nps national pension system #Zaruri Hai

ADITYA BIRLA CAPITAL PENSION FUND

Invest Smartly, Retire Confidently with National Pension System (NPS)

#AbIndiaBenegaSamajhdaarwithNPS

What is NPS?

National Pension System (NPS) is a defined contribution scheme specially designed as a sustainable financial solution to provide adequate retirement income to all Indian citizens (including NRI & OCI). It was launched by the Government of India and regulated by Pension Fund Regulatory & Development Authority of India (PFRDA).

It allows the NPS subscriber to contribute periodically to their NPS account throughout their working life or even beyond it, which can later be used to purchase an annuity yielding a fixed income in form of pension.

Why Choose NPS?

- Exclusive tax benefits*
- Flexibility to choose investment options
- Affordable as it is one of the low-cost products
- Power of compounding
- Portable across geographies & organization
- Systematic investments (SIP)
- Digital onboarding, maintenance & exit
- Systematic lump sum withdrawals (SLW)
- Annuity options

Tax benefits

Under Old Tax Regime

Section	Contribution type	Tax benefit on contribution	Remarks
80CCD(1)^	Individual/Employee	₹1,50,000	Can claim up to 10% of Basic + D.A.
80CCD(1B)^	Individual/Employee	Up to ₹50,000	Exclusively for NPS
80CCD(2)*	Employer through salary deduction	Up to 10% of Basic + D.A.	Capping of ₹7.5 Lakh (Incl. PF + NPS + SAF)

Under New Tax Regime

Section	Contribution type	Tax benefit on contribution	Remarks
80CCD(2)*	Employer through salary deduction	Up to 14% of Basic + D.A.	Capping of ₹7.5 Lakh (Incl. PF + NPS + SAF)

*For Employer contribution deduction u/s 80CCD(2), please contact your HR.

How Does the NPS Work?

Returns Assumed @10%**

Investment Period (yrs)	35	30	25	20	15	10	5
Monthly Investment (INR)	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total Corpus (INR)	1,71,29,467	1,03,96,464	62,15,798	36,19,934	20,08,106	10,07,288	3,85,859

**Rate of return given in above illustration is indicative in nature and not guaranteed or provide any assurance in future. Investments are subject to market risk.

Types of NPS accounts: Tier I & Tier II

Tier I - Retirement Account (Employer & individual contribution)

- Can extend individual contribution till 85 years
- Tax benefits*
- Minimum contribution: ₹20
- Minimum contribution amount per year: ₹1,000
- Minimum no. of contributions: 1 per year
- Frequency of contribution: Unlimited

Tier II - Investment Account (Optional)

- No separate joining charges
- Minimum amount per contribution : ₹20
- Zero balance account
- 100% withdrawal any time without tax benefits*

Tier-II is optional, open along with Tier-I or anytime later

Scheme Options

Under National Pension system (NPS) subscribers have the option to decide to select between the combination of the following assets:

Equity exposure maximum upto 75%
(Top listed entities combined on NSE & BSE)

Corporate bonds up to 100%
(AAA rated bonds)

Government securities up to 100%
(Central & state govt. bonds)

Common schemes options

Active The subscriber decides the percentage allocation among asset classes.

Auto Investments will be made in a life-cycle fund

- **Life Cycle 25** Low (25% up to 35 years, falling to 5% at 55+)
- **Life Cycle 50** Moderate (50% up to 35 years, falling to 10% at 55+)
- **Life Cycle 75** High (75% up to 35 years, falling to 15% at 55+)
- **Life Cycle** Aggressive (50% up to 45 years, falling to 35% at 55+)

Asset allocation can be changed four times in a financial year.

Pension Fund Schemes Under Multiple Scheme Framework (MSF)

ABSLPF Secure Retirement Equity Fund - NPS (Up to 100% Equity)

Designed for investors seeking long-term growth with a mix of large & mid-cap stocks.

ABSLPF Secure Future Fund – NPS (Hybrid Fund, dynamically managed: 40% - 65% Equity)

Designed for smoother compounding led by a professional asset allocation Investment choices & Asset Allocation in Tier I

NPS Sanchay scheme and NPS Vatsalya are available depending upon the choice and criteria.

Withdrawal Options in NPS

Before Retirement

For Partial withdrawal :

- Must be an active subscriber for at least 3 years
- Maximum Allowable Withdrawals Up to 4 times
- Maximum Withdrawal Limit Up to 25% of your own contributions

For the Premature exit:

- Up to ₹5 Lakhs - 100% lumpsum withdrawal
- Above ₹5 Lakhs - 20% lumpsum withdrawal and at least 80% annuity.

The pre-mature exit option is available at any time. Subscriber must connect with PoP for assistance.

In case of untimely death of the subscriber, the nominee/legal heir is allowed to withdraw 100% of the corpus or choose annuity plan along with systematic lump sum withdrawal (SLW) option.

Post Retirement

Subscriber can decide between the below options:

- Continuation of NPS is allowed till 85 years.

OR

- Deferment of annuity for 3 years and the balance proceedings in instalments.

OR

- Exit/superannuation
  - For corpus ≤ 8 Lakhs - 100% withdrawal allowed.
  - For corpus > 8 Lakhs - 80% Lumpsum and 20% towards annuity
  - The Lumpsum withdrawal can be executed as a systematic lump sum withdrawal (SLW) as well.

Scan to Calculate Retirement Corpus

For more details, Contact:

Email: **abslpm.query@adityabirlacapital.com**

Aditya Birla Sun Life Pension Fund Management Limited

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^ Deductions under sections 80C/80CCD(1) with a ₹1.5 lakh limit apply, except if taxed under section 115BAC. An additional deduction of ₹50,000 under 80CCD(1B) is available beyond 80C limits, subject to the same condition. At account closure or exit, 60% of the accumulated balance is tax-exempt under section 10(12A). Tax laws may change. "Trade Logo Aditya Birla Capital" displayed above is owned by Aditya Birla Management Corporation Private Limited (Trademark Owner) and used by ABSLPFML under the license. "The information provided for such investment is intended only as a indicative guide and a generic description of the investment and no representation is given as to the accuracy or completeness of the whole or any part of this information. The information and the views contained herein only constitute opinions and it does not constitute any legal, tax or investment advice, or an opinion regarding the appropriateness of investment. Tax benefit is subject to applicable Tax laws. The investors are advised to seek independent professional advice, verify the contents in order to arrive at an informed investment decision. Aditya Birla Sun Life Pension Fund Management Limited (ABSLPFML is a Point of Presence under NPS architecture servicing subscribers to NPS in all respect. ABSLPFML make no warranties or representations express or implied on such investment product. For detailed terms and conditions, please log on to https://pensionfund.adityabirlacapital.com."
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