PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY (EXITS AND WITHDRAWALS UNDER THE NATIONAL PENSION SYSTEM) REGULATIONS, 2015

[**NOTIFICATION** New Delhi Dated the 11th May, 2015]

No. PFRDA/12/RGL/139/8─ In exercise of the powers conferred by sub-section (1) of section 52 read with clauses (g), (h), and (i) of sub-section (2) thereof of the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013), the Pension Fund Regulatory and Development Authority hereby makes the following regulations, namely:-

CHAPTER I

PRELIMINARY

1. Short title and commencement.- (1) These regulations may be called the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015.

"The regulations aim at providing an effective mechanism in the interest of subscribers, upon exit or withdrawal from the National Pension System, including the conditions, purpose, frequency and limits for withdrawals from individual pension account, as also the conditions, subject to which a subscriber shall exit from the National Pension System and purchase an annuity thereupon."

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these regulations, unless the context otherwise requires,-

(a) "Act" means the Pension Fund Regulatory and Development Authority Act, 2013 (23 of 2013);

(b) "accumulated pension wealth" means the monetary value of the pension investments accumulated in the Permanent Retirement Account of a subscriber under the National Pension System;

(c) "aggregator" means an intermediary registered with the Authority under sub-section (3) of section 27 of the Act, to perform subscriber interface functions under the National Pension System-Swavalamban and have the functional relationship with a known customer base for delivery of some socio-economic goods or services;

(d) "annuity service provider" means a life insurance company registered and regulated by the Insurance Regulatory and Development Authority and empaneled by the Authority for providing annuity services to the subscribers of the National Pension System;

(e) "citizen of India" means a person qualified to be a citizen of India under the Citizenship Act, 1955 (57 of 1955);

(f) "compliance officer" means a person of responsibility from the National Pension System Trust or any other intermediary or entity entrusted with the responsibility of receiving, processing and settlement of withdrawal claims from the subscribers under the National Pension System and responsible for monitoring compliance, of the provisions of the Act or the rules or the regulations made or notifications, guidelines or instructions issued by the Authority from time to time;

(g) "government sector subscriber" means a subscriber enrolled in the National Pension System through the nodal offices of the Central Government or the State Governments and registered as such with the central recordkeeping agency;

(h) "National Pension System-Lite" means a feature of optimized group model of National Pension System for persons belonging to unorganized sector of which the National Pension System-Swavalamban is a component where Government of India co-contribution is admissible;

(i) "Permanent Retirement Account Number (PRAN)" means a unique identification number allotted to each subscriber by the central recordkeeping agency;

(j) "Swavalamban subscriber" means a subscriber who is registered as such with the central recordkeeping agency under the National Pension System and where Government of India co-contribution is admissible;

[1][(k) "Exit" for the purpose of this regulation shall mean closure of individual pension account of the subscriber under National Pension System, upon and on the date of happening of any of the following events, as may be applicable:

(i) a subscriber having superannuated/retired from employment, as per the terms of such employment;

(ii) [2][[3][a subscriber having attained the age of sixty years, and where so specifically permitted has not exercised a choice in writing to continue to remain

[1]**Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017.**

[2]**Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"a subscriber having attained the age of sixty years, and where so specifically permitted has not exercised a choice in writing to continue to remain subscribed to such system, till such further period as is permissible, with or without making contributions or in respect of a subscriber who has joined National Pension System after attaining the age of sixty years (but before attaining sixty five years of age) upon attaining the maximum age permitted to be subscribed to such scheme or any date prior thereto, based on the specific request for closure received from subscriber;"

[3]**Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Second Amendment)**

subscribed to such system, till such further period as is permissible, with or without making contributions or in respect of a subscriber who has joined National Pension System after attaining the age of sixty years (but before attaining seventy years of age) upon attaining the maximum age permitted to be subscribed to such scheme or any date prior thereto, based on the specific request for closure received from subscriber;]]

(iii) [4][[5][death of the subscriber before attaining the age of superannuation, or the age of sixty years, or in cases where an option has been exercised by subscriber to continue to remain subscribed to a certain permissible time period, death before expiry of such period or death of a subscriber who has joined National Pension System after attaining the age of sixty years (but before attaining seventy years of age) at any time prior to attaining the maximum age permitted to be subscribed to such scheme;]]

(iv) voluntary closure of the account by the subscriber, in cases where so permitted and on the date on which such closure is effected in the system;

Provided that a subscriber shall be deemed to have exited from National Pension System, in accordance with sub-clause (i) to (iv) notwithstanding that no claims have been received by or on behalf of the subscriber or such claims having being received are pending settlement.

Provided further that where a subscriber ceases to be in employment other than retirement or superannuation, it shall not be treated as exit and he shall have the option to continue his individual pension account, if available under new employment or as voluntarily available to citizens, unless the subscriber prefers a claim as provided under these regulations for withdrawal of benefits.]

[6][(l) The expression "defer" or "deferment" wherever used in these regulations shall mean the postponement or deferment of claims for receiving benefits admissible to a subscriber upon exit from National Pension System.]

Regulations, 2017 w.e.f 06.10.2017. Prior to the substitution, it read as

"a subscriber having attained the age of sixty years, and where so specifically permitted has not exercised a choice in writing to continue to remain subscribed to such system, till such further period as is permissible, with or without making contributions;"

[4] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"death of the subscriber before attaining the age of superannuation, or the age of sixty years, or in cases where an option has been exercised by subscriber to continue to remain subscribed to a certain permissible time period, death before expiry of such period or death of a subscriber who has joined National Pension System after attaining the age of sixty years (but before attaining sixty five years of age) at any time prior to attaining the maximum age permitted to be subscribed to such scheme;"

[5] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Second Amendment) Regulations, 2017 w.e.f 06.10.2017. Prior to the substitution, it read as**

"death of the subscriber before attaining the age of superannuation, or the age of sixty years, or in cases where an option has been exercised by subscriber to continue to remain subscribed to a certain permissible time period, death before expiry of such period"

[6] **Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017**

(2) Words and expressions used and not defined in these regulations but defined in the Act shall have the meanings assigned to them in the Act.

CHAPTER II

EXIT FROM NATIONAL PENSION SYSTEM

[7][For the purpose of exit from the National Pension System, the subscribers are categorized and defined as, (1) Government sector, (2) All citizens including corporate sector and (3) NPS- Lite and Swavalamban subscribers. The exit regulations specified hereunder shall apply accordingly to the category to which the subscriber belongs to.]

[8][3. Exit from National Pension System for government sector subscribers.- A

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[7] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"For the purpose of exit from the National Pension System, the subscribers are categorized and defined as, (1) Government sector, (2) All citizens including corporate sector and (3) NPS- Lite and Swavalamban subscribers. The exit regulations specified hereunder shall apply accordingly to the category to which the subscribers."

[8] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as to the substitution, it read as under:**

"3. Exit from National Pension System for government sector subscribers. - A government sector subscriber shall exit from the National Pension System in the manners specified hereunder, namely: -

(a) Where the subscriber who, upon attaining the age of superannuation as prescribed by the service rules applicable to him or her, retires, then at least forty per cent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that, -

(i) the following shall be the default annuity contract that will be applicable and wherein the annuity contract shall provide for annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity and upon the demise of such subscriber, the annuity be re-issued to the family members in the order specified hereunder at a premium rate prevalent at the time of purchase of such annuity by utilizing the purchase price required to be returned under the annuity contract (until all the family members in the order specified below are covered) :

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of all the family members specified above, the purchase price shall be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber, as may be applicable;

the subscriber who wishes to opt out of the default option mentioned above and wishes to choose the annuity contract of his choice from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option.

(ii) where the subscriber does not desire to withdraw the balance amount, after purchase of mandatory annuity, such subscriber shall have the option to defer the withdrawal of the lump sum amount until he or she attains the age of seventy years, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of superannuation to the National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose;

(iii) where the subscriber desires to defer the purchase of annuity, he or she shall have the option to do so for a maximum period of three years from the date of attainment of age of superannuation, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of superannuation to the National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose. It shall be a condition precedent to opt for such deferment of annuity purchase that in

case if the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, the annuity shall mandatorily be purchased by the spouse(if any) providing for annuity for life of the spouse with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order of preference provided hereunder at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until all the members given below are covered):-

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children legal heirs of the subscribers as applicable;

(iv) where the subscriber desires to defer the withdrawal of lump sum amount or, the purchase of annuity, the subscriber shall be allowed to do so, provided the subscriber agrees to bear the maintenance charges of the Permanent Retirement Account, including the charges payable to the central recordkeeping agency, pension fund, Trustee Bank or any other intermediary, as may be applicable from time to time;

(v) where the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than a sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity and upon such exercise of this option, the right of such subscriber to receive any pension or other amount under the National Pension System or from the government shall extinguish;

(b) where the subscriber who, before attaining the age of superannuation prescribed by the service rules applicable to him or her, voluntarily retires or exits, then at least eighty per cent out of the accumulated pension wealth of the subscriber shall mandatorily be utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that the annuity contract shall provide for annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity and upon the demise of such subscriber the annuity be re-issued to the family members in the order specified hereunder at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the annuity contract (until all the members given below are covered) :-

(i) living dependent mother of the deceased subscriber;
(ii) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children, the legal heirs of the subscriber as may be applicable.

Provided that if the accumulated pension wealth of the subscriber is more than one lakh rupees but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empaneled annuity service providers as chosen by such subscriber, such subscriber shall continue to subscribe to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:

Provided further that if the accumulated pension wealth of the subscriber is equal to or less than one lakh rupees, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity and upon such exercise of this option the right of the subscriber to receive any pension or other amounts under the National Pension System shall extinguish and any such exercise of this option by the subscriber, before the regulations are notified, shall be deemed to have been made in accordance with this regulation;

(c) where the subscriber who, before attaining the age of superannuation, dies, then at least eighty percent out of the accumulated pension wealth of the subscriber shall be mandatorily utilized for purchase of annuity and balance pension wealth shall be paid as lump sum to the nominee or nominees or legal heirs, as the case may be, of such subscriber:

Provided that,-

(i) The annuity contract shall provide for annuity for life of the spouse of the subscriber (if any) with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order specified hereunder at the premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until all the members given below are covered):-

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children, the legal heirs of the subscriber as applicable.

(ii) Provided further that if the accumulated pension wealth in the permanent retirement account of the subscriber

subscriber under the government sector shall exit from the National Pension System in any of the manners specified hereunder, namely :-

(a) Where the subscriber who, upon attaining the age of superannuation as prescribed by the service rules applicable to him or her, retires, then at least forty per cent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum or he shall have a choice to collect such remaining pension wealth in accordance with the other options specified by the Authority from time to time, in the interest of the subscribers:

Provided that, -

(i) [9][the following shall be the default annuity contract that will be applicable and wherein the annuity contract shall provide for annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity and on the demise of such subscriber and his or her spouse, the annuity be re-issued to the family members in the order specified hereunder, at the rate of premium prevalent at the time of purchase of such annuity by utilizing the purchase price required to be returned under the annuity contract (until the family members in the order specified below are covered):

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of the family members specified above, the purchase price or the amount which was to be utilised for purchase of annuity shall be returned to

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at the time of his death is equal to or less than two lakh rupees, the nominee or legal heirs as the case may be, shall have the option to withdraw the entire accumulated pension wealth without requiring to purchase any annuity and upon such exercise of this option the right of the family members to receive any pension or other amounts under the National Pension System shall extinguish;"

[9] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"(i) the following shall be the default annuity contract that will be applicable and wherein the annuity contract shall provide for annuity for life of the subscriber and his or her spouse(if any) with provision for return of purchase price of the annuity and upon the demise of such subscriber, the annuity be re-issued to the family members in the order specified hereunder, at a premium rate prevalent at the time of purchase of such annuity by utilizing the purchase price required to be returned under the annuity contract (until all the family members in the order specified below are covered) :

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of all the family members specified above, the purchase price shall be returned to the surviving children of the subscriber and in the absence of children, the legal heir(s) of the subscriber, as may be applicable.

In the absence of or non-availability of such a default annuity for any reason, the subscriber shall be required to exercise the option for purchase of such annuity of his choice, within the then annuity types or contracts made available by the annuity service providers empaneled by the Authority.

Further, a subscriber who wishes to opt out of the default option mentioned above and wishes to choose the annuity contract of his choice from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option;"

the surviving children of the subscriber and in absence of children to the legal heir(s) of the subscriber, as the case may be;

In the absence of or non-availability of such a default annuity for any reason, the subscriber shall be required to exercise the option for purchase of such annuity of his choice, within the then annuity types or contracts made available by the annuity service providers empanelled by the Authority;

Further, a subscriber who wishes to opt out of the default option mentioned above and wishes to choose the annuity contract of his choice from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option;]

(ii) where the subscriber does not desire to withdraw the balance amount, after purchase of mandatory annuity, such subscriber shall have the option to defer the withdrawal of the lump sum amount until he or she attains the age of seventy years, provided the subscriber intimates his or her intention to do so in writing, not less than fifteen days prior to his attaining the age of superannuation, to the Central recordkeeping agency or National Pension System Trust or any other approved intermediary or entity authorized by the Authority, in the specified form or in any other manner specified by the Authority;

[10][(iii) where the subscriber desires to defer the purchase of annuity, he or she shall have the option to do so for a maximum period of three years from the date of attainment of age of superannuation, provided the subscriber intimates his or her intention to do so in writing in the specified form or in any other manner approved by the Authority, at least fifteen days prior to the attainment of age of superannuation, to the Central recordkeeping agency or National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose. It shall be a condition precedent to opt for such deferment of annuity purchase, that in case if the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, the annuity shall mandatorily be purchased by the

[10] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"where the subscriber desires to defer the purchase of annuity, he or she shall have the option to do so for a maximum period of three years from the date of attainment of age of superannuation, provided the subscriber intimates his or her intention to do so in writing in the specified form or in any other manner approved by the Authority, at least fifteen days prior to the attainment of age of superannuation, to the Central recordkeeping agency or National Pension System Trust or an intermediary or entity authorized by the Authority for this purpose. It shall be a condition precedent to opt for such deferment of annuity purchase, that in case if the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, the annuity shall mandatorily be purchased by the spouse (if any) providing for annuity for life of the spouse with provision for return of purchase price of the annuity and upon the demise of such spouse, be re-issued to the family members in the order of preference provided hereunder, at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until all the members given below are covered):-

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children to the legal heirs of the subscriber as applicable."

spouse (if any) providing for annuity for life of the spouse with provision for return of purchase price of the annuity and upon the demise of such spouse, be re-issued to the family members in the order of preference provided hereunder, at the rate of premium prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until the family members in the order specified below are covered):-

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of the family members specified above, the purchase price or the amount which was to be utilised for purchase of annuity shall be returned to the surviving children of the subscriber and in absence of children to the legal heir(s) of the subscriber as the case may be;]

(iv) where the subscriber desires to defer the withdrawal of benefits available under National Pension System, the expenses, maintenance charges and fee payable under the National Pension System in respect of the individual pension account/ Permanent Retirement Account, shall continue to remain applicable;

[11][(v) where the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than a sum of five lakh rupees, or a limit as specified by the Authority, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity and upon such exercise of this option, the right of such subscriber to receive any pension or other amount under the National Pension System or from the government or employer, shall extinguish;]

[12][[13][(vi) where the subscriber desires to continue in the National Pension System

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[11] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"(v) where the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than a sum of two lakh rupees, or a limit as specified by the Authority, basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity and upon such exercise of this option, the right of such subscriber to receive any pension or other amount under the National Pension System or from the government or employer, shall extinguish;"

[12] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Fourth Amendment) Regulations, 2018 w.e.f. 18.05.2018. Prior to the substitution, it read as under:**

"(vi) where the subscriber desires to continue in the National Pension System and contribute to his retirement account beyond the age of sixty years or the age of superannuation, he or she shall have the option to do so by giving in writing or in such form as may be specified, and up to which he would like to contribute to his individual pension account but not exceeding seventy years of age. Such option shall be exercised at least fifteen days prior to the age of attaining sixty years or age or superannuation, as the case may be, to the central recordkeeping agency or the National Pension System Trust or any other intermediary or entity authorized by the Authority for the purpose. Upon exercise of the option, the other options of deferment of benefits shall not be available to such a subscriber.

Notwithstanding exercise of such option, the subscriber may exit at any point of time from National Pension System, by submitting a request to central recordkeeping agency or the National Pension System Trust or any intermediary or entity authorized by the Authority for the purpose;"

[13] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under**

and contribute to his retirement account beyond the age of sixty years or the age of superannuation, he or she shall have the option to do so by giving in writing or in such form as may be specified, and up to which he would like to contribute to his individual pension account but not exceeding seventy years of age. Such option shall be exercised at least fifteen days prior to the age of attaining sixty years or age of superannuation, as the case may be to the central recordkeeping agency or the National Pension System Trust or any other intermediary or entity authorized by the Authority for the purpose. In such cases, individual pension account/ Permanent Retirement Account shall require to be shifted from Government sector to All citizens including corporate sector and the expenses, maintenance charges and fee payable under the National Pension System in respect of the said individual pension account/ Permanent Retirement Account, shall continue to remain applicable;]

Provided further that such subscriber who has not exercised the option within the period of fifteen days, so stipulated, but desires to continue with his individual pension account under National Pension System, beyond the age of sixty years or the age of superannuation, as the case may be, and to the extent so permitted, may do so by making an application in writing with reasons for such delay to the National Pension System Trust, within one hundred and eighty days of attaining such age or superannuation. Where an application is received by the National Pension System Trust, from any subscriber, beyond the period of one hundred and eighty days, together with justification and sufficient cause, so shown by the subscriber, the National Pension System Trust, shall cause to forward such application along with its recommendation thereon, for consideration and approval of the Authority;

The authorized officer of the National Pension Trust or Authority, as the case may be, may condone such delay, if any, in exercise of such option by the subscriber, as he may deem fit, having regard to the cause so shown or on any other relevant matter. Upon exercise of the option, by the subscriber, as specified above, the other options of deferment of benefits shall not be available to such a subscriber;

Notwithstanding exercise of such option, the subscriber may exit at any point of time from National Pension System, by submitting a request to central recordkeeping agency or the National Pension System Trust or any intermediary or entity authorized by the Authority for the purpose;]

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the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"where the subscriber desires to continue in the National Pension System and contribute to his retirement account beyond the age of sixty years or the age of superannuation, he or she shall have the option to do so by giving in writing or in such form as may be specified, and up to which he would like to contribute to his individual pension account but not exceeding seventy years of age. Such option shall be exercised at least fifteen days prior to the age of attaining sixty years or age or superannuation, as the case may be to the central recordkeeping agency or the National Pension System Trust or any other intermediary or entity authorized by the Authority for the purpose."

[14][(vii) Provided that if the employer certifies that the subscriber has been discharged from the services of the concerned office on account of invalidation or disability, the exit shall be determined as specified under sub-regulation (a).]

(b) where the subscriber who, before attaining the age of superannuation prescribed by the service rules applicable to him or her, voluntarily retires or exits, then at least eighty per cent out of the accumulated pension wealth of the subscriber shall mandatorily be utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum or he shall have a choice to collect such remaining pension wealth in accordance with the other options specified by the Authority from time to time, in the interest of the subscribers:

[15][Provided that such annuity contract shall provide for annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity and on the demise of such subscriber and his or her spouse, the annuity be re-issued to the family members in the order specified hereunder at the rate of premium prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the annuity contract (until the family members in the order specified below are covered) :-

(i) living dependent mother of the deceased subscriber;

(ii) living dependent father of the deceased subscriber.

After the coverage of the family members specified above, the purchase price or the amount which was to be utilised for purchase of annuity shall be returned to the surviving children of the subscriber and in the case of absence of children, to the other legal heir(s) of the subscriber, as the case may be;

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[14] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Third Amendment) Regulations, 2018 w.e.f. 02.02.2018.

[15] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"Provided that such annuity contract shall provide for annuity for life of the subscriber and his or her spouse (if any) with provision for return of purchase price of the annuity and upon the demise of such subscriber the annuity be re-issued to the family members in the order specified hereunder at a premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the annuity contract (until all the members given below are covered) :-

(i) living dependent mother of the deceased subscriber;

(ii) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in the case of absence of children, to the other legal heirs of the subscriber, as may be applicable; In the absence of or non-availability of such a default annuity for any reason, the subscriber shall be required to exercise the option for purchase of such annuity of his choice, within the then annuity types or contracts made available by the annuity service providers empaneled by the Authority.

Further, a subscriber who wishes to opt out of the option mentioned above and wishes to choose the annuity contract of his choice, from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option"

In the absence of or non-availability of such a default annuity for any reason, the subscriber shall be required to exercise the option for purchase of such annuity of his choice, within the then annuity types or contracts made available by the annuity service providers empanelled by the Authority;

Further, a subscriber who wishes to opt out of the option mentioned above and wishes to choose the annuity contract of his choice, from the available annuity types or contracts with the annuity service providers, shall be required to specifically opt for such an option.]

[16][Provided that if the accumulated pension wealth of the subscriber is more than two lakh fifty thousand rupees or a limit to be specified by the Authority for the purpose but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empanelled annuity service providers as chosen by such subscriber, such subscriber shall continue to be subscribed to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:]

[17][Provided further that if the accumulated pension wealth of the subscriber is equal to or less than two lakh fifty thousand rupees or a limit to be specified by the Authority, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity and upon such exercise of this option the right of the subscriber to receive any pension or other amounts under the National Pension System shall extinguish and any such exercise of this option by the subscriber, before the notification of this provision, shall be deemed to have been made in accordance with this regulation;]

(c) where the subscriber who, before attaining the age of superannuation, dies, then at least eighty percent out of the accumulated pension wealth of the subscriber shall be mandatorily utilized for purchase of annuity and balance pension wealth shall be paid as lump sum or in another manner from among the options made available

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[16] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021. Prior to substitution, it read as:

"Provided that if the accumulated pension wealth of the subscriber is more than one lakh rupees or a limit to be specified by the Authority for the purpose but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empaneled annuity service providers as chosen by such subscriber, such subscriber shall continue to be subscribed to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:"

[17] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021. Prior to substitution, it read as:

"Provided further that if the accumulated pension wealth of the subscriber is equal to or less than one lakh rupees or a limit to be specified by the Authority basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity and upon such exercise of this option the right of the subscriber to receive any pension or other amounts under the National Pension System shall extinguish and any such exercise of this option by the subscriber, before the notification of this provision, shall be deemed to have been made in accordance with this regulation;"

by the Authority from time to time to the nominee or nominees or legal heirs, as the case may be, of such subscriber:

Provided that, -

[18][(i) such annuity contract shall provide for annuity for life of the spouse of the subscriber (if any) with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order specified hereunder at the rate of premium prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until the family members in the order specified below are covered) :-

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of the family members specified above, the purchase price or the amount which was to be utilised for purchase of annuity shall be returned to the surviving children of the subscriber. In absence of children, the legal heir(s) of the subscriber as the case may be. In the absence of or non-availability of such a default annuity for any reason, the family member of the deceased subscriber shall be required to exercise the option for purchase of such annuity of his choice, within the then annuity types or contracts made available by the annuity service providers empanelled by the Authority;]

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[18] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

" (i) such annuity contract shall provide for annuity for life of the spouse of the subscriber (if any) with provision for return of purchase price of the annuity and upon the demise of such spouse be re-issued to the family members in the order specified hereunder at the premium rate prevalent at the time of purchase of the annuity, utilizing the purchase price required to be returned under the contract (until all the members given below are covered):-

(a) living dependent mother of the deceased subscriber;

(b) living dependent father of the deceased subscriber.

After the coverage of all such members, the purchase price shall be returned to the surviving children of the subscriber and in absence of children, the legal heirs of the subscriber as applicable. In the absence of or non-availability of such a default annuity for any reason, the subscriber shall be required to exercise the option for purchase of such annuity of his choice, within the then annuity types or contracts made available by the annuity service providers empaneled by the Authority."

[19][(ii) Provided further that if the accumulated pension wealth in the permanent retirement account of the subscriber at the time of his death is equal to or less than Five lakh rupees or a limit to be specified by the Authority, the nominee or legal heir(s) as the case may be, shall have the option to withdraw the entire accumulated pension wealth without requiring to purchase any annuity and upon such exercise of this option the right of the family members to receive any pension or other amounts under the National Pension System shall extinguish.]]

4. Exit from National Pension System by citizens, including corporate sector subscribers. - Any subscriber, including a corporate sector subscriber, registered under the National Pension System, shall exit from the National Pension System in the manner specified hereunder, namely: -

[20][(a) where a subscriber attains the age of sixty years or superannuates in accordance with the service rules applicable to such subscriber, at least forty percent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum. In case, the accumulated pension wealth of the subscriber is equal to or less than a sum of five lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity:]

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[19] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

'Provided further that if the accumulated pension wealth in the permanent retirement account of the subscriber at the time of his death is equal to or less than two lakh rupees or a limit to be specified by the Authority, basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, the nominee or legal heirs as the case may be, shall have the option to withdraw the entire accumulated pension wealth without requiring to purchase any annuity and upon such exercise of this option the right of the family members to receive any pension or other amounts under the National Pension System shall extinguish;"

[20] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"*where a subscriber attains the age of sixty years or superannuates in accordance with the service rules applicable to such subscriber, at least forty percent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum. In case, the accumulated pension wealth of the subscriber is equal to or less than a sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity"*

Provided that-

(i) [21][[22][[23][Where the subscriber desires to continue in the National Pension System and contributes to his retirement account beyond the age of sixty years, or the age of superannuation, as the case may be, he or she shall have the option to do so by

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[21]**Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"*the subscriber can continue to subscribe to the National Pension System beyond the age of sixty years or the age of superannuation, so specified, by intimating in writing, the age, not exceeding seventy years, until which he would like to contribute to his individual pension account.*

Such intimation shall be given to the National Pension System Trust or any intermediary or entity authorized by the Authority for this purpose. Notwithstanding such intimation, the subscriber may exit at any point of time, from the National Pension System by submitting a request in writing to the National Pension System Trust or any intermediary or entity authorized by the Authority for this purpose;"

[22]**Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Fourth Amendment) Regulations, 2018 w.e.f. 18.05.2018. Prior to the substitution, it read as**

"where the subscriber desires to continue in the National Pension System and contribute to his retirement account beyond the age of sixty years or the age of superannuation, he or she shall have the option to do so by giving in writing or in such form as may be specified of the age not exceeding seventy years and up to which he would like to contribute to his individual pension account. Such option shall be exercised at least fifteen days prior to attaining the age of sixty years or age of superannuation, as the case may be, to the central recordkeeping agency or the National Pension System Trust or any other intermediary or entity authorized by the Authority for the purpose. Upon exercise of the option, the other options of deferment of benefits shall not be available to such a subscriber.

Notwithstanding exercise of such option, the subscriber may exit at any point of time from the National Pension System, by submitting a request to National Pension System Trust or any intermediary or entity authorized by the Authority for the purpose;"

[23] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Fifth Amendment) Regulations, 2019 w.e.f. 19.02.2019. Prior to the substitution, it read as under:**

"(i) Where the subscriber desires to continue in the National Pension System and contribute to his retirement account beyond the age of sixty years or the age of superannuation, he or she shall have the option to do so by giving in writing or in such form as may be specified of the age not exceeding seventy years and up to which he would like to contribute to his individual pension account. Such option shall be exercised at least fifteen days prior to attaining the age of sixty years or age of superannuation, as the case may be, to the central recordkeeping agency or the National Pension System Trust or any other intermediary or entity authorized by the Authority for the purpose.

Provided further that such subscriber who has not exercised the option within the period of fifteen days, so stipulated, but desires to continue with his individual pension account under National Pension System, beyond the age of sixty years or the age of superannuation, as the case may be, and to the extent so permitted, may do so by making an application in writing with reasons for such delay to the National Pension System Trust, within one hundred and eighty days of attaining such age or superannuation. Where an application is received by the National Pension System Trust, from any subscriber, beyond the period of one hundred and eighty days, together with justification and sufficient cause, so shown by the subscriber, the National Pension System Trust, shall cause to forward such application along with its recommendation thereon, for consideration and approval of the Authority.

The authorized officer of the National Pension Trust or Authority, as the case may be, may condone such delay, if any, in exercise of such option by the subscriber, as he may deem fit, having regard to the cause so shown or on any other relevant matter. Upon exercise of the option, by the subscriber, as specified above, the other options of deferment of benefits shall not be available to such a subscriber.

Notwithstanding exercise of such option, the subscriber may exit at any point of time from the National Pension System, by submitting a request to National Pension System Trust or any intermediary or entity authorized by the Authority for the purpose;"

giving in writing or in such form as may be specified of the age not exceeding seventy years up to which he would like to contribute to his individual pension account. Such option shall be exercised at least fifteen days prior to attaining the age of sixty years or age of superannuation, as the case may be, to the Central Recordkeeping Agency or the National Pension System Trust or any other intermediary or entity authorized by the Authority for the purpose.

Provided further that a subscriber not having any employee-employer relationship and after attaining the age of 60 years not having exercised the option to continue within the period of fifteen days, so stipulated, shall continue in the National Pension System till he attains the age of seventy years as if he has exercised the option and shall be considered as if the consent has been provided by such subscriber.

Provided further that such subscriber having any employee-employer relationship and who has not exercised the option within the period of fifteen days, so stipulated, but desires to continue with his individual pension account under National Pension System, beyond the age of sixty years or the age of superannuation, as the case may be, and to the extent so permitted, may do so by making an application in writing with reasons for such delay to the National Pension System Trust. The authorized officer of the National Pension Trust may condone such delay, if any, in exercise of such option by the subscriber, as he may deem fit, having regard to the cause so shown or on any other relevant matter.

[24][Notwithstanding exercise of such option or automatic continuation, the subscriber may exit at any point of time from the National Pension System, by submitting a request to National Pension System Trust or any intermediary or entity authorized by the Authority for the purpose. The options of deferment of lump sum as well as annuity shall not be available to such a subscriber. In case of death of subscriber during the period of continuation, the entire accumulated pension wealth of the subscriber shall be paid to the nominee(s) or legal heir(s), as the case may be, of such subscriber. The nominee(s) or family member(s) of the deceased subscriber shall have the option to purchase any of the annuities being offered upon exit, if they so desire;]]

(ii) the subscriber shall have the option to defer the withdrawal of lump sum amount until he or she attains the age of seventy years, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of sixty years or, the age of superannuation, as the case may be, to the National Pension System Trust or any intermediary or entity authorized by the Authority for this purpose;

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[24] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"Notwithstanding exercise of such option or automatic continuation, the subscriber may exit at any point of time from the National Pension System, by submitting a request to National Pension System Trust or any intermediary or entity authorized by the Authority for the purpose. The options of deferment of lump sum as well as annuity shall not be available to such a subscriber."

(iii) [25][the subscriber shall have the option to defer the purchase of annuity for a maximum period of three years, from the date of attainment of sixty years of age or the age of superannuation, as the case may be, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of sixty years or the age of superannuation, as the case may be, to the National Pension System Trust or any intermediary or other entity authorized by the Authority for this purpose. It shall be a condition precedent to opt for such deferment of annuity purchase, that in case if the death of the subscriber occurs before such due date of purchase of an annuity after the deferment, then the entire accumulated pension wealth of the subscriber shall be paid to the nominee(s) or legal heir(s), as the case may be, of such subscriber;]

(iv) the subscriber shall be allowed to continue to subscribe, defer the withdrawal of lump sum amount or the purchase of annuity, as the case may be, provided the subscriber agrees to bear the maintenance charges of the Permanent Retirement Account, including the charges payable to the central recordkeeping agency, pension fund, Trustee Bank or any other intermediary, as may be applicable from time to time;

[26][(v) Provided that a subscriber is physically incapacitated or has suffered a bodily disability leading to his incapability to continue with his individual pension account under National Pension System, the exit in such cases shall be determined as per the provisions of sub regulation (a) subject to the subscriber submitting a disability certificate from a Government surgeon or Doctor (treating such disability or invalidation of subscriber) stating the nature and extent of disability and also certifying that:

a. the affected subscriber shall not be in a position to perform his regular duties and there is a real possibility of the affected subscriber, being not able to work for the remaining period of his life.; and

b. Percentage of disability is more than seventy five percent. in the opinion of such Government surgeon or doctor (treating such disability or invalidation of subscriber).]

(b) where the subscriber who, before attaining the age of sixty years or the age of superannuation as prescribed by service rules, voluntarily opts to exit from the national pension system, the option so exercised shall be allowed only upon such subscriber having subscribed to the national pension system for at least a minimum period of ten years. In case of such subscriber, at least eighty percent out of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity

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[25] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"the subscriber shall have the option to defer the purchase of annuity for a maximum period of three years, from the date of attainment of sixty years of age or the age of superannuation, as the case may be, provided the subscriber intimates his or her intention to do so in writing in the specified form at least fifteen days before the attainment of age of sixty years or the age of superannuation, as the case may be, to the National Pension System Trust or any intermediary or other entity authorized by the Authority for this purpose;"

[26] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Third Amendment) Regulations, 2018 w.e.f. 02.02.2018.

and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

[27][Provided that if the accumulated pension wealth of the subscriber is more than two lakh fifty thousand rupees but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empanelled annuity service providers as chosen by such subscriber, such subscriber shall continue to subscribe to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:]

[28][[29][Provided further that if the accumulated pension wealth in the individual pension account of the subscriber is equal to or less than two lakh fifty thousand rupees, or a limit to be specified by the Authority, such subscriber shall have the option to withdraw the entire accumulated pension wealth without requiring to purchase any annuity;]]

(c) where the subscriber who, before attaining the age of sixty years or the age of superannuation as prescribed by the respective service rules applicable to him or her, dies, then the entire accumulated pension wealth of the subscriber shall be paid to the nominee or nominees or legal heirs, as the case may be, of such subscriber: Provided that,-

(i) the nominee or family members of the deceased subscriber shall have the option to purchase any of the annuities being offered upon exit, if they so desire, while applying for withdrawal of benefits on account of deceased subscribers' Permanent Retirement Account;

(ii)[30][in case, the nomination is not registered by the deceased subscriber before his death, the accumulated pension wealth shall be paid to the family members on

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[27] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"*Provided that if the accumulated pension wealth of the subscriber is more than one lakh rupees but the age of the subscriber is less than the minimum age required for purchasing any annuity from any of the empaneled annuity service providers as chosen by such subscriber, such subscriber shall continue to subscribe to the National Pension System, until he or she attains the age of eligibility for purchase of any annuity:*"

[28] **Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:**

"Provided further that if the accumulated pension wealth in the individual pension account of the subscriber is equal to or less than one lakh rupees, or a limit to be specified by the Authority, basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, such subscriber shall have the option to withdraw the entire accumulated pension wealth without requiring to purchase any annuity"

[29] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"Provided further that if the accumulated pension wealth in the Permanent Retirement Account of the subscriber is equal to or less than one lakh rupees, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity;"

[30]**Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"in case, the nomination is not registered by the deceased subscriber before his death, the accumulated pension

the basis of the legal heir certificate issued by the competent authorities of the State concerned or the succession certificate issued by a court of competent jurisdiction.]

[31][(d) [32][Exit from National Pension System by subscribers, joining such pension system on or after attaining the age of sixty years (but before attaining seventy years of age):]

(i) [33][In case of a subscriber, joining National Pension System under all citizens model or in corporate model, on or after attaining the age of sixty years, (but before attaining seventy years of age) and after having subscribed to such pension system for at least a period of three years from the date of such joining and thereafter till he attains the age of seventy five years, on exit, at least forty percent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum. In case, the accumulated pension wealth of the subscriber is equal to or less than a sum of five lakh rupees or a limit to be specified by the Authority, the subscriber shall have the option to withdraw the entire accumulated pension wealth without there being any requirement of purchasing an annuity;]

(ii) where a subscriber under sub-clause(i) who, before completion of three years in such pension system, voluntarily opts to exit from the National Pension System, at least eighty percent out of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum.
[34][Provided further that if the accumulated pension wealth in the individual pension

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wealth shall be paid to the family members on the basis of the legal heir certificate issued by the Revenue authorities of the State concerned or the succession certificate issued by a court of competent jurisdiction."

[31] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Second Amendment) Regulations, 2017 w.e.f 06.10.2017.

[32] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"Exit from National Pension System by subscribers, joining such pension system on or after attaining the age of sixty years (but before attaining sixty five years of age):"

[33] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"In case of a subscriber, joining National Pension System under all citizens model or in corporate model, on or after attaining the age of sixty years, (but before attaining sixty five years of age) and after having subscribed to such pension system for at least a period of three years, from the date of such joining, on exit, at least forty percent out of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum. In case, the accumulated pension wealth of the subscriber is equal to or less than a sum of two lakh rupees or a limit to be specified by the Authority, basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, the subscriber shall have the option to withdraw the entire accumulated pension wealth without there being any requirement of purchasing an annuity"

[34] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it

account of the subscriber is equal to or less than a sum of Rupees two lakh fifty thousand, or a limit to be specified by the Authority, such subscriber shall have the option to withdraw the entire accumulated pension wealth without there being any requirement of purchase of an annuity;]

(iii) Where a subscriber under sub-clause (i) dies, while being subscribed to National Pension System, the entire accumulated pension wealth of the subscriber shall be paid to the nominee or nominees or legal heirs, as the case may be, of such subscriber, in accordance with the provisions of these regulation.]

5. **Exit from National Pension System by NPS-Lite and Swavalamban subscribers. -**Any subscriber registered under National Pension System as NPS-Lite or Swavalamban subscriber, can exit from the National Pension System, in the manner specified hereunder, namely: -

(a) Upon a subscriber, attaining the age of sixty years, at least forty percent of the accumulated pension wealth of such subscriber shall be mandatorily utilized for purchase of annuity providing for a monthly or any other periodical pension and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum:

Provided that, -

(i) for a Swavalamban subscriber the annuity purchased by utilizing the mandatory minimum of forty percent. of the accumulated pension wealth of the subscriber shall yield at least a monthly annuity or pension of one thousand rupees, failing which the entire accumulated pension wealth shall be annuitised in such a manner so as to yield at least a monthly annuity or pension of one thousand rupees and balance if any thereafter shall be paid in lump sum to the subscriber. However, there shall be no implicit or explicit guarantee that the annuity purchased even with entire accumulated pension wealth would yield a monthly annuity or pension of one thousand rupees;

(ii) if the accumulated pension wealth of the subscriber is equal to or less than a sum of one lakh rupees, such subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing any annuity and upon such exercise of this option, the right of the subscriber to receive any pension under the National Pension System shall extinguish and any such exercise of this option by the subscriber, before the regulations are notified, shall be deemed to have been made in accordance with this regulation;

[35][(iii) Provided that a subscriber who is physically incapacitated or has suffered a bodily disability leading to his incapability to continue with his individual pension

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read as:

"*Provided further that if the accumulated pension wealth in the individual pension account of the subscriber is equal to or less than a sum of Rupees one lakh, or a limit to be specified by the Authority, basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, such subscriber shall have the option to withdraw the entire accumulated pension wealth without there being any requirement of purchase of an annuity."*

[35] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Third Amendment) Regulations, 2018 w.e.f. 02.02.2018.

account under National Pension System, the exit in such cases shall be determined as per the provisions of sub-regulation (a) subject to the subscriber submitting a disability certificate from a Government surgeon or doctor (treating such disability or invalidation of subscriber) stating the nature and extent of disability and also certifying that:

a. the affected subscriber shall not be in a position to perform his regular duties and there is a real possibility of the affected subscriber, being not able to work for the remaining period of his life.; and

b. Percentage of disability is more than seventy-five percent. in the opinion of such Government surgeon or doctor (treating such disability or invalidation of subscriber).]

(b) [36][At any time, before attaining the age of sixty years, subject however that at least eighty percent out of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization shall be paid to the subscriber in lump sum or he shall have a choice to collect such remaining pension wealth in accordance with the other options specified by the Authority from time to time, in the interest of the subscribers;

Provided that for a Swavalamban subscriber, the annuity purchased by utilizing the mandatory minimum of eighty percent out of the accumulated pension wealth ought to yield at least a monthly annuity or pension of one thousand rupees per month, failing which the entire accumulated pension wealth shall be annuitised in such a manner so as to yield at least a monthly annuity or pension of one thousand rupees and balance if any thereafter shall be paid as lump sum to the subscriber. However, there shall be no implicit or explicit guarantee that the annuity purchased even with entire accumulated pension wealth would yield a monthly annuity or pension of one thousand rupees;

[37][Provided further that, where the accumulated pension wealth does not exceed

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[36] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"*at any time, before attaining the age of sixty years, subject however that at least eighty percent out of the accumulated pension wealth shall be mandatorily utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization shall be paid to the subscriber in lump sum:*

Provided that for a Swavalamban subscriber the annuity purchased by utilizing the mandatory minimum of forty percent. Out of the accumulated pension wealth shall yield at least a monthly annuity or pension of one thousand rupees per month, failing which the entire accumulated pension wealth shall be annuitised in such a manner so as to yield at least a monthly annuity or pension of one thousand rupees and balance if any thereafter shall be paid as lump sum to the subscriber. However, there shall be no implicit or explicit guarantee that the annuity purchased even with entire accumulated pension wealth would yield a monthly annuity or pension of one thousand rupees:

Provided that subject to the provisions of this clause, where the accumulated pension wealth does not exceed one lakh rupees, the whole of the pension wealth shall be paid to the subscriber, without any annuitisation if the subscriber has continued in the scheme for a minimum period of twenty-five years;

Provided further that the migration of Swavalamban subscriber or subscribers to any other pension scheme of Government of India and as approved by the Authority shall not be deemed as an exit and withdrawal for the purposes of these regulations."

[37] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Sixth Amendment)**

one lakh rupees or a limit to be specified by the Authority, the whole pension wealth shall be paid without annuitisation to the subscribers who have not availed any Swavalamban co-contribution, and also to the subscribers who though have availed Swavalamban co-contribution but are not eligible for auto migration to Atal Pension Yojana, after deducting the Government's co-contribution with returns thereon without requiring them to continue in the scheme for minimum period of twenty-five years.

Explanation—The migration of a Swavalamban subscriber to any other pension scheme of Government of India, including Atal Pension Yojana, as approved by the Authority, shall not be deemed as an exit and withdrawal for the purposes of these regulations.]]

(c) where a subscriber who, before attaining the age of sixty years, dies, the entire accumulated pension wealth of the subscriber shall be paid to the nominee, or the legal heir of such subscriber and there shall not be any condition of mandatory purchase of annuity and provision of a monthly or periodical pension and there shall not be any requirement of the annuitization of the accumulated pension wealth of such deceased subscriber. The nominee or family members of the deceased subscriber shall have the option to purchase any of the annuities being offered upon exit, if they so desire:

Provided that, whereas nomination is not registered by the subscriber before his death, the accumulated pension wealth of such subscriber shall be paid to the family members on the basis of the legal heir certificate issued by the Revenue authorities of the State concerned or the succession certificate issued by a court of competent jurisdiction.

6. [38][Conditions to apply for exit and withdrawal.- A subscriber registered under the National Pension System shall not exit there from, and no withdrawal from the accumulated pension wealth in the Tier-1 of the Permanent Retirement Account of such subscriber shall be permitted, except in the manner so specified under regulations 3, 4, 5 and 8 and further as mentioned in these provisions, namely:-]

Regulations, 2017 w.e.f. 20.09.2019. Prior to substitution, it reads as under:

"Provided that subject to the provisions of this clause, where the accumulated pension wealth does not exceed one lakh rupees, or a limit to be specified by the Authority basing on the instructions issued by the appropriate regulator on the minimum value of annuities to be made available by the life insurers, the whole of the pension wealth up to the limit so specified shall be paid to the subscriber, who have not availed any Swavalamban co-contribution, without any requirement of annuitization and further this provision shall be applicable to a subscriber who has availed a Swavalamban co-contribution only if such subscriber has continued in the scheme for a minimum period of twenty-five years;

Provided further that the migration of Swavalamban subscriber or subscribers to any other pension scheme of Government of India and as approved by the Authority shall not be deemed as an exit and withdrawal for the purposes of these regulations."

[38] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"*Conditions to apply for exit and withdrawal.- A subscriber registered under the National Pension System shall not exit therefrom, and no withdrawal from the accumulated pension wealth in the Tier-1 of the Permanent Retirement Account of such subscriber shall be permitted, except as specified hereunder, namely:-"*

(a) no pension or accumulated pension wealth in Tier-I account of the Permanent Retirement Account of the subscriber under the National Pension System on account of past or present services, shall be liable to seizure, attachment or sequestration by process of any court at the instance of a creditor, for any demand against the subscriber, or in the satisfaction of a decree or order of any such Court except where the National Pension System Trust or its authorised representative has accorded prior sanction for assignment of the pension wealth accumulated in the pension account of the subscriber, which shall be restricted to such limit as prescribed in Regulation 8.

(b) any assignment, pledge, contract, order, sale or security of any kind made by any subscriber of the National Pension System, with respect to any benefit receivable by him or her under the National Pension System, or in respect of any money payable at or on account of any such benefit to such subscriber under the National Pension System, or for giving or assigning any future interest therein shall be null and void except where the National Pension System Trust or its authorized representative has accorded prior permission for such assignment of the pension wealth accumulated in the pension account of the subscriber and which shall be restricted to such limit as prescribed in Regulation 8 to which the assignment was agreed or approved by the National Pension System Trust or its authorised representative;

[39][(c) the President of India or the Governor of a State, or the head of the organisation, in respect of a body corporate or other entity under the ownership and control, either of the central government or any state government or a government company, as the case may be, if so specifically provided in the service rules, governing the terms of employment of the subscriber with it, reserves the

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[39] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Fourth Amendment) Regulations, 2018 w.e.f. 18.05.2018. Prior to the substitution, it read as under:**

"(c) the President of India or the Governor of a State, as the case may be, if so provided in the service rules, governing the employment of the subscriber, reserves the right of withholding the part of pension wealth, accumulated through co-contributions made by the Central Government or the State Government, as employer to the Tier-I account of the National Pension System account of the subscriber and the investment income accruing thereon, for the purpose of recovery of the whole or part of any pecuniary loss caused to the Central Government or the State Government, provided such loss is established, in any departmental or judicial proceedings, initiated against such subscriber by the employer concerned.

Such right of withholding shall have to be exercised prior to the date of superannuation of the subscriber, pursuant to a notice to be given to the National Pension System Trust or an entity to whom such authorization has been given, and seeking to withhold the said pension wealth of such subscriber. Upon such right of withholding being validly exercised:-

(i) the pension wealth which are payable under the National Pension System shall not be paid to such subscriber until the conclusion of the departmental or judicial proceedings, as the case may be and subject to the final orders, passed in such proceedings.;

(ii) the amount withheld as specified in sub-clause (i) shall remain subscribed to the scheme in the mode and manner in which it was held prior to resorting to such action by the concerned Government and the final settlement of the withheld amount shall be made by the National Pension System Trust, or any intermediary or other entity, authorized for this purpose by the Authority, normally within ninety days of the receipt of an appropriate order from the concerned Government;

(iii) the amount withheld becomes payable to the subscriber on the final settlement, as certified by the concerned Government department which has sought withholding of such benefits, and shall be paid to the subscriber as soon as possible and in no case beyond ninety days of receipt of the final order by the National Pension System Trust or any other entity or person, authorized for the purpose by the Authority;"

right of withholding the part of pension wealth, accumulated through co-contributions made by the Central Government or the State Government or any entity under the ownership and control, either of the central government or any state government or a government company, as the case may be, as employer to the Tier-I account of the National Pension System account of the subscriber and the investment income accruing thereon, for the purpose of recovery of the whole or part of any pecuniary loss caused, provided such loss is established, in any departmental or judicial proceedings, initiated against such subscriber by the employer concerned.

Such right of withholding shall have to be exercised prior to the date of superannuation of the subscriber, pursuant to a notice to be given to the National Pension System Trust or an entity to whom such authorization has been given, and seeking to withhold the said pension wealth of such subscriber. Upon such right of withholding being validly exercised:-

[40][(i) the amount withheld which are payable under the National Pension System shall not be paid to such subscriber until the conclusion of the departmental or judicial proceedings, as the case may be and subject to the final orders, passed in such proceedings;]

(ii) the amount withheld as specified in sub-clause (i) shall remain subscribed to the scheme in the mode and manner in which it was held prior to resorting to such action by the employer specified, and the final settlement of the withheld amount shall be made by the National Pension System Trust, or any intermediary or other entity, authorized for this purpose by the Authority, in normal course within ninety days of the receipt of an appropriate order from the concerned employer;

[41][(iii) the amount withheld becomes payable to the subscriber on the final settlement, as certified by the employer specified, which has sought withholding of such benefits, and shall be paid to the subscriber as per applicable regulation while executing exit as soon as possible and in no case beyond ninety days of receipt of the final order by the National Pension System Trust or any other entity or person, authorized for the purpose by the Authority.

Provided that, in case the amount withheld becomes payable after the death of subscriber, on the final settlement, the benefits, shall be paid to the nominee(s) or legal heir(s), as the case may be of such subscriber as per the applicable regulations;]]

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[40] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"(i) the pension wealth which are payable under the National Pension System shall not be paid to such subscriber until the conclusion of the departmental or judicial proceedings, as the case may be and subject to the final orders, passed in such proceedings."

[41] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"the amount withheld becomes payable to the subscriber on the final settlement, as certified by the employer specified, which has sought withholding of such benefits, and shall be paid to the subscriber as soon as possible and in no case beyond ninety days of receipt of the final order by the National Pension System Trust or any other entity or person, authorized for the purpose by the Authority;"

(e)[42][If the subscriber or the family members of the deceased subscriber, upon his death, avails the option of additional relief on death or disability provided by the Government or employer, the Government or employer shall have the right to adjust or seek transfer of the entire accumulated pension wealth of the subscriber to itself. The subscriber or family members of the subscriber availing such benefit shall specifically and unconditionally agree and undertake to transfer the entire accumulated pension wealth to the Government or employer, in lieu of enjoying or obtaining such additional reliefs like family pension or disability pension or any other pensionary benefit from such Government or employer. With the release of such family pension to the eligible family members of the deceased subscriber, the right to claim any benefits under the National Pension System, by any person shall extinguish thereupon including the rights of the nominee as recorded for the purpose of receiving benefits under National Pension System.]

(g) all benefits receivable, including the purchase of annuity as specified under these regulations, shall be arranged to be paid by the National Pension System Trust or the central record keeping agency or any other entity authorized for the purpose by the Authority after processing the withdrawal applications in accordance with the provisions of these regulations, or any guidelines, order or notification, as may be issued by the Authority, from time to time;

(h) [43][[44][Upon exit of a subscriber from tier-I of the National Pension System, the tier-II account of the subscriber shall also be simultaneously closed and amounts under the said account shall be paid to the subscriber or his nominees or legal heirs as the case may be.]

Provided that except in the case of death of the subscriber, the Tier-II account activated by the Authority in accordance with National Pension Scheme Tier II-Tax Saver Scheme, 2020 notified by the Central Government shall be closed only after completion of lock-in period specified under the said scheme.]

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[42] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"If the subscriber or the family members of the deceased subscriber, upon his death, avails the option of additional relief on death or disability provided by the Government, the Government shall have right to adjust or seek transfer of the entire accumulated pension wealth of the subscriber to itself. The subscriber or family members of the subscriber availing such benefit shall specifically and unconditionally agree and undertake to transfer the entire accumulated pension wealth to the Government, in lieu of enjoying or obtaining such additional reliefs like family pension or disability pension or any other pensionary benefit from such Government authority;"

[43] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Seventh Amendment) Regulations, 2020 w.e.f. 29.09.2020. Prior to the substitution, sub-reg. (h) of reg. 6 read as under:**

"Upon exit of a subscriber from tier-I of the National Pension System, the tier-II account of the subscriber shall also be simultaneously closed and amounts under the said account shall be paid to the subscriber or his nominees or legal heirs as the case may be."

[44] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, sub-reg. (h) of reg. 6 read as under:**

"(h) for a subscriber, exiting from tier-I under National Pension System, the amount lying in the tier-II account shall also be monetized and closed simultaneously upon payment of the eligible benefit;"

[45][(i) [46][With respect to subscribers who have not submitted the withdrawal application as is required under regulation 7 and within one month from the date of attainment of the age of sixty years or the age of normal superannuation as the case may be, for withdrawal of benefits upon exit from national pension system, the accumulated pension wealth in the account of such subscriber (both under tier I and tier II) would be monetized and kept separately as per the guidelines or directions issued by the Authority for the said purpose. The income earned from such safe keeping of the monetized accumulated pension wealth of the subscriber shall form part of the benefits that the subscriber is entitled under the National Pension System. This provision shall apply in respect of such subscribers who have deferred the withdrawal of benefits or have partly withdrawn the benefits and have not taken the steps to completely withdraw the benefits as is required under the regulations and or in the guidelines or directions issued by the Authority for the purpose.

Provided that the above provision shall be applicable to Tier-II account activated by the Authority in accordance with National Pension Scheme Tier II-Tax Saver Scheme, 2020 notified by the Central Government, only after completion of lock-in period specified under the said scheme.]]

[47][(j) With respect to settlement of claims arising out of the accumulated pension corpus of deceased subscribers, where no valid nomination as specified in these regulations exist on the date of death, the Authority may issue suitable directions in the interest of subscribers for settlement of such claims in favour of the family members of the deceased subscriber, upto a specified limit, by requiring such heirs to submit such documents as may be specified.]

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[45] **Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017.**

[46] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Seventh Amendment) Regulations, 2020 w.e.f. 29.09.2020. Prior to the substitution, it read as under:**

"With respect to subscribers who have not submitted the withdrawal application as is required under regulation 7 and within one month from the date of attainment of the age of sixty years or the age of normal superannuation as the case may be, for withdrawal of benefits upon exit from national pension system, the accumulated pension wealth in the account of such subscriber (both under tier I and tier II) would be monetized and kept separately as per the guidelines or directions issued by the Authority for the said purpose. The income earned from such safe keeping of the monetized accumulated pension wealth of the subscriber shall form part of the benefits that the subscriber is entitled under the National Pension System. This provision shall apply in respect of such subscribers who have deferred the withdrawal of benefits or have partly withdrawn the benefits and have not taken the steps to completely withdraw the benefits as is required under the regulations and or in the guidelines or directions issued by the Authority for the purpose."

[47] **Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017.**

CHAPTER III

WITHDRAWALS, PURPOSE, FREQUENCY AND LIMITS UNDER NATIONAL PENSION SYSTEM

7. [48][Conditions of withdrawals under National Pension System.- a subscriber shall submit the withdrawal application along with the required documents, for the purpose of withdrawing the benefits upon exit as provided in these regulations, on or before the expected date of exit from the National Pension System to the National Pension System Trust or the central recordkeeping agency, acting on behalf of it or any other entity authorized by the Authority. Central recordkeeping agency or National Pension System Trust may on receipt of such an application for exit or withdrawal from a subscriber in the specified form and subject to fulfillment of conditions so specified, may allow exit or withdrawals from the National Pension System in the mode and manner permitted under these regulations and guidelines, circulars, orders or notifications issued by the Authority for the purpose.]

8. [49][The following withdrawals shall be permitted under National Pension System.- (1) A partial withdrawal of accumulated pension wealth of the subscriber,

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[48] Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:

"Conditions of withdrawals under National Pension System.- The National Pension System Trust or the central recordkeeing agency acting on behalf of the National Pension System Trust or any other entity authorized by the Authority for the purpose, may on receipt of the application for withdrawal from a subscriber in the specified form and subject to fulfilment of conditions so specified may allow withdrawal from the National Pension System in the mode and manner permitted under these regulations, guidelines, circulars, orders or notifications issued by the Authority from time to time.

Provided that the subscriber shall be required to submit the application form for withdrawal, specified for the purpose, alongwith documents, so specified and comply with the requirements contained in the operational guidelines issued by the Authority with respect to the permissible withdrawals under the National Pension System."

[49] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, reg. 8 read as under;**

"8. The following withdrawals shall be permitted under National Pension System.- (1) A partial withdrawal of accumulated pension wealth of the subscriber, not exceeding twenty-five per cent of the contributions made by the subscriber and excluding contribution made by employer, if any, at any time before exit from National Pension System subject to the terms and conditions, purpose, frequency and limits specified below:-

(A) Purpose: A subscriber on the date of submission of the withdrawal form, shall be permitted to withdraw not exceeding twenty-five percent of the contributions made by such subscriber to his individual pension account, for any of the following purposes only:-

(a) for Higher education of his or her children including a legally adopted child;

(b) for the marriage of his or her children, including a legally adopted child;

(c) for the purchase or construction of a residential house or flat in his or her own name or in a joint name with his or her legally wedded spouse.

In case, the subscriber already owns either individually or in the joint name a residential house or flat, other than ancestral property, no withdrawal under these regulations shall be permitted;

(d) for treatment of specified illnesses: if the subscriber, his legally wedded spouse, children, including a legally adopted child or dependent parents suffer from any specified illness, which shall comprise of hospitalization and treatment in respect of the following diseases:

not exceeding twenty-five per cent of the contributions made by the subscriber and excluding contributions made by employer, if any, at any time before exit from National Pension System subject to the terms and conditions, purpose, frequency and limits specified below :-

(A) Purpose: A subscriber on the date of submission of the withdrawal form, shall be permitted to withdraw not exceeding twenty-five percent. of the contributions made by such subscriber to his individual pension account, for any of the following purposes only :-

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(i) Cancer;

(ii) Kidney Failure (End Stage Renal Failure);

(iii) Primary Pulmonary Arterial Hypertension;

(iv) Multiple Sclerosis;

(v) Major Organ Transplant;

(vi) Coronary Artery Bypass Graft;

(vii) Aorta Graft Surgery;

(viii) Heart Valve Surgery;

(ix) Stroke;

(x) Myocardial Infarction

(xi) Coma;

(xii) Total blindness;

(xiii) Paralysis;

(xiv) Accident of serious/ life threatening nature.

(xv) Any other critical illness of a life threatening nature as stipulated in the circulars, guidelines or notifications issued by the Authority from time to time.

(B) Limits: the permitted withdrawal shall be allowed only if the following eligibility criteria and limit for availing the benefit are complied with by the subscriber:-

(a) the subscriber shall have been in the National Pension System at least for a period of last ten years from the date of his or her joining;

(b) the subscriber shall be permitted to withdraw accumulations not exceeding twenty-five percent. 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;

(C) Frequency: the subscriber shall be allowed to withdraw only a maximum of three times during the entire tenure of subscription under the National Pension System and not less than a period of five years shall have elapsed from the last date of each of such withdrawal. The mandatory requirement of five years having elapsed between two withdrawals shall not apply in case of "treatment for specified illnesses or in case of withdrawal arising out of exit from National Pension System due to the death of the subscriber. The request for withdrawal in the specified form, shall be submitted by the subscriber, along with relevant documents to the central recordkeeping agency or the National Pension System Trust, as may be specified, for processing of such withdrawal claim. Provided that where a subscriber is suffering from any illness, specified in sub-clause (d), the request for withdrawal may be submitted, through any family member of such subscriber.

(2) A subscriber having a valid and active Tier-II account of the Permanent Retirement Account can withdraw the accumulated wealth either in full or part, at any time by applying for such withdrawal, on such application form and in such mode and manner, as may be specified by the Authority in this behalf. There shall be no limit on such withdrawals till the account has sufficient amount of accumulated pension wealth to take care of the applicable charges and the withdrawal amount:

Provided that the Tier-II account shall stand automatically closed at the time of exit of the subscriber from the National Pension System, even if an application so specified for the purpose has not been received from the subscriber, and the accumulated wealth in such account shall be transferred to the bank account provided by the subscriber, while submitting his application for exit from the National Pension System."

(a) for Higher education of his or her children including a legally adopted child;

(b) for the marriage of his or her children, including a legally adopted child;

(c) for the purchase or construction of a residential house or flat in his or her own name or in a joint name with his or her legally wedded spouse. In case, the subscriber already owns either individually or in the joint name a residential house or flat, other than ancestral property, no withdrawal under these regulations shall be permitted;

(d) for treatment of specified illnesses: if the subscriber, his legally wedded spouse, children, including a legally adopted child or dependent parents suffer from any specified illness, which shall comprise of hospitalization and treatment in respect of the following diseases:

(i) Cancer;

(ii) Kidney Failure (End Stage Renal Failure);

(iii) Primary Pulmonary Arterial Hypertension;

(iv) Multiple Sclerosis;

(v) Major Organ Transplant;

(vi) Coronary Artery Bypass Graft;

(vii) Aorta Graft Surgery;

(viii) Heart Valve Surgery;

(ix) Stroke;

(x) Myocardial Infarction

(xi) Coma;

(xii) Total blindness;

(xiii) Paralysis;

(xiv) Accident of serious/ life threatening nature.

(xv) any other critical illness of a life-threatening nature as stipulated in the circulars, guidelines or notifications issued by the Authority from time to time.

[50][(e) to meet medical and incidental expenses arising out of the disability or incapacitation suffered by the subscriber.]

[51][(f) Towards meeting the expenses by subscriber for skill development/re-skilling or for any other self-development activities, as may be permitted by the Authority by issuance of appropriate guidelines, in that behalf.]

[52][(g) Towards meeting the expenses by subscriber for establishment of own

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[50] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Third Amendment) Regulations, 2018 w.e.f. 02.02.2018.

[51] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Fourth Amendment) Regulations, 2018 w.e.f. 18.05.2018.

[52] Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (Fourth Amendment) Regulations, 2018 w.e.f. 18.05.2018.

venture or any start-ups, as may be permitted by the Authority by issuance of appropriate guidelines, in that behalf.]

(B) Limits: The permitted withdrawal shall be allowed only if the following eligibility criteria and limit for availing the benefit are complied with by the subscriber :-

(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;

(C) Frequency: the subscriber shall be allowed to withdraw only a maximum of three times during the entire tenure of subscription under the National Pension System. The request for withdrawal shall be submitted by the subscriber, along with relevant documents to the central recordkeeping agency or the National Pension System Trust, as may be specified, for processing of such withdrawal claim through their nodal office. Provided that where a subscriber is suffering from any illness, specified in sub-clause (d), the request for withdrawal may be submitted, through any family member of such subscriber.

(2) [53][(i) A subscriber having a valid and active tier-II account of the Permanent Retirement Account can withdraw the accumulated wealth either in full or part, at any time by applying for such withdrawal, on such application form and in such mode and manner, as may be specified by the Authority in this behalf. There shall be no limit on such withdrawals till the account has sufficient amount of accumulated pension wealth to take care of the applicable charges and the withdrawal amount.

Provided that no withdrawal shall be allowed in Tier-II account activated by the Authority in accordance with National Pension Scheme Tier II-Tax Saver Scheme, 2020 notified by the Central Government, before the completion of lock-in period specified under the said scheme.

(iii) The Tier-II account shall stand automatically closed at the time of exit of the subscriber from the National Pension System, even if an application so specified for the purpose has not been received from the subscriber, and the accumulated wealth in such account shall be transferred to the bank account provided by the

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[53] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (Seventh Amendment) Regulations, 2020 w.e.f. 29.09.2020. Prior to its substitution, the regulation read as under:**

"A subscriber having a valid and active Tier-II account of the Permanent Retirement Account can withdraw the accumulated wealth either in full or part, at any time by applying for such withdrawal, on such application form and in such mode and manner, as may be specified by the Authority in this behalf. There shall be no limit on such withdrawals till the account has sufficient amount of accumulated pension wealth to take care of the applicable charges and the withdrawal amount.

Provided that the Tier-II account shall stand automatically closed at the time of exit of the subscriber from the National Pension System, even if an application so specified for the purpose has not been received from the subscriber, and the accumulated wealth in such account shall be transferred to the bank account provided by the subscriber, while submitting his application for exit from the National Pension System."

subscriber, while submitting his application for exit from the National Pension System.

Provided that except in the case of death of the subscriber, the Tier-II account activated by the Authority in accordance with National Pension Scheme Tier II-Tax Saver Scheme, 2020 notified by the Central Government shall be closed only after completion of lock-in period specified under the said scheme.]]

9. [54][Withdrawal process.- (1) The National Pension System Trust or any other intermediary or entity authorized by the Authority for the said purpose shall be responsible for processing, authorizing and approving the withdrawal and exit claims lodged by the subscriber in accordance with the provisions of the Act, regulations, directions, guidelines issued by the Authority and the Pension Fund Regulatory and Development Authority (National Pension System Trust) Regulations, 2015, where applicable. The National Pension System Trust shall frame and issue suitable operational processes including online processes or guidelines including the exit or withdrawal forms for facilitating withdrawals and Exit of subscribers from National Pension System after taking due approval from the Authority.]

CHAPTER IV

ANNUITY PURCHASE AND ANNUITY SERVICE PROVIDERS

10.[55][Conditions of annuity purchase upon exit.- (1) The subscriber, at the time of exit, shall mandatorily purchase an annuity providing for a monthly or periodical annuity or pension as specified in these regulations, excepting those cases where exempted or provided otherwise and to the extent so exempted. Such annuity shall be purchased from an annuity service provider who is empaneled by the Authority.]

(2) The exercise of option of the annuity and the type thereof shall be made by the subscriber at the time of exit from the National Pension System, unless otherwise specified by the Authority through circulars, notifications or guide lines issued by it from time to time.

(3) Once an annuity is purchased, the option of cancellation and reinvestment with

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[54] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"Withdrawal process.- (1) The National Pension System Trust or any other intermediary or entity authorized by the Authority for the said purpose shall be responsible for processing and authorizing approving the withdrawal and exit claims lodged by the subscriber in accordance with the provisions of the Act, these regulations, directions, guidelines issued by the Authority and the Pension Fund Regulatory and Development Authority (National Pension System Trust) Regulations, 2015, where applicable. The National Pension System Trust shall frame suitable operational processes or guidelines for facilitating withdrawals and Exit of subscribers from National Pension System"

[55] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"Conditions of annuity purchase upon exit.- (1) The subscriber, at the time of exit, shall mandatorily purchase an annuity providing for a monthly or periodical annuity or pension as specified in these regulations. Such annuity shall be purchased from an annuity service provider who is empanelled by the Authority."

another annuity service provider or in another annuity scheme shall not be allowed unless the same is within the time limit specified by the annuity service provider, for the free look period as provided in the terms of the annuity contract or as specifically provided by the Insurance Regulatory and Development Authority.

(4) The subscriber shall have an option to choose from various types of annuities, provided by the annuity service provider and the annuity so chosen shall be provided by the empaneled annuity service provider.

(5) There shall be a default annuity service provider and a default annuity scheme for the benefit of subscribers exiting from the National Pension System. The information on the default annuity service provider and default annuity scheme applicable shall be such as may be specified by the Authority and placed on its website, apart from communicating to the subscriber through circulars, guidelines or notification issued by it. Such default annuity scheme shall not be available or applicable in the case of government subscribers covered under regulation 3.

11. Empanelment of annuity service providers.- (1) On and from the commencement of these regulations, an applicant, meeting the eligibility criteria as specified in these regulations for grant of an empanelment certificate to act as an empaneled annuity service provider, shall make an application in the specified form accompanied by a empanelment fee referred to in sub-regulation (2) and such documents in support thereon, as may be specified by the Authority.

(2) One-time empanelment fee of rupees one lakh shall be submitted along with the application, to the Authority. The empanelment fee shall be realized by the Authority within fifteen days from the date of sending intimation of grant of certificate of empanelment under regulation 17:

Provided that every empaneled annuity service provider shall, at the time of renewal of empanelment certificate pay such renewal fees, if any, as may be specified by the Authority, from time to time through a circular, order or notification issued by it.

(3) An application not complete in all respects and not conforming to the instructions specified in the application form and these regulations shall be rejected. Provided that, before rejecting any such application, the applicant shall be given a reasonable opportunity to withdraw or complete the application in all respects and rectify the errors, if any. The Authority may seek such additional information for disposal of the application from the Applicant as may be deemed relevant.

(4) An annuity service provider empaneled by the Interim Pension Fund Regulatory and Development Authority prior to the commencement of these regulations, may continue to act as such, for a period of ninety days from the notification of these regulations or, if it makes an application for grant of empanelment till the disposal of its application by the Authority.

12. Eligibility criteria for grant of certificate.– (1) The following shall be the eligibility criteria for any applicant to act as an empaneled annuity service provider:-

(a) any Life Insurance Company registered and regulated by the Insurance Regulatory and Development Authority and dealing with annuity products in the domestic market for the last three years;
(b) the applicant having a minimum net worth of rupees two hundred and fifty crores;
(c) the applicant shall have competency in design, development and offering of annuity products, which is demonstrable by the details of the annuity products filed with the Insurance Regulatory and Development Authority;
(d) not barred from dealing with or selling annuity products in the market by the Insurance Regulatory and Development Authority;
(e) any other criteria as may be specified by the Authority from time to time through resolutions, notifications, circulars, guidelines, norms or memoranda.

(2) The Authority reserves the right to waive or modify some or all of the above criteria for reasons to be recorded in writing.

13. Disclosure of information.- (1) The Authority, having regard to the interest of the subscribers may, have the right to disclose to the public, of the information on the application made by the applicant.

(2) Any material change in the information furnished to the Authority while making the application for empanelment or subsequently shall be intimated to the Authority by the annuity service provider promptly but not later than thirty days of the occurrence of such change.

14. Furnishing of information and clarification.- (1) The Authority may require the applicant to furnish any further information or clarification, for the purpose of disposal of the application for empanelment, and, thereafter, in regard to any other matter as may be deemed necessary by the Authority. The applicant or its principal officer shall, if so required, appear before the Authority for a personal representation in connection with the application;

(2) The applicant shall furnish such information and clarification to the satisfaction of the Authority, within the time specified in this regard by the Authority.

15. Verification of information.- (1) While considering the application and the information furnished by the applicant and its eligibility, the Authority may, if it so desires, verify the information in any manner, as it deems necessary, including by physical verification of documents, office space, and inspection of the availability of office space, infrastructure, and technological support which the applicant is required to have.

(2) For the purpose of verification of information, the Authority may appoint any person including any of its officers or an auditor or an external agency.

16. Consideration of application.- (1) For considering the eligibility of the applicant and grant of certificate of empanelment to such applicant, the Authority shall take into account all matters which it deems relevant to the activities in the pension sector and the National Pension System, including but not limited to the following:-

(a) whether the applicant or any of its associates have in the past been refused grant of empanelment certificate by any of the financial sector regulators in India including the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority and the Authority and if so, the ground for such refusal;
(b) whether the applicant has in the past five years been imposed with penalties by any of the financial regulators such as the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority and the Authority or by a court of law or tribunal, on matters concerning violation of provisions of the laws, the regulations made or directions, guidelines and circulars issued by the respective regulator and if so, the ground for such refusal;
(c) whether the applicant satisfies the eligibility criteria and other requirements as specified in these regulations;
(d) whether the grant of a certificate to the applicant is in the interest of the subscribers and or the orderly development of pension sector or of the National Pension System.

(2) While considering the application, the Authority may invite the applicant to make a presentation to the Authority on such a date, time and place determined by the Authority. The purpose of such presentations shall be to allow the applicants to present its proposal to the Authority and to explain the key strengths in its proposal.

(3) Any application for grant of certificate of empanelment, -

(a) which is not complete in all respects and does not conform to the requirements in the and the requirements specified in these regulations;
(b) which does not contain such additional information as required by the Authority;
(c) which is incorrect, false or misleading in nature;
(d) where the applicant is not in compliance with the eligibility requirements as set out under these regulations;
(e) which in the opinion of the Authority is not in the interest of subscribers and or the objective of orderly development of the pension sector or the National Pension System;
(f) where the applicant is not a 'fit and proper person';

shall be rejected by the Authority for reasons to be recorded by it in writing.

(4) Before rejecting an application, the applicant shall be given an opportunity in writing to make good the deficiencies within the time specified by the Authority, for the purpose:

Provided that where an application is rejected for the reason that it contains false or misleading information, no such opportunity may be given and the applicant shall not make any application for grant of certificate under these regulations or any other regulations for a period of one year from the date of such rejection.

(5) An application for grant of certificate of empanelment, under these regulations,

which is complete in all respects, shall be disposed of by the Authority, within a period of sixty days from the date of receipt of such request.

17. Procedure for grant of certificate of empanelment.- (1) The Authority on being satisfied that the applicant is eligible, shall grant a certificate of empanelment in the form specified in Annexure III and send an intimation to the applicant in this regard:

Provided that where a pending proceeding before the Authority or any court or tribunal may result in the suspension or cancellation of the certificate, the Authority may give a conditional certificate of empanelment.

[56][(2) Within thirty working days of the date of receipt of certificate of empanelment, the annuity service provider shall initiate action to operationalise the system and process to be specified by the Authority for purchase of annuities by the subscribers of the National Pension System.]

18. Conditions of certificate of Empanelment.- Any certificate of empanelment granted by the Authority to an annuity service provider shall be subject to the following conditions, namely,-

(a) where the annuity service provider proposes to change its status or constitution, it shall intimate to the Authority of such information along with the approval obtained from the Insurance Regulatory and Development Authority, for continuing to act as an annuity service provider;

(b) it shall pay the applicable fees in accordance with these regulations;

(c) it shall abide by the provisions of the Act, the rules and the regulations made or any direction, guidelines or circulars as may be issued by the Authority thereunder;

(d) it shall abide by the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999 and the rules and regulations framed thereunder.

(e) it shall meet the eligibility criteria and other requirements specified in these regulations throughout the tenure of the certificate of empanelment:

Provided that the Authority may impose such other and further conditions as it may deem fit in the interest of subscribers or for orderly development of the National Pension System or the Pension sector.

19. Effect of refusal to grant certificate of empanelment or expiry of certificate of empanelment.- (1) Where an existing annuity service provider has failed to apply for renewal of empanelment of certificate and upon expiry of certificate of

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[56] Substituted by the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) (Amendment) Regulations, 2021 w.e.f. 14.06.2021. Prior to substitution, it read as:

"(2) Within thirty working days of the date of receipt of certificate of empanelment, the annuity service provider shall enter into an agreement with the National Pension System Trust or the central recordkeeping agency for the purpose of operationalization of the process for purchase of annuities by the subscribers of the National Pension System."

empanelment or has been refused grant of certificate of empanelment under these regulations, or has surrendered its certificate, or has been directed to be wound up by an order of a court, such annuity service provider shall,-

(a) forthwith cease to act as an annuity service provider for subscribers of National Pension System;
(b) make provisions as regards liability incurred or assumed by the annuity service provider, if any;
(c) take such other action, within the time limit and in the manner, as may be required under the relevant regulations or as may be directed by the Authority.

(2) While refusing grant of certificate of empanelment under these regulations to an annuity service provider, the Authority may impose such conditions upon the annuity service provider as it deems fit for protection of interest of the subscribers and such conditions shall be complied with.

20. Period of validity of certificate of empanelment.- (1) Subject to compliance with the provisions of the Act, these regulations, the certificate granted to an annuity service provider shall be valid unless surrendered by it or suspended or cancelled in accordance with these regulations.

(2) An Annuity Service Provider who has been granted a certificate of empanelment, to keep such empanelment in force, shall pay a fee of rupees twenty-five thousand within ninety days before the expiry of five years from the date of first empanelment or date of the payment of fee last accepted by the Authority, by way of making an application in the specified form to the Authority.

21. Exemptions in certain cases from eligibility criteria- (1) If any of the applicants does not fulfill any of the eligibility criteria as specified for the annuity service provider, it may request the Authority through an application seeking exemption from such criteria.

(2) The Authority, if in its opinion feels, that the non-fulfillment of the eligibility conditions of which relaxation is sought would not prejudicially affect the interest of the subscribers, and such relaxation would not hamper orderly development of the pension sector and more specifically the National Pension System, it may grant exemption from some of the criteria to such entity for reasons to be recorded in writing. The Authority may in such circumstances impose such additional conditions as it may deem fit for grant of empanelment.

22. Duties and responsibilities of empaneled annuity service providers.- (1) The main functions of a empaneled annuity service provider is,-

(a) to provide different kinds of immediate annuities to the subscribers at the time of exit from the National Pension System;

(b) to provide minimum immediate annuity variants options as required by the Authority and to be able to provide any new variant as required by the Authority from time to time in the interest of subscribers in conformity with the Insurance Act, 1938 (4 of 1938) and the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999), and the rules, regulations and guidelines made thereunder;

(c) to provide monthly or any other periodical annuity payment to the subscriber for the annuity contract purchased by the subscriber under the National Pension System;

(d) the annuity service provider shall be responsible for handling the grievances and issues related to or arising out of the entering into the annuity contract with the subscribers under the National Pension System.

(2) The initial customer interaction for the National Pension System, shall be-

(a) addressing queries of potential subscribers regarding purchase of annuities;

(b) providing and displaying of Insurance Regulatory and Development Authority approved information on annuities and application form or offer document or other publicity material pertaining to immediate annuities available including the annuity calculators.

(3) Subscriber registration for purchase of annuity-

(a) to make available the necessary infrastructure required for receipt and acceptance of applications with the specified premiums and issuance of annuity contracts in line with the approvals granted by the Insurance Regulatory and Development Authority;

(b) facilitate or provide infrastructure required for online purchase of annuity products by the subscribers through the central record keeping agency registered and regulated by the Authority, including the necessary software support. The annuity service provider shall provide the necessary application forms, literature on the available annuities and other facilities available to the subscribers through the central recordkeeping agency system or any other mode specified for the purpose;

(c) issuance of the annuity contract as per the choice of the subscriber provided in the annuity application in line with these regulations and guidelines specified by the Insurance Regulatory and Development Authority;

(d) the annuity service provider shall be responsible for delivering the monthly, quarterly, or annual pension or annuity as chosen by the subscriber under the National Pension System in the annuity application form and the annuity contract entered by such subscriber. However, in case of government sector subscribers, the annuity payable shall be on monthly basis only;

(e) the annuity service provider shall be responsible for collection, verification and subsequent actions for issuance of annuity contracts against purchases by subscribers under the National Pension System from the central recordkeeping agency or its representative or other entity which is authorized by the Authority for the purpose;

(f) the annuity service provider shall provide the information on annuity purchases made by the subscribers under the National Pension System to the National Pension System Trust and the central recordkeeping agency in the form, format and interval to be specified by the National Pension System Trust.

(4) The handling of subscriber requests such as receiving, processing and effecting requests from the subscribers for change in address, nomination or any other activity in connection with the annuity contract entered into by the annuity service provider.

(5) The annuity service provider shall be responsible for receiving from, and resolving the, grievances of subscribers under the National Pension System who had purchased the annuity from it and follow them up till their redressal in accordance with the grievance redressal guidelines or regulations for insurers issued by the Insurance Regulatory and Development Authority.

(6) Any complaint from a subscriber relating to the services provided shall be dealt by the annuity service provider and settled in accordance with the provisions of the Insurance Regulatory and Development Authority, Act 1999 (41 of 1999), and the rules and regulations made thereunder, by the annuity service provider under intimation to the National Pension System Trust. This shall be without prejudice to the powers of the Authority to cancel or suspend the empanelment of the annuity service provider or take such other measures as deemed necessary in the subscriber's interest.

23. Fees and charges to be charged from the subscribers.- There shall not be any additional fees or charges other than the premium as approved by the Insurance Regulatory and Development Authority for the product but excluding any taxes imposed by the Government. There shall not be any additional intermediation expense or charge for the product issued to the subscribers.

24. Appointment of compliance officer.- (1) Each annuity service provider shall appoint a compliance officer who shall be responsible for monitoring compliance of duties of annuity service provider as provided under these regulations and any other rules, regulations, guidelines issued by the Insurance Regulatory and Development Authority and for redressal of grievances reported by the subscribers who have purchased the annuities from the annuity service provider upon exit from the National Pension System. The name and details of such compliance officer shall be intimated to the Authority within thirty days of such appointment.

(2) The compliance officer shall be responsible for activities related to the coordination with other entities in the National Pension System like the National Pension System Trust, the central recordkeeping agency, Trustee Bank or any other specific entity connected with annuity purchases or any activity related to it.

25. Code of conduct.-The empaneled annuity service provider shall at all times observe the code of conduct for insurers or any other similar rules, guidelines or regulations specified by the Insurance Regulatory and Development Authority for fair dealing in activities related to the annuity purchase by subscribers.

26. Power of the Authority to take up any of the matters associated with Insurance Regulatory and Development Authority.- In order to remove any difficulties in the annuity purchase, grievances arising out of annuity purchase or any other matter associated with annuity purchase by subscribers under the National Pension System, the Authority may take up the matter directly with the Insurance Regulatory and Development Authority.

27. Confidentiality.- The empaneled annuity service provider shall maintain absolute confidentiality with respect to all records, data and information received by it under the National Pension System including information received from a subscriber. The annuity service provider shall not, without the prior permission of the Authority, produce or share such data or information as evidence, or for any other purpose, except as required by the due process of law.

28. Cancellation of empanelment.- The Authority may cancel the empanelment of an annuity service provider, after giving a reasonable opportunity of hearing and for reasons to be recorded in writing.

CHAPTER V

INSPECTION AND AUDIT

29. Inspection and audit.-(1) The powers of the Authority with respect to audit and inspection of intermediaries entrusted with the functions of managing the withdrawals from the National Pension System shall be in accordance with the regulations governing the specific intermediaries under the National Pension System.

CHAPTER VI

INQUIRY

30. Conduct of inquiry.- (1) The inquiry proceedings and action in case of default shall be in accordance with the regulations governing the specific intermediaries like the National Pension System Trust, the central recordkeeping agency or any other intermediary.

(2) Where the default involves, the National Pension System Trust, the central recordkeeping agency and or any other intermediary, a common inquiry may be held for the purpose.

CHAPTER VII

MISCELLANEOUS

31. Prevention of fraud or mismanagement.- The National Pension System Trust or the central recordkeeping agency or the annuity service provider or any other intermediary or entity entrusted with the functions of managing the withdrawals from the National Pension System by the Authority shall take all possible steps to prevent fraud or mismanagement of the withdrawals of the subscribers upon exit from the National Pension System.

32. Nomination.- Notwithstanding anything contained in these regulations or in any other law for the time being in force, a subscriber, at the time of joining the National Pension System is required to make a nomination, in the specified form, conferring on one or more persons the right to receive the amount that may stand to his or her credit in the accumulated wealth or fund in the event of his or her death, before that amount becomes payable or having become payable has not been paid. The nominee or nominees, as the case may be, shall be entitled, on the death of the subscriber, to receive, to the exclusion of all other persons, all such moneys which have so remained unpaid:

Provided that, -

(i) if the nominee predeceases the subscriber, the nomination shall so far as it relates to the right conferred upon the said nominee, become void and of no effect;

(ii) where a provision has been duly made in the nomination, in accordance with these regulations, conferring upon some other person the right to receive all such moneys, which have so remained unpaid, in the event of the nominee predeceasing the subscriber, such right shall, upon the nominee being deceased, pass to such other persons standing as nominees;

(iii) a subscriber may in his nomination distribute the amount that may stand to his credit in the fund amongst his nominees at his own discretion;

(iv) if a subscriber has a family at the time of making a nomination, the nomination shall be in favour of one or more persons belonging to his family. Any nomination made by such subscriber in favour of a person not belonging to his family shall be invalid;

(v) a fresh nomination shall be made by the subscriber on his marriage and any nomination made before such marriage shall be deemed to be invalid;

(vi) if at the time of making a nomination the subscriber has no family, the nomination may be in favour of any person or persons but if the subscriber subsequently acquires a family, such nomination shall forthwith be deemed to be invalid and the subscriber shall make a fresh nomination in favour of one or more persons belonging to his family;

(vii) where the nomination is wholly or partly in favour of a minor, the subscriber may, for the purposes of this Scheme, appoint a major person of his family, to be the guardian of the minor nominee in the event of the subscriber predeceasing the nominee and the guardian so appointed;

(viii) where there is no major person in the family, the subscriber may, at his discretion, appoint any other person to be a guardian of the minor nominee;

(ix) a nomination made under the National Pension System may at any time be modified by a subscriber after giving a written notice of his intention of doing so in the form specified. A nomination or its modification so made shall take effect to the extent that it is valid on the date on which it is received by the intermediary under the National Pension System;

(x) if a subscriber proves that his spouse has ceased, under the personal law governing him or her, or the customary law of the community to which the spouses belong, to be entitled to maintenance he or she shall no longer be deemed to be a part of the subscriber's family for the purpose of this Scheme, unless the subscriber subsequently intimates by express notice in writing to the designated intermediary for the purpose that he or she shall continue to be so regarded; and

(xi) if a subscriber by notice in writing to the designated intermediary for the purpose expresses her desire to exclude her husband from the family, the husband and his dependent parents shall no longer be deemed to be a part of the subscriber's family for the purpose of this Scheme, unless the subscriber subsequently cancels in writing any such notice.

[57][(xii) In respect of subscribers covered under sub-clause(c) of Regulation 3 and sub-clause(c) of Regulation 4, where no valid nomination exists in accordance with these regulations, at the time of exit of such subscriber on account of death, the nomination, if any existing in the records of such subscriber with his or her employer for the purpose of receiving other admissible terminal benefits shall be treated as nomination exercised for the purposes of receiving benefits under the National Pension System. The employer shall send a confirmation of such nomination in its records, to the National Pension System Trust or the central recordkeeping agency, while forwarding the claim for processing.]

Explanation I -- For the purposes of this chapter,-

(a) the expression "family",

(i) in relation to a male subscriber, means his legally wedded wife, his children, whether married or unmarried, his dependent parents and his deceased son's widow and children;

(ii) in relation to a female subscriber, means her legally wedded husband, her children, whether married or unmarried, her dependent parents, her husband's dependent parents and her deceased son's widow and children;

Explanation II -- In either of the above two cases, if the child of a subscriber [or as the case may be, the child of a deceased son of the subscriber] has been adopted by another person and if, under the personal law of the adopter, adoption is legally recognized, such a child shall be considered as excluded from the family of the subscriber.

33.[58][***]
34.[59][***]

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[57] **Inserted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017**

[58] **Omitted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to its omission, this clause read as under:**

"33. Submission of withdrawal application. - A subscriber seeking withdrawal from Tier-I account of the National Pension System shall submit his withdrawal application along with the requirements mentioned thereon to the central recordkeeping agency as per the operational withdrawal and exit guidelines issued by the Authority from time to time

[59] **Omitted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment)**

35.[60]**[Providing bank account details.-** A subscriber seeking benefits upon exit or withdrawals as permitted under these regulations shall provide the Bank details mandatorily apart from details or copy of Aadhar card issued by Unique Identification Authority of India or details of or copy of Permanent Account Number (PAN) card issued by Income-Tax Department, in order to have the facility of credit of the eligible benefits directly in to the subscriber's or claimants Bank account as applicable.]

36. Mode of payments under National Pension System.- All payments pertaining to withdrawals under National Pension System shall be made through electronic transfer only and the withdrawal amount shall be directly credited to the subscriber or claimant's bank account as furnished in the withdrawal form.

37.[61]**[Stoppage of last month's deductions by employer.-** The monthly contribution consisting of both the employer and employee, as may be applicable and that is required to be deducted for crediting to the subscribers account under the National Pension System by the employers from the salary of such subscriber shall be stopped at least one month prior to the date of superannuation. The employer shall pay such eligible contributions directly to the employee subscriber along with the monthly salary or remuneration that such subscriber is eligible to receive from the employer.]

38. Reports and disclosures.-The annuity service provider, the National Pension System Trust or the central recordkeeping agency shall submit such information and reports as required by the Authority in the mode, manner and frequency as specified by the Authority from time to time.

Regulations, 2017 w.e.f. 10.08.2017. Prior to its omission, this clause read as under:

"34. Requirement of submission of documents - A subscriber seeking withdrawal from Tier-I account of the National Pension System shall submit all the documents as specified on the withdrawal application form. The withdrawal application forms applicable to various categories of the subscribers shall be as per the forms provided by the Authority from time to time."

[60] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**
"*Providing bank account details. -A subscriber seeking withdrawal from Tier-I account of the National Pension System shall provide the Bank details mandatorily apart from Aadhar card or PAN card issued by Income-Tax Department, whichever is available in the section provided in the withdrawal form in order to provide credit of the National Pension System claim amount directly in to their Bank accounts."*

[61] **Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:**

"Stoppage of last three months deductions by employer. - Contributions deductions under the National Pension System made by the employers from the salary of such subscriber shall be stopped at least three months prior to the date of superannuation, as may be applicable, to ensure that the exit and withdrawal of the subscriber is smooth and effective. The employer shall settle directly the said last three months' contributions at their end with the concerned employee."

39.[62][**Power of the Authority to issue directions and clarifications.-** (1) The Authority shall have the power to issue necessary directions, restricting the provisions relating to withdrawals and exit, as the case may be, under these regulations for complying with any requirements to move from any other pension or superannuation schemes or funds to the National Pension System.

(2) The Authority shall also have the power to issue clarifications and guidelines in order to remove any difficulties in the application or interpretation of these regulations or any provision thereof.]

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[62] Substituted by PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations, 2017 w.e.f. 10.08.2017. Prior to the substitution, it read as under:

"Power of the Authority to issue directions and clarifications. -The Authority shall have power to issue necessary directions, restricting the provisions relating to withdrawals and exit, as the case may be, under these regulations, so as to comply with any requirements to move from any other pension or superannuation schemes not covered under the Act, to the National Pension System. The Authority may issue clarifications and guidelines in order to remove any difficulties in the application or interpretation of these regulations."