

2020|Jan

2020|Feb

2020|Mar

2020|Apr

2020|May

2020|Jun

2020|Jul

2020|Aug

2020|Sep

2020|Oct

2020|Nov

2020|Dec

EDITION FOCUSED ON
RECENT DEVELOPMENTS
UNDER
“NATIONAL PENSION
SYSTEM TRUST”

Volume: IX
Issue: X



Pension Fund Regulatory and
Development Authority

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Index

Section	Particulars	Page No.
1	Indian Economy	3
2	Interview	4
3	In The News	6
4	Recent Developments under NPS-Trust	8
5	Did You Know	10
6	NPS/APY Statistics	11
7	Circulars	17
8	Financial Literacy	19
9	International Section	21



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Section 1: Indian Economy

India is recovering at a fast pace. The Indian stock market saw a steady improvement and most of the companies have now reached pre-lockdown operation levels. The government's second-round stimulus will increase consumption spending, and may trigger some more economic activities which may add to the growth. IMF's October 2020 projection of 8.8 per cent real GDP growth of India in FY 2021-22, is considered to be highest globally.

The RBI had kept the repo rate unchanged at 4 per cent in its MPC meeting dated 04/12/2020. The data released by National Statistical Office (NSO) on November 27 showed a contraction of 7.5 per cent in real GDP in Q2:2020-21 (July-September). Real GDP growth projection for FY21 revised to -7.5% from -9.5%. Further, CPI inflation rose sharply to 7.3 per cent in September and further to 7.6 per cent in October 2020. CPI inflation is projected at 6.8 per cent for Q3:2020-21, 5.8 per cent for Q4:2020-21; and 5.2 per cent to 4.6 per cent in H1:2021-22. Food inflation surged to double digits in October across protein-rich items. Core inflation, i.e., CPI excluding food and fuel, also picked up from 5.4 per cent in September to 5.8 per cent in October.

Equity:

FPI inflows remained robust in October supported by increasing pace of economic normalisation and surplus liquidity in global markets. FPI witnessed net inflow of US\$ 3.2 billion in October 2020 compared to an outflow of US\$ 0.16 billion in September. Net inflows in equities and debt stood at US\$ 2.70 billion and US\$ 0.39 billion respectively in October.

Bonds:

Bond markets remained resilient in October following RBI's announcement of doubled OMOs, first time OMOs of SDLs and on-tap TLTROs. The surplus systemic liquidity continues to ensure softening of 10-year G-sec yield and reduction of spread with AAA corporate bond yields. The corporate sector has seen growing success in mobilizing funds from the capital market, both through public issue and private placement, reflecting the development of an alternative to bank credit.

National Pension System:

The total assets under management of the National Pension System and Atal Pension Yojana have crossed Rs 5 lakh crore. The growth in NPS and APY subscribers has also been substantial as subscribers under both the schemes have crossed 3.83 crore.

Section: 2 Interview

Interview of Shri Supratim Bandyopadhyay, Chairman,
PFRDA

PFRDA to roll out pension scheme offering minimum assured returns to subscribers in FY22

October 16, 2020; Financial Express news

The Pension Fund Regulatory and Development Authority (PFRDA) will roll out a pension scheme that offers minimum assured returns to subscribers in FY22, its chairman Supratim Bandyopadhyay said on Thursday. The modalities of the scheme will be worked out by March 2021, he added.



Currently, the National Pension Scheme, based on the principle of defined contribution, is market-determined; only the Atal Pension Yojana, which comes under NPS umbrella and is meant for the low-income unorganised sector workers, offers a minimum return (8%).

The PFRDA is also inviting fresh proposals for managing the assets under NPS and is willing to offer the fund managers higher fees in order to bring in efficiency. Currently, NPS fund managers charge a low fee 0.01% of assets under management (AUM), whereas mutual fund managers charge 1-2% or even more.

The AUM for NPS has recorded a sharp increase of 35% to Rs 5.05 lakh crore as on October 10, 2020 compared with Rs 3.74 lakh crore a year ago (the growth in AUM has been a handsome 21% since March 31, 2020, despite the pandemic and lockdown). Bandyopadhyay expects the AUM to rise further to Rs 6 lakh crore by end-FY21.

During the April-August period, withdrawals from NPS corpus was only Rs 60 crore, while the employees provident fund (EPF) withdrawals during the period was around Rs 39,000 crore.

Currently, the schemes under NPS do not guarantee returns or benefits as they are market-determined. The average annual returns have been about 10% in the past 11-12 years for the central government and state government employees, who form bulk of the subscribers' AUM corpus (81%). The returns over the last one-year horizon has also been around 9-10%.

However, FY21 is going to be a challenging year due to Covid-induced fall in equity and debt market. In aggregate, 80% of the NPS corpus is invested in debt (G-secs and corporate bonds) and 20% in equities.

As per PFRDA Act 2013, the subscriber shall have an option of to invest the funds in such schemes providing minimum assured returns (MARs) as may be notified by the authority. "However, it was not available (December 2019) to NPS subscribers, in violation of PFRDA Act. Thus, it was only after a lapse of five years since notification of the PFRDA Act, that PFRDA had initiated process to design/formulate a scheme offering MARS and even after lapse of more than 15 years since the introduction of the NPS, the subscribers were yet to receive such minimum assurance," CAG said in

its performance audit report for FY18 released on September 23, 2020. "Immediate steps need to be taken for providing MARS to the subscriber for ensuring their social security post retirement," it said.

Highlighting difficulties faced by it in launching the product, PFRDA chairman said it was found after talks with such product providers that they were ready to provide only 'capital guarantee', meaning only the absolute amount invested will be guaranteed. "We are forming a committee shortly and we will have to take actuarial inputs before designing the minimum assured returns scheme (MARS)," the PFRDA chairman said. However, he said such a product will come with a cost as subscribers have to pay a guarantee fee to fund managers.

Section 3: In The NEWS



Pension fund managers: 'Floor' and 'cap' concept to be introduced in RFP

The Pension Fund Regulatory & Development Authority (PFRDA) proposes to bring in a slew of changes in the upcoming Request for Proposal (RFP) for Pension Fund Managers (PFMs) including the introduction of concept of 'floor' and 'cap' as criterion for deciding the fund management fees that could be charged by them.

<https://www.thehindubusinessline.com/money-and-banking/pension-fund-managers-floor-and-cap-concept-to-be-introduced-in-rfp/article32731546.ece>

National Pension Scheme: Top 5 reasons to have NPS Tier-2 account

National Pension Scheme: A substantial corpus creation for one's retirement phase is an essential aspect to take care of while undertaking financial planning. To address this concern of the growing senior citizen demography in the country, the Government introduced schemes like the National Pension System or NPS. The scheme allows for systemised savings during one's working years, thus inculcating a financial discipline among individuals to save for the future.

<https://www.zeebiz.com/personal-finance/news-national-pension-scheme-top-5-reasons-to-have-nps-tier-2-account-136170>

NPS account holders alert! PFRDA has this pension good news for you

PFRDA or Pension Fund Regulatory and Development Authority, in its endeavor to make the subscriber registration, exit process and processing service requests seamless and subscriber friendly, has been constantly introducing new methods of subscriber authentication such as OTP/ eSign based onboarding, Offline Aadhaar based on boarding, third party reliance for KYC, e-nomination, e-exit for eNPS Subscribers etc. The PFRDA has already issued a circular in this regard on 6th October 2020.

<https://www.zeebiz.com/personal-finance/news-nps-account-holders-alert-pfrda-has-this-pension-good-news-for-you-136656>

National Pension System: Rs 5000/month can get you Rs 45 lakh cash

The National Pension System (NPS) over the years has been incorporating several changes for the convenience of its customers. The NPS was launched in January 2004 particularly for government employees.

<https://www.dnaindia.com/business/report-national-pension-system-rs-5000month-can-get-you-rs-45-lakh-cash-2848143>

Open NPS account from home; PFRDA allows onboarding subscribers via video KYC

Joining the list of financial products that use the video KYC (know-your-customer) facility is the National Pension System (NPS). Soon, subscribers can open accounts, withdraw money using the video KYC process.

<https://economictimes.indiatimes.com/wealth/personal-finance-news/open-nps-account-from-home-pfrda-allows-onboarding-subscribers-via-video-kyc/articleshow/78550148.cms>

National Pension Scheme: Tax deduction and retirement benefits of subscribing to NPS

National Pension System or NPS is one of the most accepted pension schemes in the country. The scheme was initiated by the government in 2004. It is being regulated by the Pension Fund Regulatory and Development Authority of India (PFRDA). Employees working in the public and private sector companies can subscribe under the scheme, and secure their retirement.

<https://www.businesstoday.in/opinion/columns/tax-deduction-and-retirement-benefits-of-subscribing-to-national-pension-scheme-nps/story/418556.html>

PFRDA to roll out pension scheme offering minimum assured returns to subscribers in FY22

The Pension Fund Regulatory and Development Authority (PFRDA) will roll out a pension scheme that offers minimum assured returns to subscribers in FY22, its chairman Supratim Bandyopadhyay said on Thursday. The modalities of the scheme will be worked out by March 2021, he added.

<https://www.financialexpress.com/money/assured-returns-pension-scheme-by-fy22/2106673/>

PFRDA says AUM under National Pension System, Atal Pension Yojana crosses Rs 5 lakh crore

The total assets under management of the National Pension System and Atal Pension Yojana have crossed Rs 5 lakh crore, regulator PFRDA said on Thursday. Besides, Pension Fund Regulatory and Development Authority hopes to hit a target of Rs 6 lakh crore AUM by the end of this fiscal.

<https://www.financialexpress.com/money/pfrda-says-aum-under-national-pension-system-atal-pension-yojana-crosses-rs-5-lakh-crore/2106433/>

Pension fund authority woos corporates to become NPS subscribers

The Pension Fund Regulatory Development Authority (PFRDA), which regulates the National Pension System (NPS), is urging corporates to become its subscribers for the benefit of employees, its chairman Suprotim Bandyopadhyay said on Thursday.

https://www.business-standard.com/article/economy-policy/pension-fund-authority-woos-corporates-to-become-nps-subscribers-120101501474_1.html

How To Open Atal Pension Yojana Account Without Net Banking Or Mobile App?

Atal Pension Yojana (APY) launched in 2015 as a social security scheme for unorganized sector workers including maids, gardeners, and drivers among others can now be opened through an easy alternate mechanism other than the usual net banking or mobile app method.

<https://www.goodreturns.in/classroom/how-to-open-atal-pension-yojana-account-without-net-banking-or-mobile-app-1172187.html>

Section 4: Recent Developments In NPS-Trust

- i. PFRDA (National Pension System Trust) (Second Amendment) Regulations, 2015 have been notified and Regulation 5(4) substituted as under:

No person who is appointed as a trustee of the Board of Trustees of the National Pension System Trust shall be eligible to be appointed as a trustee of any other pension trust, or as a director of any of the intermediaries registered with the Authority or its sponsor:

Provided that this restriction shall not be applicable to the Trustees appointed by Government of India or those appointed by any of the State Governments.

Explanation: For the purposes of this sub-regulation 'director' shall include 'independent director' also.

- ii. Extension of tenure of three Trustees, NPS Trust (Sh. Dinesh Kumar Mehrotra, Sh. Radhakrishnan Nair and Sh. Sanjeev Chanana) for further period of two (2) years on completion of their existing tenure.

(A). The **NPS Trust** was established in terms of the Central Government letter D.O. No 5(75)/2006-ECB & PR dated 24th April 2007. PFRDA is the Settler of the Trust and the execution of the NPS Trust Deed by PFRDA took place on 27th February, 2008. A memorandum of Understanding was signed between PFRDA and the NPS Trust highlighting the rights and obligations of both the parties on 1st July 2009.

The NPS Trust has been set up and constituted to hold the assets and funds under the NPS for the benefit of the beneficiaries (subscribers). Trustees have the legal ownership of the Trust Fund and the general superintendence, direction and management of the affairs of the Trust and all powers, authorities and discretions appurtenant to or incidental to the purpose of the trust absolutely vest in the Trustees, subject nevertheless to the provision of the PFRDA Act-2013, Indian Trust Act – 1882, NPS Trust Deed and further subject to such directions or guidelines that may be issued by PFRDA from time to time. However, the beneficial interest shall always vest with the beneficiaries of the NPS Trust.

Budget announcement regarding NPS Trust: As per point no. 97 of budget speech "Regulating role of PFRDAI requires strengthening. Necessary amendments would be carried out in Pension Fund Regulatory Development Authority of India Act that will also facilitate separation of NPS trust for government employees from PFRDAI. This would also enable establishment of a Pension Trust by the employees other than Government.

(B). Management of NPS Funds by the NPS Trust

The NPS funds of subscribers held in the name of NPS Trust are managed by seven appointed pension funds on behalf of the Board of Trustees to realize and fulfil the objectives of the NPS Trust in the interest of the Subscribers. The Performance of the Pension funds are reviewed on a quarterly basis by NPS Trust, and instructions/guidance is being given to them for protecting the interest of the subscribers.

(C) NPS Trust fee/charges

NPS Trust is empowered for supervision and monitoring intermediaries regularly and it should be a self-sufficient entity with a regular stream of revenue. Hence, the levy of fee/ charges by NPS Trust has been reviewed and accordingly the Board of PFRDA has decided to restart the fee/ charge @0.005% per annum of Asset Under Management (AUM) on a daily accrual basis w.e.f. 01/08/2019 as NPS Trust may need certain amount of financial autonomy whereby the Trust may have separate source of income through levy of fee/ charges from the subscribers for the services rendered, It will be in the interest of the subscribers to be subject to fee/charge by NPS Trust. The quantum of fee/charges reviewed by the Authority from time to time.

Section 5:

DID YOU KNOW?

Question 1- How can I open a NPS Account online?

An individual can open his/her Individual Pension Account under NPS by choosing any one of the following alternatives and having net banking facilities enabled with his/her bankers:-

Option # 1 by providing Aadhaar details

Option # 2 by providing PAN details and KYC details as recorded with the Bank in which he/she maintains his/her bank account and that Bank is empanelled in eNPS.

Question 2- How Aadhaar details are processed for online opening of the Individual Pension Account under NPS?

- An individual opting to open the online Individual Pension Account using Aadhaar details must have his/her mobile number registered with Aadhaar because after providing the Aadhaar number in the eNPS portal, a One Time Password (OTP) needs to be generated from Aadhaar which is sent to his/her mobile number registered with Aadhaar for authentication purposes.
- On authenticating the OTP received from Aadhaar in the eNPS portal, the individual's KYC details (demographic and photograph) as recorded with Aadhaar database gets auto populated on the online application form. Only the photograph is allowed to be replaced/substituted in the online application form if he/she desires to upload a different photograph.
- Other mandatory fields are required to be filled compulsorily for completing the account opening process and subsequent generation of Permanent Retirement Account Number (PRAN).

Question 3- What is the minimum amount of contribution to be made for online opening of the Individual Pension Account under NPS?

The minimum amount of contribution to be made using net banking or debit/credit card for online opening of the Individual Pension Account is Rs 500/- (Rupees Five Hundred Only). If applicant chooses to open Tier-II along with Tier-I The minimum amount of contribution is Rs 1000/- (Rupees One Thousand Only).

Question 4- What are the charges for online opening of Individual Pension Account under NPS?

The online opening of Individual Pension Account with Aadhaar details is free of any charges. An applicant opting for online opening of Individual Pension Account with PAN and KYC authentication by Bank will be charged an amount of Rs 125 (Rupees One Hundred Twenty-Five Only) for KYC verification by the concerned bank selected by the applicant during the online account opening process

Section 6: NPS/APY Statistics

i) Sector wise growth

The number of subscribers, contributions and assets under management, for NPS and APY, as on 31st Oct, 2020 are as under: (The below data is a compilation of data of both the CRAs under NPS)

Table No: 1. Number of Subscribers (in lakh)

(as on 31st Oct, 2020)

S.N.	Sector	No. of Subscribers (in lakh)			Growth (%)		% share
		31-Oct-2019	31-Mar-20	31-Oct-2020	YOY	Over March 20	
A	CG	20.40	21.02	21.37	4.71	1.65	6
B	SG	45.72	47.54	49.27	7.77	3.64	13
C	Sub Total (A+B)	66.12	68.56	70.64	6.83	3.03	
D	Corporate	8.87	9.74	10.57	19.24	8.61	3
E	All Citizen	10.38	12.52	13.91	33.98	11.12	4
F	Sub Total (D+E)	19.25	22.25	24.48	27.19	10.02	
G	NPS Lite#	43.39	43.32	43.15	-0.56	-	11
H	APY	182.04	211.42	244.86	34.51	15.82	64
I	Grand Total (C+F+G+H)	310.80	345.55	383.12	23.27	10.87	100

#Fresh registration is stopped w.e.f.01/04/2015.

Graph No: 1. Number of Subscribers (in lakh):

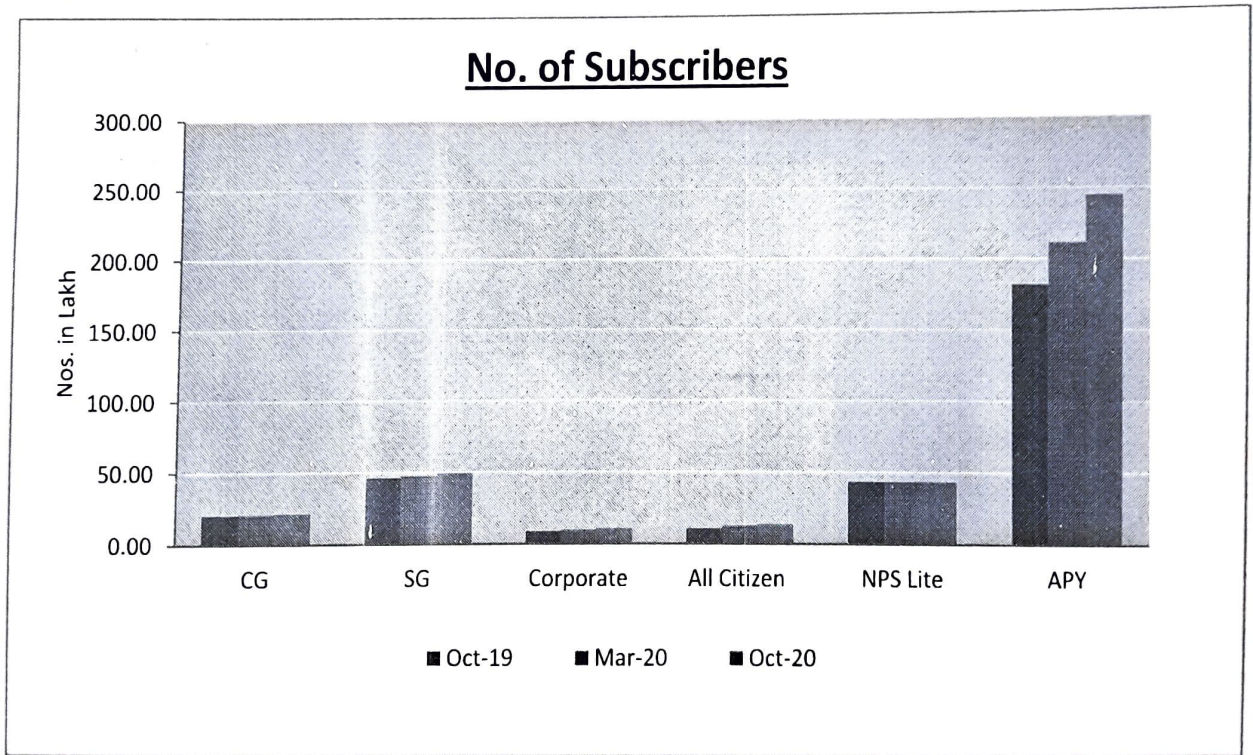


Table No: 2. Total Contributions (Rs. In Crore)

(as on 31st Oct, 2020)

S. N.	Sector	Contribution (Rs. In Crore)			Growth (%)		% share
		31-Oct-2019	31-Mar-20	31-Oct-2020	YOY	Over March 20	
A	CG	89909	99,740	1,13,160	25.86	13.46	30
B	SG	147015	165,190	1,91,727	30.41	16.06	51
C	Sub Total (A+B)	236924	264,930	3,04,887	28.69	15.08	
D	Corporate	28774	32,829	38,668	34.39	17.79	10
E	All Citizen	11611	15,012	17,631	51.84	17.45	5
F	Sub Total (D+E)	40385	47,841	56,299	39.41	17.68	
G	NPS Lite	2632	2,701	2,790	6.03	3.31	1
H	APY	8234	9,747	11,920	44.76	22.29	3
I	Grand Total (C+F+G+H)	2,88,175	325,219	3,75,897	30.44	15.58	100

Graph No: 2. Total Contributions (Rs. In Crore):

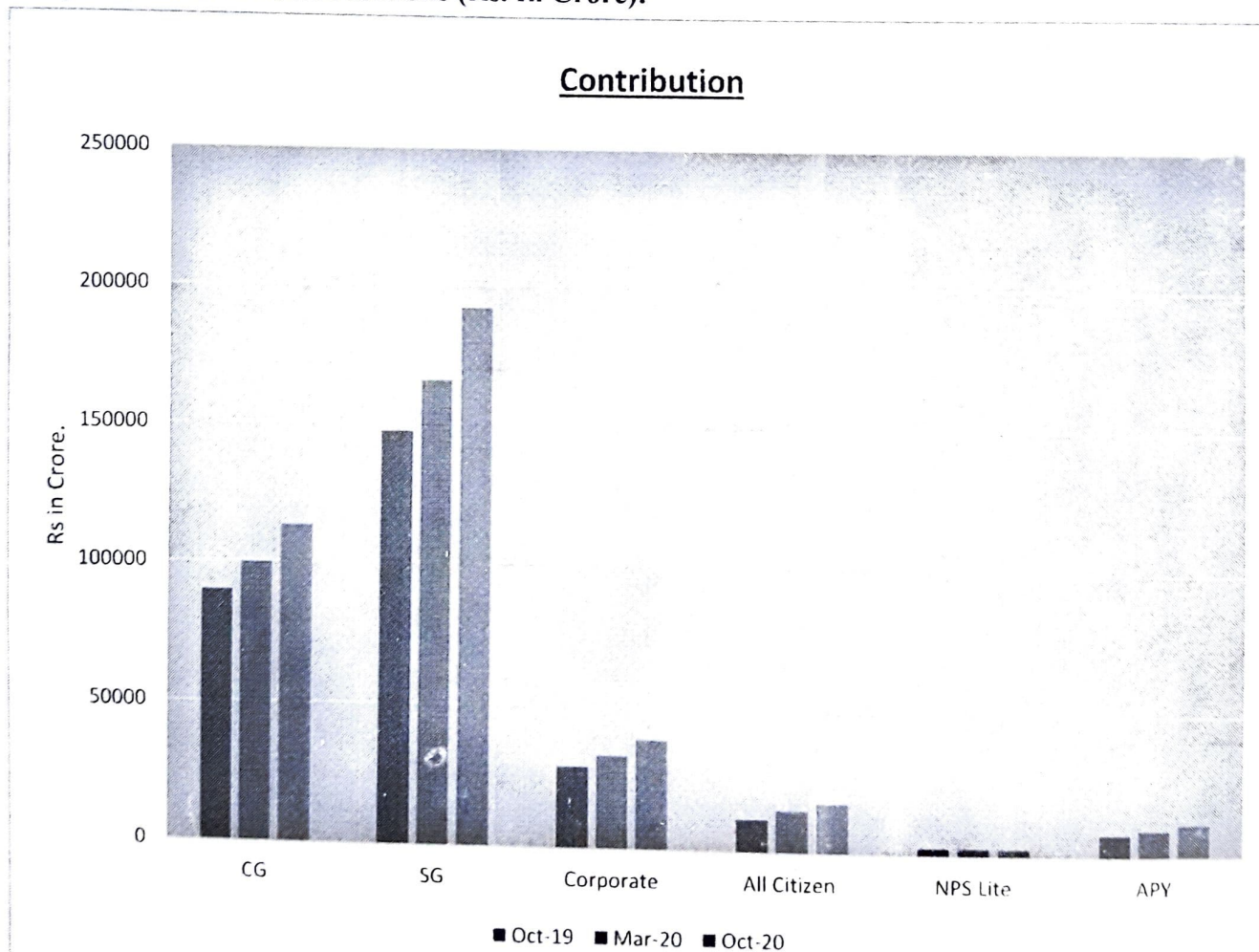
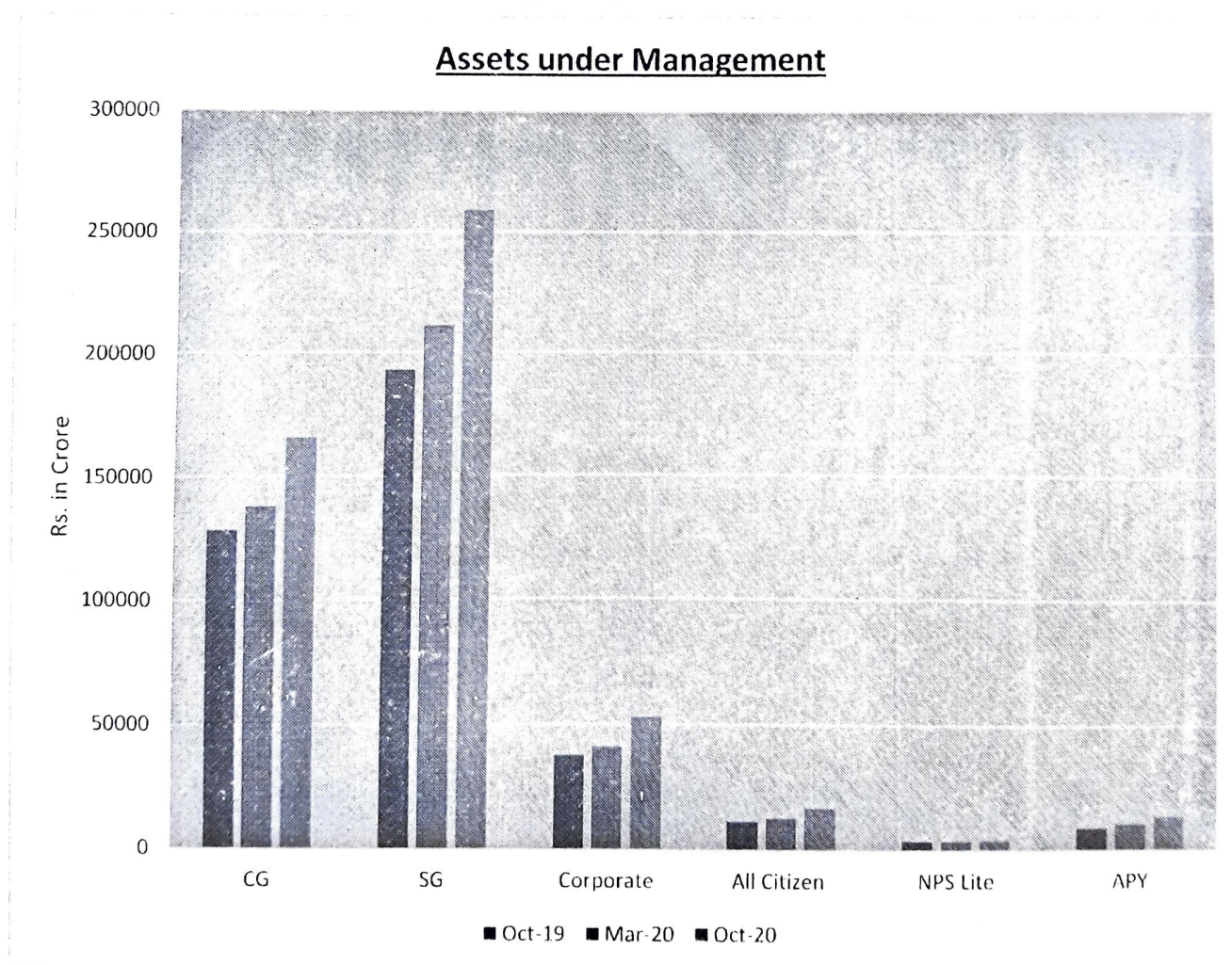


Table No: 3. AUM (Rs. in Crore)

(as on 31st Oct, 2020)

S.N.	Sector	AUM (Rs. In Crore)			Growth (%)		% share
		31-Oct-2019	31-Mar-20	31-Oct-2020	YOY	Over March 20	
A	CG	128257	138046	1,65,912	29.36	20.19	32
B	SG	192886	211023	2,59,331	34.45	22.89	51
C	Sub Total (A+B)	3,21,143	349,069	4,25,243	32.42	21.82	
D	Corporate	37721	41243	52,897	40.23	28.26	10
E	All Citizen	11538	12913	16,844	45.98	30.44	3
F	Sub Total (D+E)	49,259	54,156	69,740	41.58	28.78	
G	NPS Lite	3695	3728	4,158	12.54	11.54	1
H	APY	9143	10,526	13,610	48.86	29.30	3
I	Grand Total (C+F+G+H)	3,83,240	417,479	5,12,752	33.79	22.82	100

Graph No 3: AUM (Assets under Management):



ii) PFM wise Total Assets under NPS schemes

Table No: 5. Pension Fund-wise Assets under Management (Rs. in Crore) (As on 29th Oct, 2020)

PF	AUM (Rs. In Crore)			Growth (%)		% share
	31-Oct-2019	31-Mar-20	31-Oct-2020	YOY	Over March 20	
SBI	146662	160492	197983	34.99	23.36	39
LIC	111917	121028	146544	30.94	21.08	29
UTI	112435	122201	148883	32.42	21.83	29
Kotak	936	991	1283	37.00	29.38	0
ICICI	4140	4353	5850	41.30	34.40	1
Reliance						
HDFC	7017	8265	11987	70.83	45.03	2
Birla	134	150	222	66.25	48.00	0
Total	383240	417480	512752			100

Source: NPST. Website: www.npstrust.org.in ; Reliance PF's operation ceased post surrender of registration.

Table No: 6. Scheme wise Assets under Management (Rs in Crore) (As on 29th Oct, 2020)

Scheme		AUM (Rs. In Crore)			Growth (%)		% share
		31-Oct-2019	31-Mar-20	31-Oct-2020	YOY	Over March 20	
CG		128245	138015	165711	29.22	20.07	32
SG		193332	211500	259890	34.43	22.88	51
Corporate CG		24831	27143	32986	32.84	21.53	6
TIER I	A	28	40	53	89.26	34.34	0
	E	8846	7932	13130	48.44	65.54	3
	C	5385	6496	7953	47.68	22.43	2
	G	8706	10993	13660	56.90	24.27	3
NPS Lite		3695	3728	4158	12.54	11.53	1
TIER II	E	404	353	576	42.65	63.37	0
	C	258	297	373	44.40	25.35	0
	G	368	457	651	76.84	42.49	0
APY		9143	10526	13610	48.86	29.30	3
Total Asset		383240	417480	512752			100

Source: NPST. Website: www.npstrust.org.in

iii) PFM wise Return on NPS Schemes

Table No: 7. Returns since inception (in %)

(As on 29th Oct, 2020)

Pension Funds→		SBI	LIC	UTI	ICICI	RELIANCE	KOTAK	HDFC	BIRLA
CG		10.17	9.83	9.83					
SG		9.87	9.85	9.83					
Corporate-CG		10.13	10.04						
TIER I	A	9.88	7.81	6.38	6.95		7.74	8.47	6.14
	E	8.57	9.07	9.98	10.03		9.38	12.05	7.05
	C	10.75	10.67	9.68	10.72		10.36	10.82	10.87
	G	10.22	11.93	9.16	9.48		9.42	10.88	10.27
TIER II	E	8.23	6.43	8.45	8.26		8.66	9.82	6.90
	C	10.36	9.46	9.77	10.57		9.63	9.89	9.66
	G	10.27	12.25	9.92	9.59		9.17	11.08	9.03
NPS Swavalamban		10.42	10.33	10.31			10.17		
APY		9.72	9.91	10.00					

Table No: 8 Returns -5 years (in %)

(As on 29th Oct, 2020)

Pension Funds→		SBI	LIC	UTI	ICICI	RELIANCE	KOTAK	HDFC	BIRLA
CG		9.73	9.46	9.68					
SG		9.77	9.39	9.61					
Corporate-CG		9.85	9.53						
TIER I	A	NA	NA	NA	NA		NA	NA	NA
	E	7.99	6.34	7.98	7.76		8.12	9.01	NA
	C	9.78	9.69	9.46	9.79		9.15	10.00	NA
	G	10.37	11.29	9.85	10.20		10.39	10.46	NA
TIER II	E	7.96	6.03	7.92	7.85		8.07	9.13	NA
	C	9.52	9.26	9.42	9.70		9.46	10.01	NA
	G	10.22	11.48	9.96	10.15		10.04	7.24	NA
NPS Swavalamban		9.67	9.66	9.54			9.23		
APY		NA	NA	NA					

Table No: 9. Returns-3 years (in %)

(As on 29th Oct, 2020)

Pension Funds→		SBI	LIC	UTI	ICICI	RELIANCE	KOTAK	HDFC	BIRLA
CG		9.12	8.63	8.76					
SG		9.16	8.56	8.76					
Corporate-CG		9.24	8.67						
TIER I	A	11.04	8.40	6.33	7.14		8.51	8.47	6.08
	E	3.54	1.33	3.23	3.49		3.12	4.43	4.29
	C	9.63	9.60	9.08	9.54		8.43	9.90	10.30
	G	10.52	11.56	10.08	10.38		10.37	10.88	10.33
TIER II	E	3.55	0.94	3.48	3.65		3.08	4.39	4.17
	C	9.26	8.79	9.20	9.39		9.10	9.81	9.85
	G	10.32	12.27	10.07	10.30		9.81	10.57	10.03
NPS Swavalamban		8.89	8.81	8.57			8.23		
APY		9.59	8.96	9.02					

Table No: 10. Returns-1 year (in %)

(As on 29th Oct, 2020)

Pension Funds→		SBI	LIC	UTI	ICICI	RELIANCE	KOTAK	HDFC	BIRLA
CG		10.89	10.21	10.61					
SG		10.98	10.10	10.56					
Corporate-CG		11.03	9.73						
TIER I	A	15.27	6.66	4.62	2.03		7.15	7.12	3.90
	E	-1.93	-4.16	-2.61	-2.25		-1.11	-1.05	0.13
	C	12.07	12.78	13.03	11.37		10.51	12.69	12.88
	G	13.10	13.33	12.53	13.03		12.89	14.18	13.05
TIER II	E	-2.03	-4.41	-2.73	-1.86		-1.38	-1.12	0.32
	C	11.73	11.37	12.61	11.43		11.79	12.33	12.34
	G	12.70	12.82	12.36	12.88		12.27	13.05	12.44
NPS Swavalamban		10.50	9.61	9.97			9.67		
APY		11.44	10.77	10.94					

Source: NPST. Website: www.npst.org.in

Central Government: 1-Apr-08, **State Government:** 25-Jun-09, **NPS Lite:** (SBI, LIC, UTI,): 4-Oct-10, (Kotak PF): 31-Jan-12

Corporate (Central Govt. Pattern): 5-Nov-12, **Scheme – [E, C, G] (Tier-I)** - (SBI, UTI, ICICI, RELIANCE,

KOTAK): 1-May-09, (LIC): 23-Jul-13, (HDFC PF): 1-Aug-13, **Scheme – [E, C, G] (Tier-II)** - (SBI, UTI, ICICI,

RELIANCE, KOTAK): 14-Dec-09, (LIC): 12-Aug-13, (HDFC PF): 1-Aug-13, Birla Sun life Pension Fund has commenced operation under NPS in May 2017.

Reliance PF's operation ceased post surrender of the registration.

Section 7: Circulars

Circulars/Notices/Guidelines Issued/Advisory

The detailed Circulars/Notices/Guidelines Issued/Advisory may be referred at PFRDA's Website:

Date of Circular	Circular Number	Subject
01-Oct-2020	PFRDA/2020/44/SUP-CRA/16	NPS On-Boarding through Online PRAN Generation Module (OPGM)

PFRDA had decided that the date of implementation of the above advisory on time lines regarding opening NPS accounts by POPs through OPGM without photo and signature has been further extended till 31st Dec 2020. The other guidelines regarding opening of NPS account through OPGM remain the same which need to be complied by the PoPs as per specified timelines.

Date of Circular	Circular Number	Subject
01-Oct-2020	PFRDA/2020/44/SUP-CRA/17	Launch of D-Remit

Vide Circular no. PFRDA/2020/15/SUP-CRA dated 12th May, 2020, PFRDA had informed about the proposed launch of an additional option/mode of contribution namely Direct Remittance (D-Remit) wherein the existing NPS Subscribers under Government/Non-Government/All Citizens Model would be able to deposit their voluntary contributions by creating a Virtual ID linked to their Permanent Retirement Account Number (PRAN). Now, D -Remit is made available for the subscribers to enable them to ease their deposit of contribution in NPS account and to provide them same day NAV on investments.

Date of Circular	Circular Number	Subject
05-Oct-2020	PFRDA/2020/45/REG-PF/7	Transfer of Legacy Funds of Central Government Subscribers pursuant to opening of choice of Investment schemes and Pension Funds -reg.

Reference is invited to the Gazette Notification F.No.1/3/2016-PR dated 31st January, 2019 issued by Ministry of Finance, Department of Financial Services, modifying Ministry of Finance's Notification No. 5/7/2003-ECB dated 22nd December, 2003, based on the Government's decision on the recommendations of a Committee set up to suggest measures for streamlining the implementation of National Pension System (NPS).

2. PFRDA, vide Circular No. PFRDA/2019/12/REG-PF/1 dated 8th May, 2019, had allowed change in the Pension Fund and Investment pattern for Central Government subscribers in respect of incremental flows only, with effect from 1st April, 2019.

Date of Circular	Circular Number	Subject
06-Oct-2020	PFRDA/2020/46/SUP-CRA/18	Video Based Customer Identification Process (VCIP) for NPS.

PFRDA has decided to permit intermediaries registered with PFRDA to use Video based Customer Identification Process (VCIP) for the purpose of on-boarding, exit or any other service request related to NPS.

The envisaged benefits of VCIP are as under-

- i. In the new normal world post COVID, VCIP overcomes the challenges of remote presence, limited mobility, contactless services, social distancing norms etc.
- ii. It eases the process of on-boarding/exit/other services requests, as the Subscriber verification is carried out without the need of physical presence of SUBSCRIBERS BEFORE Point of Presence (PoPs)/Nodal Officers.
- iii. It optimizes the turnaround time of account opening, execution of exit and processing of other service requests.
- iv. It provides the opportunity for expanding the reach of NPS since account opening process is paperless, instantaneous and cost effective.
- v. Several PoPs which have recently been registered with PFRDA are functioning online and do not have any physical presence across locations. VCIP shall enable these PoPs to source subscribers under NPS with greater ease, service them and carry out exit process with proper due diligence.
- vi. Since OTP/e-sign based authentication is a part of VCIP, the process is paperless.

The above circulars can be accessed from PFRDA's website (www.pfrda.org.in)

Section 8: Financial Literacy

निबंध लेखन प्रतियोगिता के लिए योगदान

सेवानिवृत्ति और उसकी वित्तीय योजना की आवश्यकता

भावना मल्होत्रा, प्रबंधक, PFRDA द्वारा

सेवानिवृत्ति शब्द हमारे मन में अनेक भावनाओं को उत्पन्न करता है। सेवानिवृत्ति ऐसी चुनौतियों का समय होता है जब हम एक ही समय में खुशी और उदासी दोनों का आभास करते हैं। जबकि हम खुशी महसूस कर सकते हैं कि जल्द ही हम वह सब करने के लिए स्वतंत्र होंगे जो हम अपने कामकाजी जीवन के दौरान समय की कमी और विभिन्न प्रतिबद्धताओं के कारण नहीं कर सके, सेवानिवृत्ति के उपरांत आय स्तर में कमी का विचार भी हमारे दिमाग में भय और दुःख की भावना उत्पन्न करता है कि हम अपनी भविष्य की मौद्रिक जरूरतों और हमारी वर्तमान जीवन शैली और भविष्य की स्वास्थ्य देखभाल के रखरखाव के खर्चों को कैसे पूरा करेंगे।

जब हम काम करना शुरू करते हैं, तो आय का प्रवाह हमें उन वस्तुओं पर खर्च करने और अपनी आय का आनंद लेने की स्वतंत्रता देता है जो हम हमेशा खरीदना चाहते थे। हम भोजन, कपड़े, वाहन, यात्रा, संपत्ति आदि पर छींटाकशी करते हैं लेकिन 'बचत' शब्द अक्सर हमारी वस्तुओं की सूची में अंतिम स्थान पर होता है। यह वो समय है कि जब हमें अपने आने वाले कठिन वर्षों के लिए योजना बनाना शुरू करना चाहिए और अपनी आय स्तर, आयु और रिटर्न के लिए उपयुक्त सेवानिवृत्ति योजनाओं में निवेश करना शुरू करना चाहिए।

आज के समय में जब रोजगार बाजार अनिश्चितताओं से भरपूर है, रोजगार सुरक्षा निश्चित नहीं है, ब्याज दरों में कटौती हो रही है, नियमित पेंशन स्रोत उपलब्ध नहीं हैं, महंगाई बढ़ रही है, स्वास्थ्य देखभाल की लागतें बढ़ रही हैं, हमें जल्दी शुरुआत करनी चाहिए और सेवानिवृत्ति पेंशन योजना में निवेश करना चाहिए जो हमारी सेवानिवृत्ति के बाद हमें एक न्यूनतम निश्चित निवेश आय का आश्वासन दे सकता है।

भारत में संयुक्त परिवार प्रणाली सामाजिक और आर्थिक जरूरतों के समय में हमेशा सामाजिक समर्थन का स्रोत रही है। लेकिन नौकरी के परिदृश्य को बदलने के लिए, जिसमें बेहतर व्यवसायिक संभावनाओं के लिए एक स्थान से दूसरे स्थान पर कर्मचारियों के प्रवास की आवश्यकता होती है, अपने परिवार को पीछे छोड़ते हुए, संयुक्त परिवार प्रणाली बिखर रही है और इसलिए इसके साथ जुड़े सामाजिक सुरक्षा लाभों की हानि अपेक्षित है। वृद्धावस्था वह समय होगा जब हमें पहले से अधिक धन के स्थिर प्रवाह की आवश्यकता होगी। हालांकि हमारी पूर्व पीढ़ियों ने परिभाषित लाभ प्रणालियों के अस्तित्व के कारण सेवानिवृत्ति के पश्चात् एक नियमित आय स्रोत की सुनिश्चितता का आनंद लिया है, दुनिया भर में पेंशन योजनाएं धीरे-धीरे परिभाषित योगदान प्रणालियों में बदल रही हैं, जहां हमारी आय सेवानिवृत्ति के बाद हमारे वर्तमान योगदान पर निर्भर होगी।

उपर्युक्त सामाजिक-आर्थिक परिवर्तन पेंशन योजनाओं और आज प्रत्येक व्यक्ति के लिए सुनिश्चित आय स्रोत के महत्व पर प्रकाश डालते हैं।

भारत में, सरकार द्वारा चलाई जा रही राष्ट्रीय पेंशन प्रणाली (NPS), अटल पेंशन योजना (APY), सार्वजनिक भविष्य निधि (PPF), कर्मचारी भविष्य निधि (EPF) आदि, सार्वजनिक क्षेत्र जैसे यूटीआई, एलआईसी, एसबीआई द्वारा चलाई जा रही और निजी क्षेत्र जैसे एचडीएफसी, आईसीआईसीआई, रिलायंस, बजाज एलायंस, मैक्स लाइफ,

बिरला सन लाइफ आदि द्वारा चलाई जा रही पेंशन योजनाएं आज बाजार में विभिन्न विशेषताओं और लाभों के साथ उपलब्ध हैं।

जबकि लगभग सभी योजनाएं निवेश की गई राशि पर आयकर से छूट का लाभ प्रदान करती हैं, वे प्रवेश की उम्र, योगदान की मात्रा, योगदान की आवृत्ति, निकासी की लचीलापन, परिपक्वता पर निवेश की गई राशि पर कर छूट, योजनाओं के बदलाव का लचीलापन, भुगतान का तरीका, निवेश रिटर्न आदि के आधार पर भिन्न हो सकती हैं।

हमें अपनी आयु, वर्तमान आय स्ट्रीम, बचत क्षमता, लाभ, निवेश रिटर्न के लिए उपयुक्त पेंशन योजना का चयन करना चाहिए।

जैसे कि लोकप्रिय मुहावरों के अनुसार कहा जाता है, अर्ली बर्ड कैच द आई अर्थात् जो पहले पहुंचता है उसके पास सफलता का सबसे अच्छा मौका होता है और जब जागो तभी सवेरा, आइए हम सभी जागरूक बने और हमारी वित्तीय स्वतंत्रता, हमारी खुशियों, हमारी सुरक्षा और निश्चित रूप से हमारी पेंशन के लिए अपनी यात्रा शुरू करें।

Section 9: International Section

Estonia Enacts Individual Account Program Reforms After Court Ruling

On October 20, Estonia's president enacted a law that reforms the country's individual account program after the Estonian Supreme Court ruled earlier in the day that the law was constitutional. Among other things, the law will make participation in the program voluntary for all workers, allow participants to manage their own investments, and introduce a lump-sum payment option. Estonia's parliament had approved the law two times—first on January 29 and again on March 11—but the president refused to sign it because of concerns about its constitutionality and referred it to the Supreme Court for review.

https://www.ssa.gov/policy/docs/progdsc/intl_update/2020-10/index.html

United Kingdom Increases State Pension Age

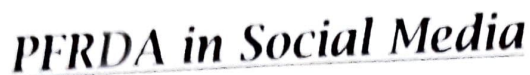
On October 6, the United Kingdom increased the state pension age (SPA) under the country's social insurance program to age 66. (The SPA is the earliest age a person can claim the state pension and depends on the person's date of birth. The new SPA applies to individuals born from October 6, 1954, to April 5, 1960; it is lower for those born before October 6, 1954, and will be higher for those born after April 5, 1960.) The increase is the latest in a series of SPA increases stipulated by the Pensions Act 1995 and its amendments. Previously, the SPA for women gradually increased from age 60 in April 2010 to age 65 in November 2018 so that it matched the SPA for men. Going forward, the SPA for both men and women will gradually increase to age 67 from 2026 to 2028 and then to age 68 from 2044 to 2046.

https://www.ssa.gov/policy/docs/progdsc/intl_update/2020-10/index.html

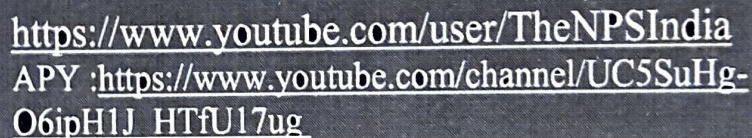
Australia Announces Additional Lump-Sum Payments for Social Security Beneficiaries

As part of its 2020–2021 federal budget, Australia's government recently announced two additional Economic Support Payments for beneficiaries of the country's social security programs, including the Age Pension, Disability Support Pension, and Widow Allowance. Once passed into law, beneficiaries will receive two tax-free payments of A\$250 (US\$180.04)—the first in December and the second in March. The payments, which are aimed at providing financial relief to vulnerable beneficiaries during the COVID-19 pandemic, follow two earlier Economic Support Payments of A\$750 (US\$540.11) that were made in April and July this year.

https://www.ssa.gov/policy/docs/progdsc/intl_update/2020-10/index.html



<https://www.linkedin.com/in/pfrda-pension-fund-regulator-of-india-051614168/?originalSubdomain=in>



Youtube <https://www.youtube.com/channel/UCHu3qDE4hRaoIYc2OpZUbYA>
APY : <https://www.youtube.com/channel/UC5SuHg-O6ipH1J-HTfU17ug>

NPS Ki Pathshala

[illegible]

PFRDA website: www.pfrda.org.in

Grievance Redressal CRA-NSDL & CRA-Karvy :

Central Grievance Management System (CGMS) through web link
<https://cra-nsdl.com/CRA/cgmsMenuOnloadForSub.do>
<https://enps.kfintech.com>

Ombudsman:

Shri Arnab Roy

C/o Pension Fund Regulatory and Development Authority,
B-14/A, Chhatrapati Shivaji Bhawan, Qutab Institutional Area, New Delhi-110016.
Email Id: ombudsman@pfrda.org.in Landline No. : 011 - 26517507 Ext : 188

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