



**पेंशन निधि विनियामक और
विकास प्राधिकरण**

बी-14/ए, छत्रपति शिवाजी भवन,
कुतुब इंस्टिट्यूशनल एरिया,
कटवारिया सराय, नई दिल्ली-110016
दूरभाष : 011-26517503
फैक्स : 011-26517507
वेबसाइट : www.pfrda.org.in

**PENSION FUND REGULATORY
AND DEVELOPMENT AUTHORITY**

B-14/A, Chhatrapati Shivaji Bhawan
Qutab Institutional Area,
Katwaria Sarai, New Delhi-110016
Phone : 011-26517503
Fax : 011-26517507
Website : www.pfrda.org.in

CIRCULAR

PFRDA/2016/11/Exit/03

09.06.2016

To,

NPS Trust, CRA, Pension Funds, Trustee Bank, Govt Nodal Offices, Annuity Service Providers and other stakeholders

Monetisation of units lying in the subscribers' account who have not withdrawn their benefits from NPS

The monetisation policy is deliberated in the circular divided into the following two sections for the purpose of ease of understanding and implementation:

- A. Subscribers who have superannuated or attained 60 years of age, but not lodged their withdrawal claims.
- B. Those subscribers who have deferred the withdrawal of lump sum and/or purchase of an annuity and who have not claimed these amounts after the completion of such term of deferment OR those who have withdrawn the lump sum amount (60/20) after following the due process but have not purchased the required annuity.

A. Subscribers who have superannuated or attained 60 years of age but not yet lodged their withdrawal claims

- a) CRA will initiate the withdrawal process **6 months** prior to his/ her attaining age of 60 years or on attaining normal age of superannuation by suo motto registration of the claim and allotment of a specific system generated claim number which would act as a Claim Ack ID for all future references and tracking. Additionally, CRA would send communications on a quarterly basis to all the PAO/DDO/DTO's seeking information on the impending superannuation cases due in next 6 months to take care of those cases where the age of normal superannuation is below 60 years and register the claim and generate the Ack ID. The CRA would send a reminder after 3 months through a system generated auto communication followed by monthly reminder till the application form is submitted by the subscriber. Also, pop-up windows would be generated on the

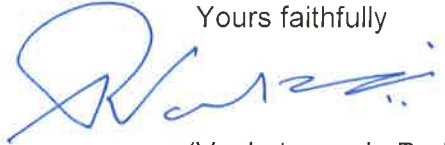
PAO/DDO/DTO's/POP-SP/Aggregator system, the moment they log on to the CRA system for any activity informing them the details of pending withdrawal applications and the requirements thereof.

- b) If despite the above efforts, the withdrawal application is not received from the subscriber within 1 month from the date of normal superannuation or from date of attainment of 60 years, CRA system would automatically initiate a process of monetization of units held in accounts of such NPS subscribers on the last business day of the month. The business day may be taken as the last working day of the CRA at its headquarters. This involves instructions from CRA to PFM on monetizing the entire accumulated pension wealth of the subscriber and moving into a separate WITHDRAWALS bank account held with Trustee Bank by NPS Trust. By this the NAV is safeguarded to the extent possible. Post this activity, the concerned nodal office and the subscriber would be informed of the monetisation and once again asking him to withdraw the amounts in terms of the process prescribed for withdrawals.
- c) Such monetised withdrawals would be kept in a separate withdrawals account with the Trustee bank (preferably with an auto-sweep facility) and the interest accrued on such accounts/amounts would be credited to subscribers account on annual basis.

B. Those subscribers who have deferred the withdrawal of lump sum and/or purchase of an annuity and who have not claimed these amounts after the completion of such term of deferment OR those who have withdrawn the lump sum amount (60/20) after following the due process but have not purchased the required annuity.

- a. In case the withdrawal is deferred by the subscriber in terms of the regulations as is indicated in the withdrawal application form and received before attaining the age of 60 years or normal age of superannuation, the component pertaining to monetization of the lump sum withdrawal or the component pertaining to purchase of annuity or both would not happen and it stays invested in the NPS under the same PFM and investment choice, unless specifically requested for a change by the subscriber. However, accumulated corpus, if any in the Tier II account of the subscriber would be monetized. The subject monetisation policy would not be applicable in case if the subscribers choose to contribute beyond the age of 60 years as is allowed under the regulations provided.

- b. CRA will intimate the subscriber and the concerned nodal office of the impending due date of such withdrawal **6 months** prior to such date of vesting opted by the subscriber. The CRA would send a reminder after 3 months through a system generated auto communication followed by monthly reminder till the application form is submitted by the subscriber. Also, pop-up windows would be generated on the PAO/DDO/DTO's/POP-SP/Aggregator system, the moment they log on to the CRA system for any activity informing them the details of pending withdrawal applications and the requirements thereof.
- d) If despite the above, the withdrawal application is not received from the subscriber within 1 month from the date of vesting as desired by the subscriber, CRA system would automatically initiate a process of monetization of units held in accounts of such NPS subscribers on the last business day of the month. The business day shall be taken as the last working day of the CRA at its headquarters. This involves instructions from CRA to PFM on monetizing the entire accumulated pension wealth of the subscriber and moving into a separate WITHDRAWALS bank account held with Trustee Bank by NPS Trust. By this the NAV is safeguarded to the extent possible. Post this activity, the concerned nodal office and the subscriber would be informed of the monetisation and once again asking him to withdraw the amounts in terms of the process prescribed for withdrawals.
- e) Such monetised withdrawals would be kept in a separate withdrawals account with the Trustee bank (preferably with an auto-sweep facility) and the interest accrued on such accounts/amounts would be credited to subscriber account on annual basis.

Yours faithfully

(Venkateswarlu Peri)
General Manager