Aditya Birla Sun Life Pension Fund Management Ltd.

ADITYA BIRLA CAPITAL
PENSION FUND

Secure your child's future

with

nps Vatsalya

NPS Vatsalya is a Contributory Pension Scheme regulated and administered by Pension Fund Regulatory and Development Authority (PFRDA), designed specifically for all Indian minor citizens till the age of 18 years.

This scheme is designed specifically for minors to nurture the culture of saving from an early age, introducing them to financial literacy, and strengthening their concept of long-term financial security and prudent financial management.

Eligibility for investing in NPS Vatsalya:

- Children under 18 years (minors) are eligible
- Indian Citizens, Non-Resident Indians (NRIs) & individuals with Overseas Citizenship of India (OCI).
- Parents/guardians can open an account for children
- Post 18 years the Vatsalya PRAN can be converted to NPS Tier-1 with fresh KYC update.
- Minimum account opening and annual contribution is ₹250/-

Withdrawal and exit rules of NPS Vatsalya:

Now: 100% lump-sum withdrawal allowed between the age 18-21 years for a corpus below ₹8 Lakh.

Then: Lump-sum withdrawal of up to ₹2.5 Lakh was allowed at 18 years.

Partial withdrawal changes:

Now: Allowed 2 times before 18 yrs and 2 times between 18-21 yrs.

Then: Allowed 3 times till the subscriber attains 18 years of age.

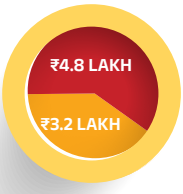
Note: For specific purposes.

Tax implications on Exit & withdrawal:

Why it becomes tax-free (for a student with no income)

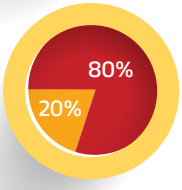
- 60% exempt u/s 10(12A): ₹4.8 Lakh (Zero tax)
- 40% treated as income: ₹3.2 Lakh (covered by rebate u/s 87A)

Note: New regime: 40% income covered under ₹4 Lakh exemption.



If corpus exceeds ₹8 Lakh at age 18-21

- Up to 80% - Lump-sum withdrawal
- Mandatory 20% - Annuity (Capital locked for income)



Old Regime Benefit:
Guardians can claim deduction of up to ₹50,000 under Sec 80CCD(1B) for contributions made to the minor's NPS Vatsalya account.

nps national pension system #ZaruriHai

To know more, contact:

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