



NATIONAL PENSION SYSTEM (N P S)



NPS Lite- the low cost model for “Groups”

OFFER DOCUMENT

NPS

Pension nahi yeh Pran hai

THE REGULATOR

Pension Fund Regulatory & Development Authority

THE TRUST

New Pension System Trust

THE CENTRAL RECORDKEEPING AGENCY (CRA)

National Securities Depository Limited (NSDL)

THE CUSTODIAN

Stock Holding Corporation of India Limited

THE TRUSTEE BANK

Bank of India

THE PENSION FUNDS (in alphabetical order)

PFMs for Central Govt. Scheme	Single PFMs
<ul style="list-style-type: none">④ LIC Pension Fund④ SBI Pension Funds Limited④ UTI Retirement Solutions Limited	<ul style="list-style-type: none">④ ICICI Prudential Pension Funds Management Company Limited④ IDFC Pension Fund Management Company Limited④ Kotak Mahindra Pension Fund Limited④ Reliance Capital Pension Fund Limited④ SBI Pension Funds Limited④ UTI Retirement Solutions Limited

APPLICANT/AGGREGATOR(S) SHOULD NOTE THAT:

- This Offer Document sets forth concisely the information about NPS Lite that an applicant or an aggregator ought to know. Applicant/Aggregator should carefully read the Offer Document and the “**Regulations for Aggregator under NPS Lite- 2010**” and other related rules/proviso amended from time to time and made available on PFRDA website.
- This Offer Document remains effective until a material change occurs. Material changes will be notified by Pension Fund Regulatory and Development Authority (PFRDA) to all Aggregator(s) and placed on PFRDA website.
- PFRDA has been established to promote old age income security by establishing, developing and regulating pension funds, to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto.
- NPS-Lite, regulated by PFRDA, is a defined contribution pension system which is now being offered on voluntary basis to economically disadvantaged sections of Indian society as “groups”.

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Abbreviations and Definitions

In this Offer Document, the following words and expressions shall have the meaning specified below, unless the context otherwise requires:

Abbreviations

ASP	Annuity Service Provider
CRA	Central Recordkeeping Agency
IMA	Investment Management Agreement
KYC	Know your Customer
NABARD	National Bank for Agriculture and Rural Development
NPS	National Pension System
PFs/PFMs	Pension Funds/Pension Fund Managers
PFRDA	Pension Fund Regulatory and Development Authority
PRA	Permanent Retirement Account
PRAN	Permanent Retirement Account Number
RBI	Reserve Bank of India
SHG	Self Help Group
TB	Trustee Bank

Definitions

Aggregator	Aggregator shall be the point of interface between its underlying subscriber and the NPS Lite architecture.
Applicable NAV	Unless stated otherwise in the Offer Document, 'Applicable NAV' is the Net Asset Value at the close of a Working Day.
Collection Center	The office registered in NPS Lite architecture to facilitate collection of registration form, contribution, other relevant instructions and forward it to the Aggregator
Custodian	Agency responsible for holding assets of the NPS Trust. Refers to the Stockholding Corporation of India Limited (SCHIL)
IMA	Investment Management Agreement, entered into between NPS Trust and the Pension Funds.
NABARD	NABARD is set up as an apex Development Bank with a mandate for facilitating credit flow for promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts. It also has the mandate to support all other allied economic activities in rural areas, promote integrated and sustainable rural development and secure prosperity of rural areas.
Offer Document	This document, issued by PFRDA, making an offer to potential aggregators/applicants to subscribe to NPS Lite.
Oversight Office	The office registered in NPS Lite to monitor overall performance of its underlying Aggregator and also to monitor resolution of subscriber grievances against its Aggregators
RBI	Reserve Bank of India, established under the Reserve Bank of India Act, 1934.
SHG	SHG is a small group of rural poor, who have voluntarily come forward to form a group for improvement of the social and economic status of the members.
Subscriber	An individual who has become a member of the NPS Lite
Trust Deed	The Trust Deed entered into between the NPS Trust and PFRDA, as amended up to date, or as may be amended from time to time.
Trust Fund	The corpus of the Trust and all property belonging to and/or vested in the Trustees.
Working Day	A day other than any of the following (i) Saturday or Sunday; (ii) a day on which banks including the Reserve Bank of India are closed for business or clearing and (iii) a day on which the Purchase and Redemption of Units is suspended.

About NPS- Lite

Pension Fund Regulatory and Development Authority (PFRDA) has been established by the Government of India, Ministry of Finance vide Notification F.No.5/7/2003-ECB & PR dated 10th October, 2003 to promote old age income security.

Pension Fund Regulatory and Development Authority (PFRDA) has put in place the institutional framework and infrastructure required for administering the '**National Pension System**' (NPS) for government employees & all citizens of India. The Unorganized sector model of the NPS, prescribes certain norms related to minimum amount of investment per contribution, during the year and no of contributions per year. The associated charge structure makes such small investments unviable. To facilitate the economically disadvantaged sections of society with limited investment potential also to take advantage of NPS, PFRDA now makes available a unique platform at ultra low cost with optimized features. The individuals would be able to join NPS as groups through "aggregators".

NPS Lite model broadly has similar functionalities as the regular NPS model. However, some of the services would not be available at individual subscriber level; instead these services would be provided at Aggregator level and the individual can avail of those features through aggregators.

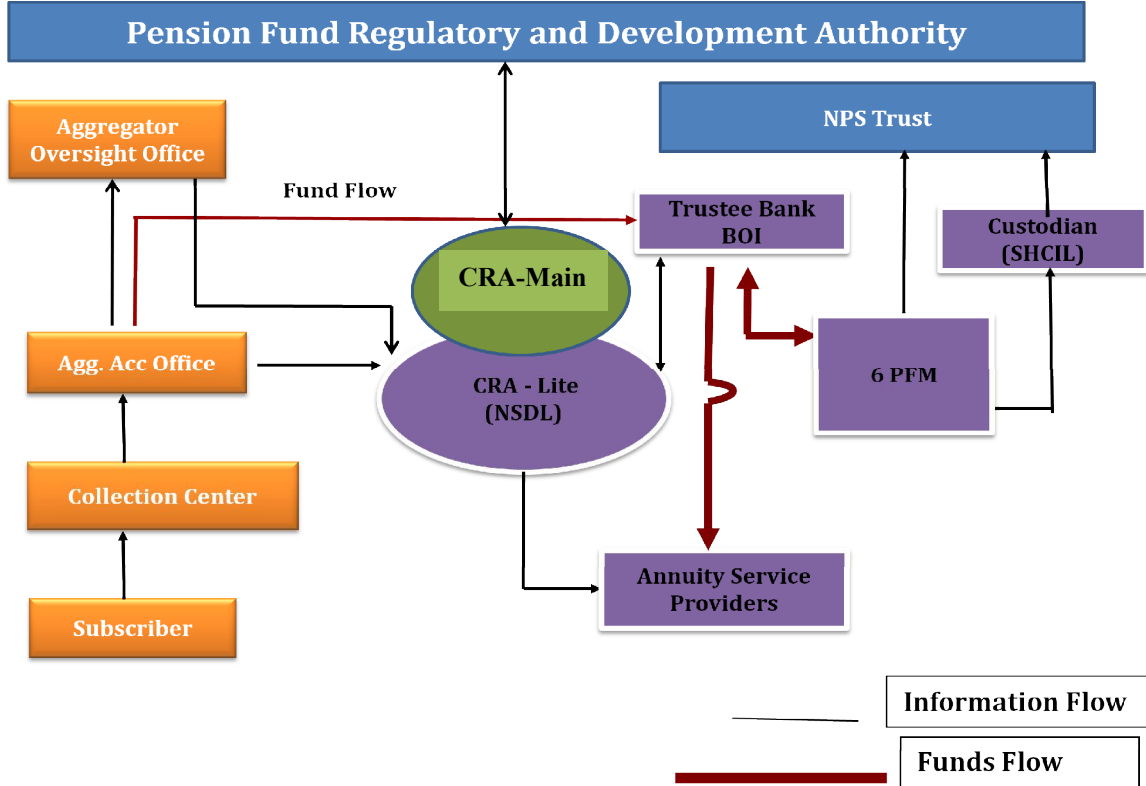
Under NPS Lite, Permanent Retirement Account would be available to subscribers. This will be non-withdrawable account, in which an NPS Lite subscriber shall contribute his/her savings for obtaining an annuity at the time of retirement.

Benefits of joining NPS Lite?

- ✚ **It is voluntary** - NPS is open to eligible* Indian citizens. You can choose the amount you want to set aside and save every year. Investment can be as low as Rs.100 p.m.
- ✚ **It is simple** - all you have to do is open an account through your Aggregator and get a PRAN.
- ✚ **It is uniform** -. Single investment plan similar to Central Govt employees.
- ✚ **It is portable** - You can operate your account from anywhere in the country, even if you change your city, job or your Aggregator
- ✚ **It is safe** - NPS is regulated by PFRDA, with transparent investment norms and regular monitoring and performance review of fund managers by NPS Trust.
- ✚ **It is affordable-NPS Lite has features optimized for low investment potential subscribers and is available at ultra low cost.**

**eligibility as given in Regulations for Aggregators under NPS Lite-2010*

NPS Lite ARCHITECTURE



PFRDA

PFRDA is the prudential Regulator for the National Pension System (NPS). PFRDA was established by the Government of India, Ministry of Finance; vide Notification F.No.5/7/2003-ECB & PR dated 10th October, 2003 to promote old age income security by establishing, developing and regulating pension funds, to protect the interests of subscribers to schemes of pension funds and for matters connected therewith or incidental thereto. PFRDA has been authorized by the Central Government Vide Notification F.No.1 (6)2007-PR dated 14th November 2008 to appoint/establish various intermediaries in the system such as Central Record Keeping Agency (CRA), Pension Funds (PFs), Points of Presence, Trustee Bank, NPS Trust, Custodian, etc. for operationalizing the NPS roll out to unorganized sector subscribers.

The present constitution of the PFRDA Board is as under :

SH. YOGESH AGARWAL
CHAIRMAN
 PH- (D)- 91-11-26897937

SMT. MADHULIKA SUKUL
PART-TIME MEMBER
 PH-(D) -91-11-23093283

SH. TARUN BAJAJ
PART-TIME MEMBER
 PH-(D)- 91-11-23747507

OFFICIALS OF THE AUTHORITY: -

SMT. RANI S. NAIR
EXECUTIVE DIRECTOR
PH-(D)- 91-11-26130189

SH. P. K. TIWARI
EXECUTIVE DIRECTOR
PH-(D)- 91-11-26897939

SH. KAMAL CHAUDHRY
CHIEF GENERAL MANAGER
PH-(D)- 91-11-26897942

SH. PUSKAL UPADHYAY
GENERAL MANAGER
PH-(D)- 91-11-26130568

SMT. DEEPA KOTNIS
GENERAL MANAGER
PH-(D)- 91-11-26897934

NPS Trust

PFRDA has established the **NPS Trust** under Indian Trust Act, 1862 and appointed NPS Board of Trustees in whom the administration of the “National Pension System” vests under Indian Law. The Trust is responsible for taking care of the funds under the NPS. The Trust holds an account with the **Bank of India** and this bank is designated as the NPS Trustee Bank.

Trustees

Names and Addresses

1. **SH. YOGENDRA NARAIN**
(Formerly Secretary General,
Rajya Sabha)
CHAIRMAN
H. No.7, Shivalik Houses,
Sector- 61, Near Sai Baba
Mandir, Noida - 201 301

2. **SH. N. R. RAYALU**
(Former Deputy Comptroller and
Auditor General of India)
MANAGING TRUSTEE
C-7/1, M.S. Flats,
Sector - 13, R. K. Puram,
New Delhi - 110 066

3. **SH. UMRAOMAL PUROHIT**
TRUSTEE
Flat No.13/14, IInd Floor, Plot
No. 42
Western Railway Colony,
Malad (East)
Mumbai-400097

4. **SH. G. N. BAJPAI**
TRUSTEE
131, Shaan Apartments, KD
Marg
Opp. Kirti College, Prabhadevi
Mumbai-400028

5. **SH. NARESH DAYAL**
TRUSTEE
C-II/83, Moti Bagh
New Delhi

Functions of NPS Trust

- To call for any information, report etc. from PF(s), Trustee Bank and Custodian
- To issue directions to PF(s) for protecting the interest of subscribers
- To appoint a panel of independent auditors to undertake compliance audit
- To verify that Trustee Bank is performing its functions as per the provisions of the Agreement with NPS Trust
- To verify that PF(s) are strictly following the terms and condition of Investment Management Agreement (IMA) Agreement with NPS Trust

Central Recordkeeping Agency (CRA)

National Securities Depository Limited (NSDL) has been appointed as the CRA .The recordkeeping, administration and customer service functions for all subscribers of the NPS shall be centralized and performed by the CRA.

Services provided by CRA

The following services would be provided by CRA:

- Issuing unique Permanent Retirement Account Number (PRAN) to each subscriber, maintain database of all PRANs and record the transactions related to each subscriber's PRAN. The PRAN kit to the subscriber would be provided through Aggregator
- Receive instructions from subscribers through their Aggregator; transmit such instructions to appointed Trustee Bank, Annuity Service Provider, Pension Fund Managers
- Monitor each Aggregator's contributions and instructions and transmit the information to the relevant Pension Fund and schemes on a daily basis
- Web enabled services: CRA would provide Aggregators with a web based interface to view/ download detailed history of transactions of PRA.
- Sending Annual Account statements: Providing subscribers with periodic PRAN account statements detailing the total contribution, time-wise credits into the account and other relevant information. This would be sent through Aggregator.
- Grievance Redressal: An Aggregator for its underlying subscriber can register grievances through the web interface. Alternatively, subscriber can send grievances through other channels also. CRA would registers all complaints received in physical form also.
- Investment Scheme and Switching: Acting on/transmitting instructions of Aggregators in respect of :-
 - ✓ Investment option selection;
 - ✓ Switching over options;
 - ✓ Confirmation report.
- Retirement Account Information to be provided to subscribers:
 - ✓ Pension wealth accumulated in their PRA.
 - ✓ Amount that can be withdrawn by subscriber in lump sum.

Trustee Bank

Bank of India is functioning as NPS Trustee Bank. It would manage the banking of the Pension Funds in accordance with applicable provisions of the NPS Lite, the schemes the guidelines/notifications, issued by PFRDA, Ministry of Finance, and Government of India from time to time as per applicable law

Functions of Trustee Bank

- Upload of details of contribution received from Aggregator in specified file format to CRA.
- Transfer of funds to the PFM's bank account based on the instructions received from CRA and information flow for same.
- Receipt of funds from the PFM's bank account to the NPS Trust Bank's account based on the instructions received from CRA and information flow for same.
- Electronic Fund Transfer/ Preparation of cheques for disbursement from withdrawal account and forwarding it to CRA.
- Transfer of funds based on the instructions of CRA to the Bank to Annuity service provider and or to the withdrawal account.

Pension Funds (PFs)/Pension Fund Managers (PFMs)

Appointed PFMs would manage the retirement savings of subscribers under the NPS Lite. The PFMs are required to invest strictly in accordance with guidelines issued by the Government/PFRDA.

- The aggregators may choose one of the PFMs to whom the entire corpus can be entrusted, Or
- They may also choose to invest the contributions through all the three PFMs as per Central Govt scheme.

Single PFMs	PFMs for Central Government Scheme
<ul style="list-style-type: none">① ICICI Prudential Pension Funds Management Company Limited① IDFC Pension Fund Management Company Limited① Kotak Mahindra Pension Fund Limited① Reliance Capital Pension Fund Limited① SBI Pension Funds Limited① UTI Retirement Solutions Limited	<ul style="list-style-type: none">① LIC Pension Fund① SBI Pension Funds Limited① UTI Retirement Solutions Limited

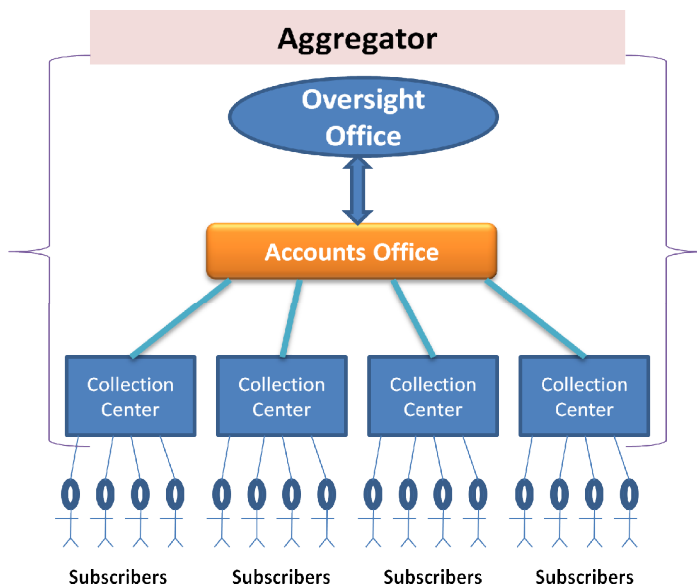
Annuity Service Providers (ASPs)

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

AGGREGATOR(s)

Who are Aggregators?

Aggregator shall be the point of interaction between its underlying subscriber and the NPS Lite architecture. Aggregator shall perform the functions relating to registration of subscribers, undertaking Know Your Customer (KYC) verification, receiving contributions and instructions from subscribers and transmission of the same to designated NPS Lite intermediaries. Entities approved by PFRDA would be acting as Aggregator in NPS Lite for their underlying subscribers.



The Aggregator would be responsible for collection of contribution amounts from the subscribers and uploading the contribution files into the CRA Lite system. The investment of the amount comprising of NPS-Lite subscriber will be done through an Aggregator level PRA in the main CRA system. Units allocated to this Aggregator Level PRA will be distributed across all the underlying subscribers in the ratio of their investments and the same (units) would then be credited to individual subscribers' (NPS - Lite) accounts. The subscriber under NPS Lite will have a common scheme preference and PFM as prescribed by PFRDA from time to time.

Aggregators shall be intermediaries identified and approved by PFRDA, to perform subscriber interface functions under NPS-Lite in respect of their constituent groups.

The Aggregators shall be entities already in existence having continuous functional relationship with a known customer base for delivery of some socio-economic goods / services.

Following entities have been considered as potential aggregators:-

- a) Nodal offices running certain schemes for identified beneficiary groups under Central and State Governments.
- b) Micro-Finance Institutions (MFIs).
- c) Non Banking Finance Companies (NBFCs).
- d) Non Government Organizations (NGOs).
- e) Entities running common service centers under National E-Governance Plan.
- f) Any other category as identified by PFRDA from time to time.

Detailed Eligibility criteria for “aggregators” and conditions of their functioning are regulated by PFRDA under proviso of “**Regulations for Aggregators under NPS Lite-2010**” as amended from time to time.

An illustrative listing of these features is given below (reference may be made to the latest information available on PFRDA website):

❖ **Eligibility criteria (section 9 of the Regulations for Aggregators under NPS Lite-2010)**

- The entities desirous of taking on the role of aggregator must be registered (under an act of Central or state government as prescribed in section 9.2 of “**Regulations for Aggregators under NPS Lite-2010**”) and/or adequately regulated by any of the financial sector regulator(s).
- The registered entities willing to be enlisted as an aggregator must have been registered under following:
 - Societies Registration Act 1860 (or a State amendment of this Act)
 - Indian Trusts Act, 1862
 - Charitable and Religious Trusts Act, 1920
 - Indian Companies Act, 1956 (section 25, for non profit companies)
 - Indian Companies Act 1956 with necessary certification from RBI (for NBFCs)
 - Indian Companies Act 1956, for any other company
 - Any other act/rule as specified by PFRDA from time to time
- Any other entity/class of entities, not covered under the provision at para 9.2 above may also be registered as aggregator(s), at the discretion of PFRDA, if such entity/class of entities facilitates inclusion of their subscriber base under NPS and have established capability with proven track record in the area of their operation.
- The entity must have been in business of financial services or commodity development for at least 3 years as on date of application with a proven track record and must be financially viable.
- The entity must have formal governance structure (Board, Managing Committee or equivalent) with members on board having adequate experience in financial services / social development.
 - At least one third of the Directors (or equivalent) must be independent.
 - The entity must have ‘Audit Committee’ in place headed by an independent director (or equivalent).
- The entity must meet the following net worth criteria:-
 - Rs.1.0 crore for those having been in business for last 3-5 years.
 - Rs.50.0 lakhs for those having been in business for more than 5 years.
 - For entities having exceptional track record and more than 10 years of experience, the net worth criteria can be relaxed completely/partly at the discretion of PFRDA

- The entity must have capability to manage large customer databases suitable to their organisation and must meet other technology parameters prescribed by PFRDA.
- The entity must have cash management and its transfer capabilities as prescribed by PFRDA.
- The entity must have trained staff with sufficient capability as prescribed.
- The entity or any of its directors /promoters etc must not have been subjected to any disciplinary proceeding(s) under the rules, regulations and bye-laws of any regulator/disciplining body during the last three years.
- *PFRDA may, at its discretion, relax some, or all of these eligibility criteria in case of entities which are fully or partly controlled by either Central or any State government or have been created under any specific arrangement of the Central or State government or any other entity with proven track record, on a case to case basis, in the initial stages of development of the sector.*

❖ **Security Deposit(section 10 of the Regulations for Aggregators under NPS Lite-2010):**

- Each entity enlisted as an aggregator shall have to submit a security deposit in the form of a demand draft or a bank guarantee from a scheduled commercial bank.
- The quantum of security deposit shall be determined in terms of the net worth of the entity and the '**Highest Daily Cash Collection' (HDCC)**' recorded by the entity during the previous quarter completed (as on date of application).
- The relaxation as contemplated under clause 9.11 shall also be applicable in case of security deposit requirement.
- The matrix of security deposit determination is as below :-

Net Worth (Rs. in crores)	Security Deposit Amount		
2-5	3 times of HDCC	OR	Rs.5 lacs whichever is higher
5-10	2 times of HDCC		
More than 10	Rs.5 lacs		

❖ **Aggregators – role and responsibilities (section 11 of the Regulations for Aggregators under NPS Lite-2010):**

- The aggregators shall be responsible for :
- Promotion of NPS and awareness about the need for old age income security among its constituent group members.
- Meeting the ‘Know Your Customer’ requirements in respect of potential NPS subscribers as mandated under AML/CFT requirements.
- KYC requirements in case of NPS Lite subscribers shall be governed by provisions of RBI Master Circular no RBI/2008-09/72 dated July 01, 2008 and as amended from time to time till separate orders on this aspect are issued by PFRDA.
- Discharge of responsibilities relating to fund and data upload within prescribed time limits.
- Collection of contributions from subscribers and ensuring its passage to Trustee Bank.
- Ensuring availability of services including distribution of Annual Statement of Transactions and showing online statements to its underlying subscribers as mandated under NPS-Lite.
- Handling grievances received from subscribers and their resolution.
- Any other responsibility as assigned to them by PFRDA to ensure protection of subscribers’ interest.

Functions of Aggregators under NPS Lite Architecture:

Broad functions of Aggregator(s) under NPS Lite would include:

- ❖ Registration & PRAN Generation
 - Aggregator would collect subscriber application and does KYC verification
 - Verified forms would be forwarded to CRA/CRA-FC, for digitization and PRAN generation.
 - CRA would generate and forward PRAN Card to Aggregator to be redistributed further to the individual subscribers.
- ❖ Regular subscriber contribution upload
 - Aggregator would collect contributions from individual subscribers and would prepare and upload SCF on CRA Lite system
 - Accordingly Aggregator would transfer funds to Trustee Bank
- ❖ Subscriber servicing
 - Subscribers would submit their change detail requests to respective Aggregator
 - Aggregator would verify and make necessary changes on the system
 - Aggregator would prepare file of change details and would upload on CRA-lite system
- ❖ Withdrawal Processing
 - Subscriber would submit the withdrawal request through Aggregator.
 - Aggregator would prepare file of withdrawal request and would upload on CRA system.

- ❖ Grievance Handling
 - Subscriber would be eligible to lodge grievances against CRA in this model through their Aggregator

What investment choice does the aggregator have?

④ **Currently PFRDA has provided a single investment pattern similar to the one prescribed by Government of India for government employees vide Gazette notification no.5(88)/2006-PR dated 14th August 2008 applicable to Non Government Provident Funds, Superannuation Funds etc.**

- *PFRDA may at its discretion provide similar choices of investment patterns as available under NPS.*

Choice of PFMs available?

④ The aggregators may choose one of the Single PFMs to whom the entire corpus can be entrusted. The Single PFMs are:

- ④ ICICI Prudential Pension Funds Management Company Limited
- ④ IDFC Pension Fund Management Company Limited
- ④ Kotak Mahindra Pension Fund Limited
- ④ Reliance Capital Pension Fund Limited
- ④ SBI Pension Funds Limited
- ④ UTI Retirement Solutions Limited

④ The aggregators may also choose to invest the contributions through all the three PFMs as per Central Govt. Scheme in the same manner as for government employees. The allocation ratio of this scheme is reviewed by PFRDA on a periodic basis. In this scheme the allocation is made across following Fund Managers:

- ④ LIC Pension Fund
- ④ SBI Pension Funds Private Limited
- ④ UTI Retirement Solutions Limited

Net Asset Value (NAV) will be released on a daily basis.

The investments under NPS Lite are subject to market risks and there is no explicit or implied assurance/guarantee from PFRDA or from the Government of India regarding the returns.

SUBSCRIBERS

Who can join?

A citizen of India, who is either economically disadvantaged or covered under the provision of section 6 Part B of the “Regulations for Aggregators under NPS Lite- 2010” subject to the following conditions:

- Should be member of an Entity eligible for being enlisted as “Aggregator” in terms of conditions laid earlier in this document.

- Should be between 18 – 60 years of age as on the date of submission of his/her application by Aggregator.
- Should comply with the KYC process carried out by Aggregator

Who cannot join?

The following applicants cannot join:

- Individuals of unsound mind: An individual is said to be of unsound mind for the purposes of making a contract if, at the time when he makes it, he is incapable of understanding it and of forming a rational judgment regarding its effect upon his/ her self-interest.
- Pre-existing account holders under NPS.

How much does a subscriber need to contribute?

You are required to make your first contribution at the time of applying for registration through Aggregator. You are required to make contributions subject to the following conditions:

- Minimum contribution amount at the time of Registration - Rs 100
- Though there is no Minimum contribution requirement per year, however minimum of Rs 1000 contribution per year is recommended. Those desirous of availing Swavalamban scheme of Govt of India must invest at least Rs 1000 during the year. For details of the same please refer to Operating Guidelines of Swavalamban Scheme issued by Deptt. of Financial Services, Govt of India vide their letter no. 13/10/2006-PR dated 21st June 2010.

When can a subscriber withdraw the amount?

<i>Vesting Criteria</i>	<i>Benefit</i>
At any point in time before 60 years of Age	You would be required to invest at least 80% of the pension wealth to purchase a life annuity from any IRDA – regulated life insurance company. Rest 20% of the pension wealth may be withdrawn as lump sum.
On attaining the Age of 60 years and upto 70 years of age	At exit you would be required to invest minimum 40 percent of your accumulated savings (pension wealth) to purchase a life annuity from any IRDA-regulated life insurance company. You may choose to purchase an annuity for an amount greater than 40 percent. The remaining pension wealth can either be withdrawn in a lump sum on attaining the age of 60 or in a phased manner, between age 60 and 70, at the option of the subscriber.
Death due to any cause	In such an unfortunate event, option will be available to the nominee to receive 100% of the NPS pension wealth in lump sum. However, if the nominee wishes to continue with the

Vesting Criteria	Benefit
	NPS, he/she shall have to subscribe to NPS individually after following due KYC procedure.

Exit from the NPS Lite system in respect of those who avail Swavalamban Scheme of Govt of India shall also be subjected to conditions prescribed under Operating Guidelines of Swavalamban Scheme issued by Deptt. of Financial Services, Govt of India vide their letter no. 13/10/2006-PR dated 21st June 2010.

Subscriber Grievance Redressal Mechanism

Central Grievance Management System (CGMS) has been provided under NPS Lite to receive, resolve and record different types of grievances, from different entity/actors of NPS-Lite system. In NPS Lite, Subscribers would be eligible to lodge grievances either through their Aggregator or directly to CRA.

Subscriber/ Aggregator has the option of registering grievance/complaint through the following alternatives:

Call Centre/Interactive Voice Response System (IVR)

Aggregator on behalf of its underlying subscriber can contact the CRA call centre at toll free telephone number 1-800-222080 and register the grievance. Aggregator will have to authenticate itself through the use of T-pin allotted at the time of registration under the NPS Lite. On successful registration of the grievance, a token number will be allotted by the Customer Care representative for any future reference.

Web based interface

Aggregator on behalf of its underlying subscriber can register the grievance at the website www.npscra.nsdl.co.in with the use of the I-pin allotted at the time of registration under the NPS Lite. On successful registration, a token number will be displayed on the screen for future reference.

Physical forms

Subscribers can submit the grievance against their Aggregator in a prescribed format to CRA, who would forward it to PFRDA for resolution. The form prescribed is available on CRA website.

How to check the status of the Grievance?

Aggregator can check the status of the grievance at the CRA website www.npscra.nsdl.co.in or through the Call Centre by mentioning the token number. Aggregator can also raise a reminder through any one of the modes mentioned above by specifying the original token number issued.

CRA system also has provision of generating SMS alerts, which would be directly sent on subscriber mobile number registered with CRA

Charge Structure

NPS Lite offers Indian citizens a low cost option for planning their retirement. A 0.0009%* fee (based on assets under management) for managing your wealth, pension funds under NPS perhaps the world's lowest cost money managers. Following are the charges under NPS:

Intermediary	Activity	Charges	Method of Deduction
Central Record Keeping Agency (CRA)	Account Opening Charges	Rs. 35/- (Digitization will be carried out by CRA – FC)	Through cancellation of units
	Annual Maintenance Charges ¹	Rs. 70/- per annum, <i>with 12 free subscriber contributions per financial year.</i>	
	Transaction Charges ²	Nil for first 12 transactions and Rs. 5/- per transactions beyond 12 free subscriber contributions in each year. Rs. 5/- per transaction switch/scheme preference, withdrawal.	
Trustee Bank	Per transaction emanating from a Non RBI location ³	Rs. 15 (Trustee Bank, levy collection charges of Rs. 15 per transaction for collection of funds, only at Non RBI Centers)	Through NAV deduction
Custodian ⁴ (On asset value in custody)	Asset Servicing Charges	0.0075% p.a for Electronic segment & 0.05% p.a for Physical Segment (These charges are loaded on NAV, hence would be borne by individual subscriber)	Through NAV deduction
PFM	Investment Management Fee ⁵	0.0009% p.a (PFMs get a fee of Rs 90,000 for every Rs.1000 crores of corpus they manage. These charges are loaded on NAV, hence would be borne by individual subscriber)	Through NAV deduction

*Service tax and other levies, as applicable, will be levied as per the existing tax laws.

¹ When the number of accounts in CRA reaches 15 lakh the service charges, exclusive of Service Tax and other taxes as applicable will be reduced to Rs. 50 (Rupees fifty only) for annual PRA maintenance per account. CRA's charge for maintenance of your permanent retirement would include charges for maintenance of electronic information of the balances

in your PRA, for incorporating changes to PRA details received by the CRA in electronic form, for sending annual account information once a year in printed form etc.

²Transaction cost will be reduced to Rs. 4/- and Rs. 3/- per transaction when the thresholds of 15 lakh and 30 lakh subscribers respectively are attained

³Trustee Bank charges are not charged to subscriber directly. Transaction refers to the entire chain of activities starting from receipt of electronic instructions/ receipt of physical instrument to transfer of funds to the designated PFMs. On the outflow side, it would include all activities leading to credit of beneficiary account.

⁴Charges for Demat/Remat, Receipt of shares & SEBI charges are extra.

⁵The Investment Management Fee is inclusive of all transaction related charges such as brokerage, transaction cost etc. except custodian charges and applicable taxes. The Investment Management Fee is calculated on the average monthly assets managed by the pension fund.

Other Matters

Power to make guidelines and give directions

PFRDA may, from time to time, issue such directions and Guidelines to NPS Lite intermediaries as may be necessary for protecting the interests of the subscribers.

Risks

Investments under NPS are subject to Market Risks associated with the pattern of investment. PFRDA does not guarantee any return on investments made.

Currently there is a single investment scheme available under NPS Lite. PFRDA may provide more option(s) in future. Returns would be subject to such choices made.

For more details of risks and other matters reference can be made to Offer Document on NPS available at PFRDA website.

How to become an aggregator?

The entities desirous of becoming an aggregator should carefully read the “Regulations for Aggregators under NPS Lite-2010” available at the website of PFRDA and make an application to the PFRDA in the format prescribed (available at PFRDA website).



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