening form with POP and based on which a Permanent Retirement Account Number (PRAN No) will be generated for each employee.

- h. Employee with existing NPS Account need to fill & submit the sector change form to switch over from Individual to Corporate Account.
- i. Employee may check their monthly fund position for which he shall be given Login ID & Password.
- j. An employee can change his personal details viz: address, contact number, e-mail ID & Bank Details by forwarding the requests to POP. For each such transaction required fee shall be charged which is presently Rs.20/- per transaction.
- k. An employee can get printed Account Statement and same can be downloaded from www.npscra.nsdl.co.in.
- l. An employee can registered his grievance on www.npscra.nsdl.co.in.
- m. Employee has to declare his nominee. For more than one nominee, sum of percentage share across all nominees has to be declared. An employee can nominate maximum 03 nominees.

Pension Withdrawal Provisions –

On Superannuation, where the Corpus size is less than 2 Lacs, total amount deposited can be withdrawn and in such case there would be no pension. However one can switch over to Individual mode to avail Pension benefits, where he can contribute upto age of 60 Years..

Where the Corpus size is 2 Lacs & more, an employee can withdraw in following manner:

Exit from NPS on Retirement.	Maximum amount available for Lump sum withdrawal would be 60% of the corpus. Rest 40 % shall be Annuitized. Out of 60% withdrawal, 40% would be Tax Free & rest 20% attract Tax as per Individual Tax bracket.
Exit from NPS before Retirement	Maximum amount available for Lump sum withdrawal would be 20% of the corpus. Rest 80% shall be Annuitized.
Death due to any cause	In case of death of the subscriber, an option will be available to the nominee to receive 100% of the NPS wealth in Lump sum. However if the Nominee wishes to continue with the NPS, he/she shall have to subscribe to NPS individually.

Charges under NPS –

Intermediary	Charge Head	Charge
POP (Point of Presence)	Initial Subscriber Registration Charge	To be borne by NHDC
	Initial Contribution Charge	
	All subsequent Contributions (Per Transaction)	0.25% or Min Rs.20+Service Tax To be borne by NHDC.
	All Non Financial Transactions (Per Transaction)	Rs.20/- + Service Tax. To be borne by the employee.
CRA (Central Record keeping Agency)	PRAN Account Opening (One Time)	Rs.50/- To be borne by the employee through NAV deduction.
	Transaction Processing Charge (Per Transaction)	Rs.4/- . To be borne by the employee through NAV deduction
	PRAN Annual Maintenance Charges	Rs.95/- To be borne by the employee through NAV deduction.
PFM (Pension Fund Manager)	Annual Fund Management Charge	0.01%
Custodian (SHCIL)	Annual Security Deposit Charge	0.0075%

Miscellaneous Provisions –

- a. Any future amendments in NPS Provisions shall be automatically binding on NHDC – NPS 2017 Scheme.
- b. Pension Amount would be taxable in case it exceeds the tax exemption limit.
- c. Withdrawal Annuitized Amount would attract tax.
- d. Annuity can be deferred upto next 03 Years.
- e. For further clarification, website www.npscra.nsdl.co.in may be referred.