



## *Presentation On*

**स्वावलम्बन | nps**

*for Subscribers*



## PENSION

A **pension** provides people with a monthly income when they are no longer earning.





## NEED FOR PENSION

- ❏ One is not as productive in the old age as in the young age.
- ❏ The rise of nuclear family –Migration of younger earning members.
- ❏ Rise in cost of living
- ❏ Increasing longevity

*Assured monthly income ensures dignified life in old age*

## THE INDIAN PENSION STORY

### Prior to 2004

- ❏ Only available to 12% of the population– mainly for government employees
- ❏ Based on defined benefits



**After 2004**

**PFRDA has been established by the Government of India.**

**Paradigm shift from  
Defined Benefit to Defined Contribution**



**PFRDA has made  
available NPS option  
to all citizens of India  
to avail pension  
through NPS w.e.f 01<sup>st</sup>  
May, 2009**



**Govt. of India's  
Swavalamban Scheme:**  
Special focus towards  
Economically  
Disadvantaged and  
Unorganized Sector

# NPS - SWAVALAMBAN YOJANA



- ❑ Government to contribute Rs.1000 to each NPS account If :
  - ❑ Subscriber is not covered under any other social security schemes like PF, Pension – only self declaration is required
  - ❑ NPS -Swavalamban account opened in year 2010-11 , 2011-12 , 2012-2013 will get the benefit for 5 yrs .
  - ❑ NPS - Swavalamban account opened in 2013 –2014 and subsequent years till 2016-2017 will get the benefit up to 2016-2017.
  - ❑ Annual contribution to be the range of Rs.1000-Rs.12000



# NPS -SWAVALAMBAN YOJNA

- ❑ Catering to Unorganized Sector
- ❑ Special Focus on economically disadvantaged/marginal investors
- ❑ Easy entry through aggregator for opening NPS-Swavalamban account
- ❑ Ultra low charge structure
  - **Account Opening – Rs 35 (One Time).**
  - **Annual Maintenance Charges (AMC)– Rs 70/Annum.**
  - **12 Transactions free per annum.**



## Aggregator

Aggregators are entities registered by PFRDA to act as a link between the subscriber and National Pension System-Swavalamban.





# AGGREGATORS

(As on 09/11/2012)

66  
Aggregators

Government

(Undertakings, Autonomous Bodies Banks etc)

(41)

Non - Government

(25)

1. A. P. Building & Other Construction Workers
2. Allahabad U.P. Gramin Bank
3. Department of Post
4. Directorate of Women and Child Development
5. Karnataka State Un-organised Workers Social Security Board (KSUWSSB)
6. LIC Housing Finance Ltd
7. LIC of India
8. M.P. State Electronic Development Corporation Limited
9. Society for Elimination of Rural Poverty
10. Building and Other Construction Workers Welfare Board (Rajasthan)
11. Jharkhand Building & other construction workers welfare Board
12. Canara Bank
13. Oriental bank of Commerce
14. Punjab National Bank
15. Allahabad Bank
16. Bank of India
17. Bank of Baroda
18. Indian Overseas Bank
19. Vijaya Bank
20. Corporation Bank
21. Indian Bank

1. Adhikar Micro Finance Private Limited
2. Bandhan Financial Services Pvt. Ltd.
3. Bandhan Konnagar
4. ESAF Microfinance
5. Financial Inclusion Network And Operations Ltd
6. BWDA Finance Ltd.
7. M/S Cashpor Micro Credit
8. South Indian Bank Limited
9. Alankit Assignments Ltd
10. IFMR Holdings Private Limited
11. SPANCO Ltd.
12. Banaskantha Dist. Co-op. Milk Producers Union Limited
13. SREI Sahaj e-Village Limited (SSEL)
14. Samhita Community Development Services
15. Saptarishi Consultancy Services
16. SEWA Bank
17. Shree Kshethra Dharmasthala Rural Development Project
18. Abhipra Capital Ltd
19. C DOT
20. Margdarshak Financial Services
21. IL\$FS Securities
22. Indur Intimideepam
23. India Infoline limited



## AGGREGATORS

(As on 09/11/2012)

### Government

( Undertakings , Autonomous Bodies Banks etc)

(41)

66  
Aggregators

Non - Government  
(25)

22. State Bank of Patiala
23. Union bank of India
24. Saptagiri Grameen bank
25. Karnataka Gramin Bank
26. North Malabar Gramin Bank
27. Krishna Gramin Bank
28. Nainital Almora Kshetriya Gramin Bank
29. Dena Bank
30. State Bank of Mysore
31. Sate bank of Bikaner & Jaipur
32. United Bank of India
33. State Bank Of Hyderabad
34. Baroda Gujarat Gramin Bank
35. Parvatiya Gramin Bank
36. Pallavan Gramin Bank
37. Puduvai Bharthiar Gram Bank
- 38.Saptagiri Gramin Bank
- 39.Jhabua Dhar Kshetriya Gramin Bank
40. Baroda Rajasthan Gramin Bank
- 41.Andhra Bank

24. Asomi finance Pvt. Limited
25. Grameen FinancialServices

# FEATURES OF NPS -SWAVALAMBAN

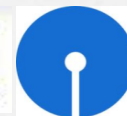
- ❑ Individual accounts for every subscriber
- ❑ Contribution as per convenience of the subscriber
  - ❑ **No mandatory monthly deposit.**
  - ❑ **Recommended minimum Rs. 1000/- per annum.**
- ❑ Low charge structure
  - AMC - ~~Rs 225~~ Rs 70 / Annum
  - Account Opening - ~~Rs 50~~ Rs 35 (one time)
  - Transaction - ~~Rs 5-12~~ Free Transaction
- ❑ Safety of Investment
- ❑ Investment by professional fund managers overseen by NPS Trust

Up to 55% in Government Securities and up to 40%  
Corporate Bonds

Up to 5% in Money Market and up to 15% in Equity

Safe Investments

## NPS Trust





## WHO CAN JOIN?

- ❑ Any Citizen of India, between 18-60 years of age
- ❑ Should comply with KYC (Know your customer norms)



# KYC Requirement

## KYC Requirements for NPS -Swavalamban

### Proof of Address

1. Electricity bill/Water bill
2. Telephone bill
3. Depository Account Statement
4. Credit Card Statement
5. Employer Certificate
6. Bank Account Statement / Passbook
7. Rent Receipt
8. Property Tax Assessment Order
9. Ration Card
10. Passport
11. Voter's Identity Card
12. Driving License
13. Adhaar Card/ Letter issued by UIDAI
14. Job Card issued by NAREGA
15. Certificate of address signed by a Member of Parliament or Member of Legislative Assembly or Municipal Councilor or a Gazetted Officer.

### Proof of Identity

1. School Leaving Certificate
2. Matriculation Certificate
3. Degree of Recognized Educational Institution
4. Depository Account Statement
5. Bank Account Statement / Passbook
6. Credit Card
7. Adhaar Card/ Letter issued by UIDAI
8. Ration Card
9. Property Tax Assessment Order
10. PAN Card
11. Passport
12. Voter's Identity Card
13. Driving License
14. Job Card issued by NAREGA
15. Photo Identity Card issued by Govt. Defense, Parliamentary & police Dept.
16. Certificate of identity signed by a Member of Parliament or Member of Legislative Assembly or Municipal Councilor or a Gazetted Officer.

### Note-

- ❑ Subscriber is required to bring original documents & two self-attested photocopies (Originals will be returned over-the-counter after verification)
- ❑ Proof of Address mentioned in Sr. No. 1 to 7 should not be more than six months old on the date of application.




# HOW TO OPEN NPS - SWAVALAMBAN ACCOUNT?

- ❑ Contact the aggregator.
- ❑ Fill up a registration form
- ❑ Provide KYC Documents
  - ❑ Identity Proof
  - ❑ Address Proof
- ❑ Minimum Contribution of Rs 100 at the time of registration.
- ❑ Receive “Your” Permanent Retirement Account Number (PRAN) Card.



## Your PRAN Card will look like this


**Government of India**  **New Pension Scheme**


Your Name — **NAVIN CHANDRA RAMGOOLAM**


Your Father's Name — **SEEWOOSAGUR RAMGOOLAM**

DOB — **12/12/1947**

Your PRAN — **Permanent Retirement Account Number  
110090000147**

Your Signature —   
**Subscriber Signature**

**PFRDA Hologram** 

**Your Photograph** 

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## Exit / Withdrawal from NPS -Swavalamban

### ***Exit before attainment of 60 years of age***

- Subscriber would be required to invest minimum 80 % of accumulated savings (pension wealth) to purchase annuity.
- Subscriber can withdraw balance 20%.

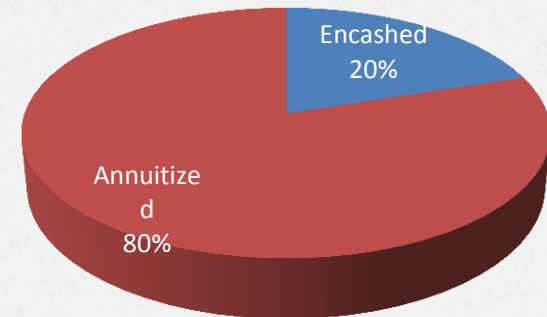
### ***Exit upon attainment of 60 years of age***

- Subscriber would be required to invest minimum 40% of accumulated savings (pension wealth) to purchase annuity.
- At the time of exit, the effort is to give a monthly pension of Rs.1000/-. If 40% of corpus is not sufficient to give pension of Rs.1000/- entire pension wealth would be subject to annuitisation.

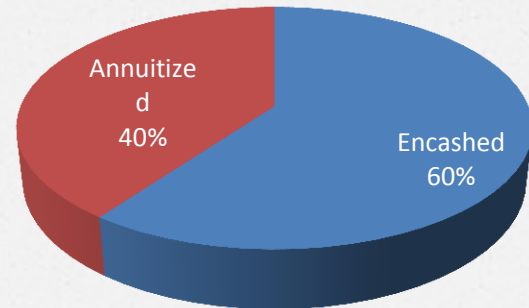
### ***Exit due to death of subscriber***

- Entire accumulated pension wealth would be payable to the nominee/legal heirs of the subscriber.

### ***Exit before 60 Years***



### ***Exit on 60 years***



## HOW TO GET PENSION?

- ❏ Submit the withdrawal request form at the age of retirement
- ❏ Choose the Cash/Annuity Component
- ❏ Choose your Annuity Service Provider
- ❏ Choose the type of pension required.
- ❏ Provide the Bank account details.
- ❏ Start Receiving Monthly Pension.





Monthly pension payable to subscriber till death

Monthly pension payable to subscriber till death and return of purchase price on death of subscriber to the nominee/Legal heirs

Joint Life survivor

Joint Life survivor – Return of corpus

- ASPs would be responsible for delivering a regular monthly pension to the subscriber for the rest of his/her life.

- ASP's empanelled with PFRDA

1. Life Insurance Corporation of India
2. SBI Life Insurance Company Limited
3. Star Union Dai-ichi Life Insurance Company Limited
4. Reliance Life Insurance Company Limited
5. Bajaj Allianz Life Insurance Company Limited
6. ICICI Prudential Life Insurance Company Limited
7. HDFC Life Insurance Company Limited

# CONTRIBUTION TO PENSION



Subscriber  
Joining at age  
Between 18-  
60 years



Swavalamban  
Contribution



Pension



Corpus Amount



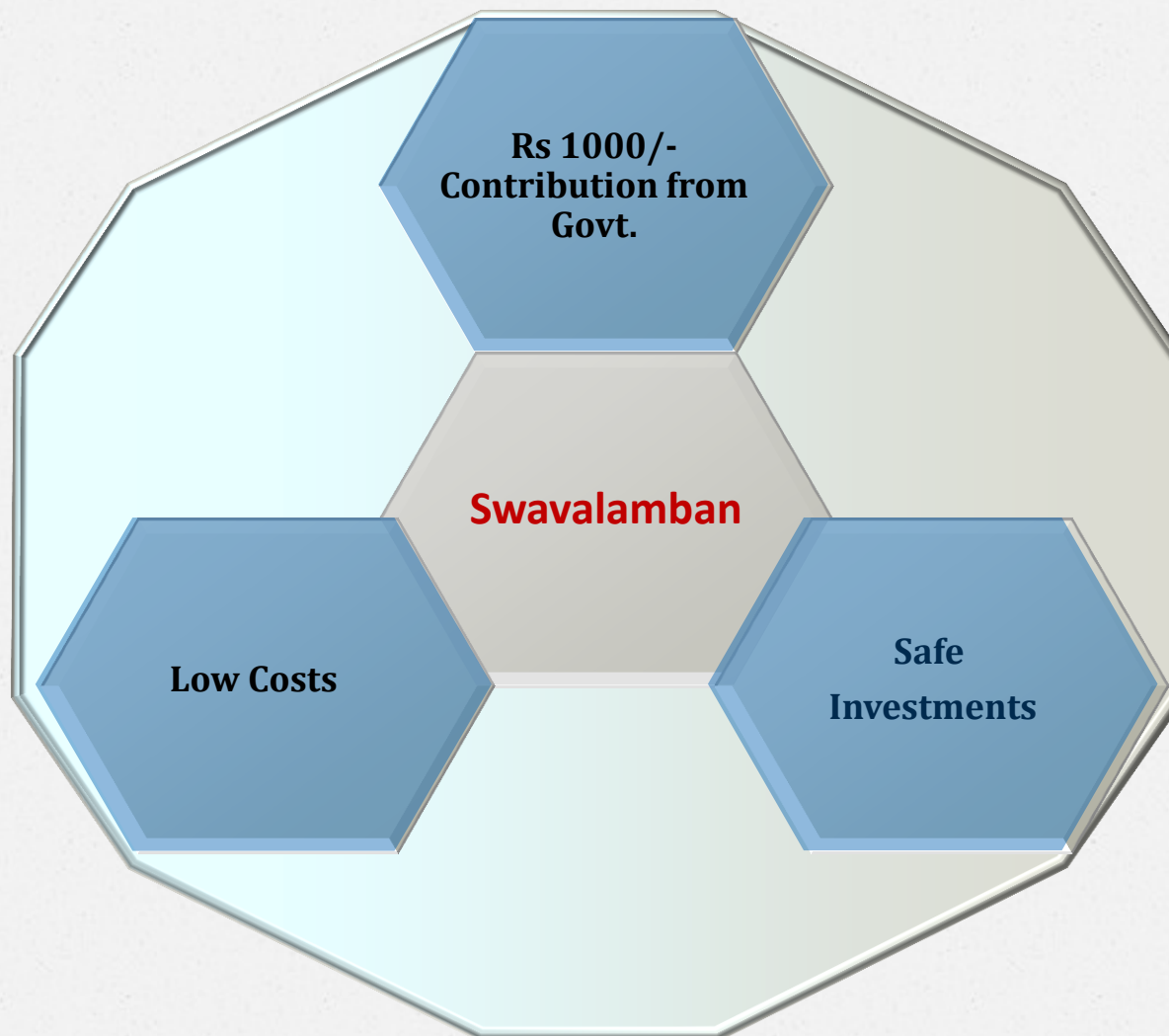


# Projected Pension

Monthly Contribution till the age of 60 years	Rs 100	Annual Swavalamban Contribution as per scheme assumed for 5 years	Rs 1000
Assuming Annual Rate of Return of		8%	
Current Age of Subscriber	Assumed Corpus accumulated at 8% on cumulative basis	Lump sum withdrawable at Exit	Likely Monthly Pension
18	512626	307576	1649
25	286903	158503	1000
30	187607	59207	1000
35	120959	0	943
40	76224	0	594
45	46198	0	375

Monthly pension shown above are indicative amounts for illustration purpose only. Actual monthly pension may vary depending on the rates of premium at the time of actual purchase and are not guaranteed. (Calculations are for life annuity for subscriber only option)

# BENEFITS OF NPS - SWAVALAMBAN





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