



Tax-Saving Option for Employees: **NPS (National Pension System) Tier 1**

We are glad to share that we are registered for **NPS Corporate Scheme (Tier 1)** for Employees. Kindly read the section “About NPS” provided below and also go through the NPS Product Deck document.

If you interested or need clarifications, you can send in your request to HR.

About NPS

In an environment of very limited Tax Saving options for Salaried, the NPS – (National Pension Scheme) is increasingly looked as a viable option.

Moreover, unlike Government Employees the Private Sector employees themselves have to plan for the “Golden Years”. It is said that the earlier a person starts the lesser he has to save as he/she gets benefit of compounding.

NPS can be excellent option for employees both from Tax Saving as well as Investment perspective.

NPS – (National Pension Scheme) Corporate highlights:

- to build a retirement corpus via NPS scheme returns.
- to create a source of regular inflow of cash post-retirement.
- Additional saving on Income Tax (u/s 80CCD)
- Value Proposition for Employees joining NPS:
- Offers platform to save tax beyond the 80CCE (1.5L) limit
- Cost effective investment option
- Can invest in Tier-I account(Corporate) equivalent to 10% of the Annual Basic Salary with tax saving benefit beyond 80C



Salient Features & Benefits*

(*these may undergo change)

National Pension System (NPS) is based on unique Permanent Retirement Account **Number (PRAN)** which is allotted to every subscriber. In order to encourage savings, the Government of India has made the scheme reassuring from security point of view and has offered some attractive benefits for. NPS account holders.

An NPS Account offers the following benefits:

- **Regulated:** NPS is regulated by PFRDA (Pension fund regulator under Ministry of Finance, Govt. of India.) which ensures transparent norms governing the activities. NPS Trust ensures adherence to the guidelines through regular monitoring.
- **Voluntary:** It is a voluntary scheme for all citizens of India. You can invest any amount in your NPS account and at any time.
- **Flexibility:** You have the flexibility to select or change the POP (Point of Presence), investment pattern and fund manager. This ensures that you can optimize returns as per your comfort with various asset class (Equity, Corporate Bonds, Government Securities and Alternate Assets) and fund managers.
- **Economical:** NPS is one of the lowest cost investment products available.
- **Portability:** NPS account or PRAN will remain same irrespective of change in employment, city or state.

- **Superannuation Fund transfer:** NPS account holders can transfer their Superannuation funds to their NPS account without any tax implication. (Post approval from relevant authorities)
- **Maturity Benefits:** At the time of maturity, a subscriber can make a 40% lump sum withdrawal that will be tax exempt. Anything above 40% will be taxed with the lump sum withdrawal of 60% being the limit. At least 40% of the corpus needs to be utilized in buying annuity (pension), which is mandatory.
- **Duration:** As a pension scheme, it is compulsory to invest in NPS until 60 years of age. However, partial withdrawals are applicable after completion of 3 years from the date of opening the account.

Regards,
