

Pension Funds

Aditya Birla Sun Life Pension Management Ltd.



**ADITYA BIRLA
CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

About NPS

It's a pension scheme launched by Government of India. The Scheme is regulated by Pension Fund Regulatory & Development Authority (PFRDA).

Who can join the Scheme?

Any citizen of India including NRI and OCI between the age group of 18 – 70 years can join this Scheme.

How NPS works?

- Upon joining the Scheme, Permanent Retirement Account Number (PRAN) is created for the Subscriber.
- Subscriber starts investing in NPS till he / she is working.
- On retirement a portion of Corpus needs to be invested in Annuity to get monthly pension.

Investment of funds

There are 4 funds under NPS – Equities (E), Corporate Bonds (C), Government Securities (G) and Alternative Investment Funds (A).

Subscriber has the option of 2 investment approaches to manage his / her investments:

- **Active Choice:**
 - Subscriber selects allocation amongst E, C, G and A funds
 - Allocation to fund E and A should not be more than 75% and 5% of Contribution amount respectively.
- **Auto Choice**
 - Investment across three funds - E, C and G is done as per the age of the Subscriber.
 - Initially exposure to fund E is higher which goes down as Subscriber grows old.
 - There are 3 Life Cycle Funds - LC 75, LC 50 and LC 25. Below chart is for LC 50.

Age of Subscriber	E	C	G
< = 35	50%	30%	20%
36	48%	29%	23%
37	46%	28%	26%
38	44%	27%	29%
39	42%	26%	32%
40	40%	25%	35%
41	38%	24%	38%
42	36%	23%	41%
43	34%	22%	44%
44	32%	21%	47%
45	30%	20%	50%
46	28%	19%	53%
47	26%	18%	56%
48	24%	17%	59%
49	22%	16%	62%
50	20%	15%	65%
51	18%	14%	68%
52	16%	13%	71%
53	14%	12%	74%
54	12%	11%	77%
> = 55	10%	10%	80%

Please Note

- In case of Active Choice, 75% of Equity can be opted for Subscriber with up to 50 years of age.
- Funds shall be managed by Aditya Birla Sun Life Pension Fund Manager.

Partial withdrawal from the Scheme

- It is allowed after 3 years of account opening. 2nd and 3rd withdrawal can be made any time after 1st withdrawal
- It will be up to 25% of subscriber Contribution amount.
- Withdrawal is allowed for specific purpose like child marriage, higher education, buying home, treatment of critical illness etc. There will be no tax on partial withdrawal amount.

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+91 22 6723 9100

care.pensionfunds@adityabirlacapital.com | <https://pensionfund.adityabirlacapital.com>

Correspondence & Registered Office:

One World Center, Tower-1, 16TH Floor,
Jupiter Mill Compound, 841, Senapati Bapat Marg,
Elphinstone Road, Mumbai - 400 013
CIN: U66000MH2015PLC260801

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Death benefits

In case of death of Subscriber, nominee / legal heir can claim the entire Corpus.

Exit from the Scheme

Subscriber can exit from the Scheme after 5 years of account opening or attaining 60 years of age whichever is early

Exit at 60 years	Exit before 60 years
- Its treated as normal exit - Up to 60% of Corpus can be withdrawn in lump sum. - Balance Corpus needs to get invested in Annuity - If the Corpus is less than Rs.5 lakh, entire amount can be withdrawn in lump sum	- Its treated as pre - mature exit - Up to 20% of Corpus can be withdrawn in lump sum. - Balance corpus needs to get invested into Annuity - If the Corpus is less than Rs.2.5 lakh, entire amount can be withdrawn in lump sum

Please Note:

- For Customer joining NPS post 60 years of age, exit before 3 years of account opening shall be treated as pre - mature exit.

Investment in Annuity

Upon exit from NPS Customer can select any of the life Insurance companies registered with PFRDA as Annuity Service Provider to get monthly pension. Customer also gets a choice of Annuity scheme.

Tax benefit on investment in NPS

- Investment in NPS offers exclusive tax benefit for both - salaried and self-employed professionals.
- Investment of up to Rs.50,000 is eligible for tax deduction u/s 80CCD (1B) of Income Tax Act, 1961

- This tax benefit is over and above tax benefit of 80C.

Tax treatment on Exit

Type of Exit	Tax Treatment
Exit on 60 years	Lump sum amount received by Customer / Nominee is tax free
Exit before 60 years	
Partial withdrawal	
Death benefit	Amount received is treated as Income and shall be taxed appropriately.
Investment in Annuity	

Charges under NPS (excluding GST)

There are multiple intermediaries involved under NPS and their charges (excluding GST) are defined by PFRDA as shown below:

POP (Aditya Birla)

Account opening	Rs.400
Initial & Subsequent Contribution Processing	0.50% of Contribution amount subject to minimum Rs.30
Non-financial transaction Processing	Rs.30
Persistency	Rs.50

CRA

PRAN Generation	Rs.39.36
Annual Maintenance	Rs.57.63
Contribution Processing	Rs.3.36

Other Intermediaries:

Pension Fund Manager	Up to 0.09% on AUM
Custodian	0.0032% on AUM
NPS Trust	0.005% on AUM

*(Please note: All these charges are subject to change as per PFRDA guidelines.

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