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## Circular

Circular No. PFRDA/2018/55/Exit/5

Date:06.08.2018

To,

All Stakeholders and subscribers under NPS

**Subject: Permission of Partial withdrawal “Towards meeting the expenses by subscriber for skill development/re-skilling or for any other self-development activities and meeting the expenses by subscriber for establishment of own venture or any start-ups**

In continuation of circular no- PFRDA/2018/40/Exit dated 10.01.2018, issued on applicability & handling of partial withdrawal and **superseding the Circular No. PFRDA/2018/47/Reg-Exit/4 dated 24.05.2018.**

We are issuing this circular referring the terms of proviso (f) & (g) of sub-regulation (1)(A) of regulation 8 of Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Fourth Amendment) Regulations, 2018, notified w.e.f 18.05.2018. Authority hereby prescribes the following Partial withdrawal “Towards meeting the expenses by subscriber for skill development/re-skilling or for any other self-development activities” and “Towards meeting the expenses by subscriber for establishment of own venture or any start-ups”

1. Partial withdrawal “Towards meeting the expenses by subscriber for establishment of own venture or any start-ups”

(i). **Definition:**

“Self-development/Skill Development/Re-skilling” of NPS subscriber defines the value addition to NPS subscriber in terms of knowledge and acquiring new skills related to job & personality development. Value addition in the skills of

the subscriber, not only add value for organization but also for own development of the subscriber to increase the opportunity for his/her professional career by gaining higher education/professional qualifications/technical courses etc. It also enables subscriber to undergo, in or out of India, for a special course consisting of higher studies or specialized training in a professional or a technical subject and having a direct & close connection with the sphere of his duty.

**(ii). Coverage :**

a). Skill Development/Re-skilling of employee/Self-development activities (on request of employee) sponsored by employer for employee **shall not be covered for eligible class for partial withdrawal** because in such programmes employer bears all the expenses .

**b). Skill Development/Re-skilling /Self-development activities of NPS subscriber, following will be eligibility criteria for partial withdrawal :**

**i. Where employee-employer relationship exists:**

Course/degree/diploma/certificate for Self-development activities/Skill Development/Re-skilling of employees who are not sponsored by employer, will be eligible for partial withdrawal, provided following conditions are fulfilled

- (a) A "No objection Certificate "should be provided by employer if the employee-employer service rules/regulations/guidelines provide for the same.
- (b) In respect of identification of the course/degree/diploma/certificate for higher education/professional qualifications/skill development programs etc , the duration of the same should be 3 months or more .
- (c) The course should be recognised by University/approved organisation / recognised institutes/registered centres such as AICTE/UGC/NISM/NIBM/ICAI/IIM/other accredited bodies.
- (d) The course should be either a regular program or a distance education program or a skill development program.
- (e) Documents should be verified by the processing nodal office/PoPs/Aggregators before authorising partial withdrawal.
- (f) Amount which can be releases under this clause shall be subject to the actual fee of the course /training, subject to the maximum ceiling of 25 % of employee's own contributions, without considering the returns thereto.

**ii. Where employee-employer relationship does not exist (Individual covered under NPS) : except condition (a) as mentioned above, all other conditions shall be applicable.**



(iii). **Documentation:**

The Nodal office/PoP/Aggregator would ensure that the subscriber has provided following documents before authorizing partial withdrawal:

- a. Admission /sanctions letter from university in India/abroad with fee details.
- b. For distance learning programs , copy of invoice/s ,**letter for required fee** for desired course .
- c. For other skill development programmes, copy of invoice/s, **letter for required fee** for desired course.
- d. Study leave sanction letter/NOC provided by the organisation/department/ministry, if required in terms of the employee's service conditions. **The same shall not be applicable where employee-employer relationship does not exist. (Individual covered under NPS)**

2. Partial withdrawal "Towards meeting the expenses by subscriber for establishment of own venture or any start-ups"

**(i). Definition :**

"Start-ups/establishment of own business" means setting up a new entity / bringing existing business under any registration guidelines issued by Government of India.

**(ii). Coverage :**

**a). Partial withdrawal under this clause shall not be applicable where employee- employer relationship exists.**

**b). For subscribers who are registered under All Citizen Model (In an Individual Capacity) :** Following shall be covered under this clause :

- (a) Start-ups/establishment of new business.
- (b) Managing family business ( in the name of the subscriber ) with valid registration with government authorities like GST/Income Tax/Govt. Departments
- (c) Existing business (in the name of the subscriber ) under the registration issued by Government authorities like GST/Income Tax/Govt. Departments.
- (d) Acquiring existing business (from others ) with valid registration in his/her name.
- (e) Entity should be classified as either a proprietorship or a partnership only.
- (f) Professionals
- (g) Self-employed individuals.



**(iii). Documentation :**

For the purpose of identification for grant of partial withdrawal; nodal office/PoP/Aggregator would ensure before authorizing partial withdrawal that the subscriber has provided the following documents

- a. Registration Certificate of entity.
- b. Proof of ownership of the entity ( it should be in the name of the subscriber )
- c. Registration number issued by Government authorities like GST/Income Tax/Govt. Departments.

1. **Limits:** It shall be as mentioned under regulations 8 (B) of the Exit Regulations i.e

(a) the subscriber shall have been in the National Pension System at least for a period of three 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 without considering any returns thereon;

2. **Frequency:** It shall be same as mentioned under the existing regulations 8 (C) i.e the subscriber shall be allowed to withdraw only a maximum of three times during the entire tenure of subscription under the National Pension System.

3. Other terms & conditions and regulatory conditions as mentioned in the regulation 8 of Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015 and amendments thereto shall continue.

  
06/08/18  
**Venkateswarlu Peri**  
(Chief General Manager)