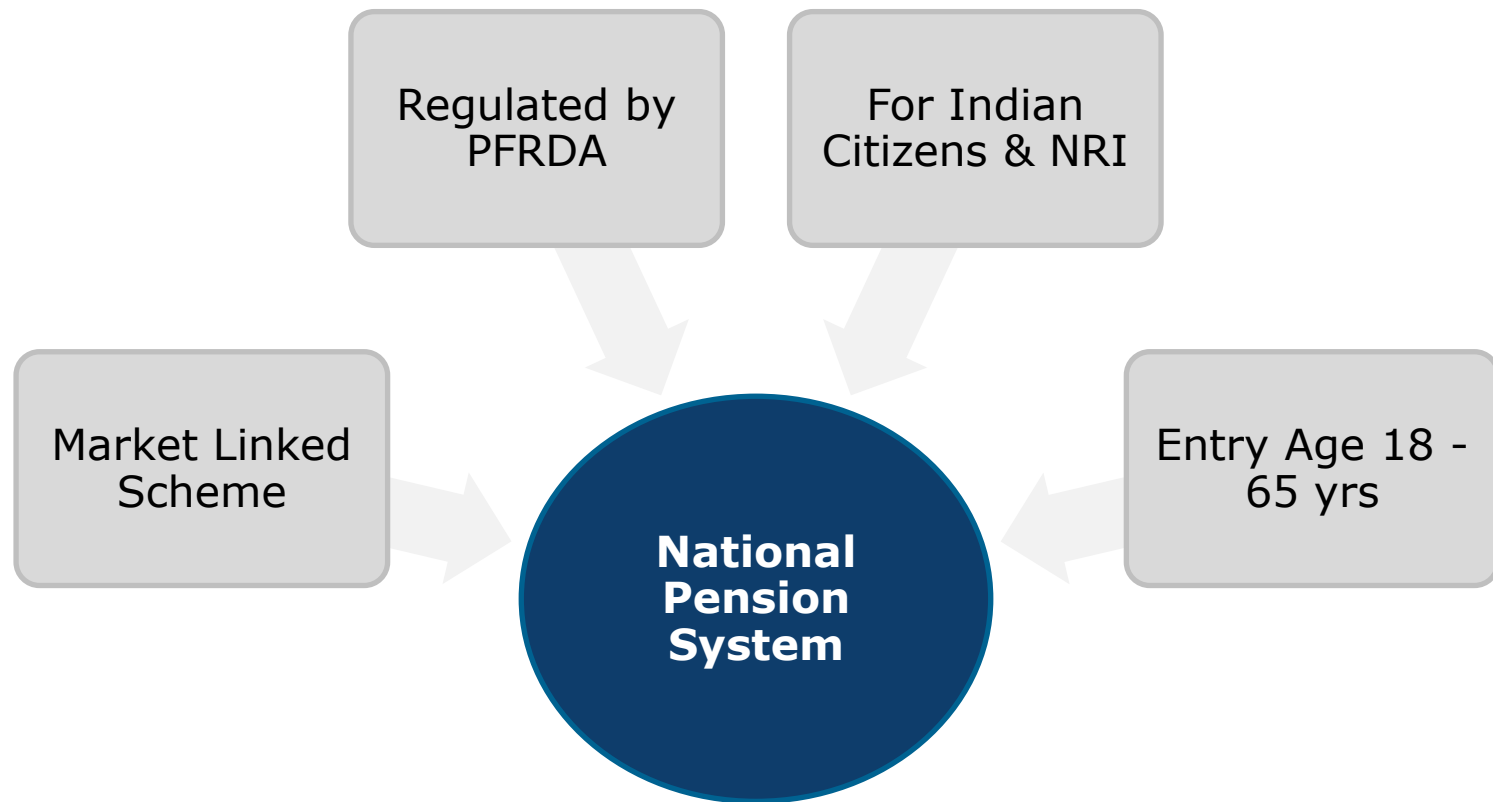


Launching National Pension System (NPS) - For a second innings as great as the first!

- Secure your future by investing in
NPS and enjoy attractive Tax Benefits
over and above Section 80C Limit





Corporate NPS facilitates Employees to on board NPS through their Corporates within the purview of their Employer – Employee relationship

Employee starts investing in NPS directly or through Employer

On Exit, a portion of Corpus comes to Employee in lump sum and balance to be invested in Annuity

Accumulation Phase

Death

Withdrawal Phase

In case of death of Employee, Nominee / Legal Heir can claim the Corpus

Employee starts getting pension depending on the Annuity scheme selection



Value proposition for
Employees

Contribution by Employee directly

Contribution of up to Rs.50,000 is eligible for tax deduction u/s 80CCD (1B)

Contribution by Employee through Company

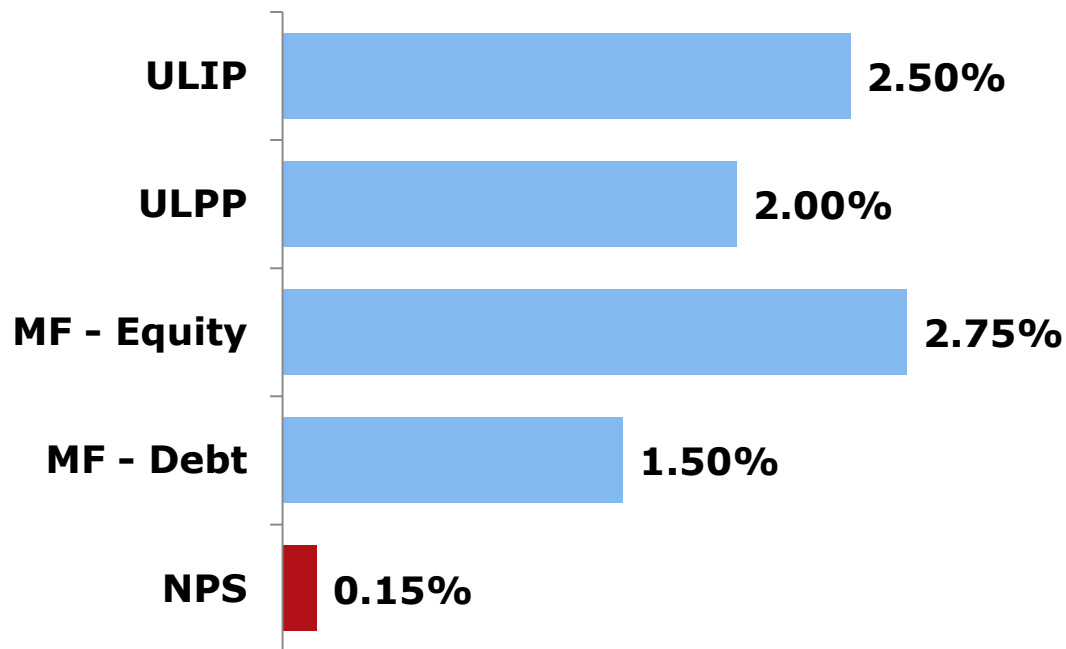
Contribution of up to 10% of Salary (Basic + DA), without any cap in terms of absolute value, is eligible for tax deduction u/s 80CCD (2)

Both the tax benefits are mutually exclusive and can be availed of at the same time

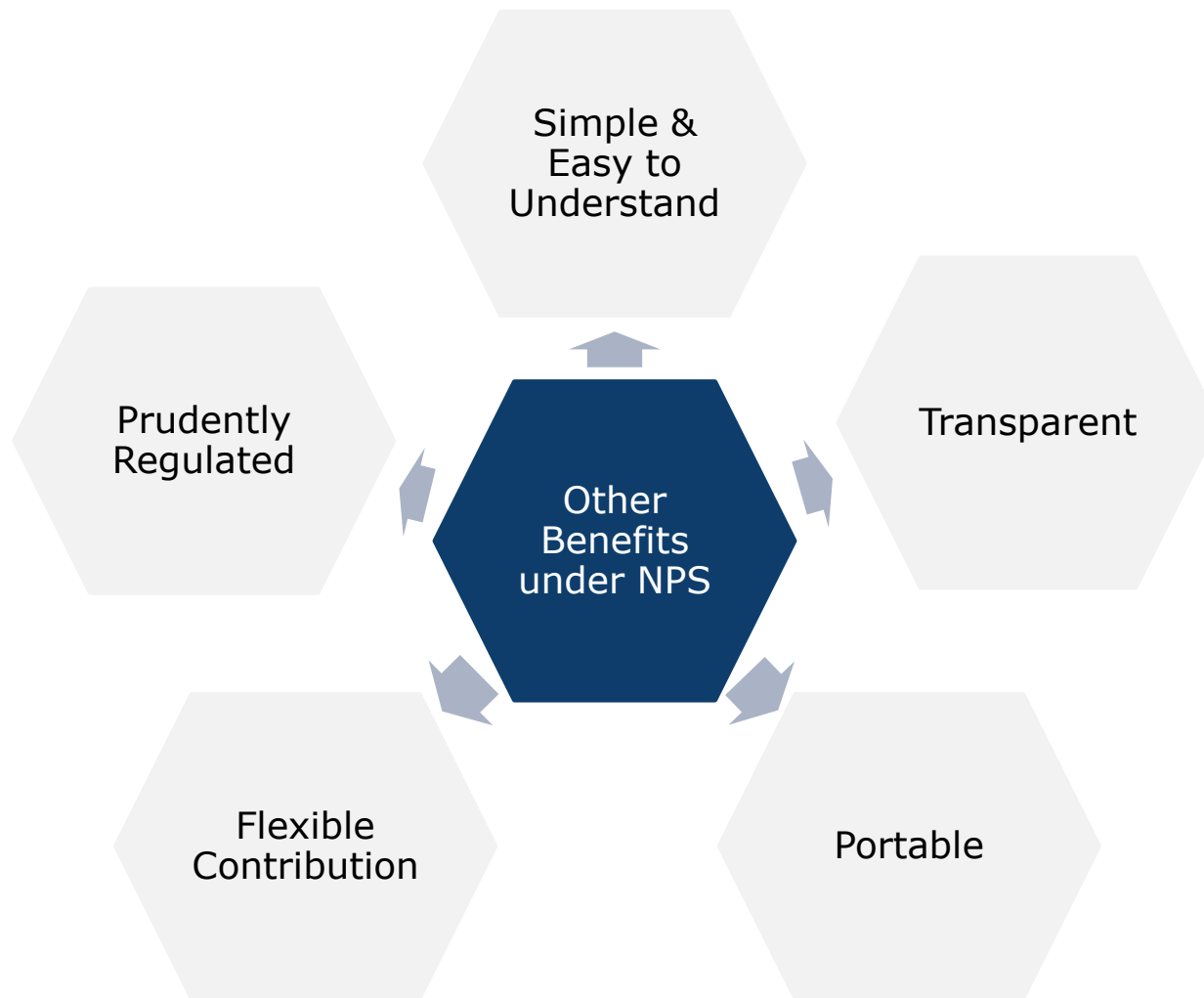
Head	Particulars	Without NPS	With NPS
Salary	Basic (40% of Gross)	20,00,000	20,00,000
	HRA (50% of Basic)	10,00,000	10,00,000
	Special Allowances	16,63,800	14,63,800
	Corporate Contribution – EPF	2,40,000	2,40,000
	Corporate Contribution – Gratuity	96,200	96,200
	Corporate Contribution – NPS	0	2,00,000
Total Salary		50,00,000	50,00,000
Deductions	80CCE	1,50,000	1,50,000
	Corporate Contribution – EPF	2,40,000	2,40,000
	Corporate Contribution – Gratuity	96,200	96,200
	Corporate Contribution – NPS [80CCD (2)]	0	2,00,000
	Individual Contribution to NPS [80CCD (1B)]	0	50,000
Total Deductions		4,86,200	7,36,200
Taxable Salary		45,13,800	42,63,800
Change in Taxable Salary			2,50,000
Tax Saved @ 30%			75,000

Corporate Contribution for NPS is deducted from any flexi component of the salary and invested by the Corporate as Employer's Contribution

Expense Ratio (as % of AUM)



Calculated on an yearly investment of Rs. 50,000 for 15 years of more





NPS Scheme details

Tier I NPS Account

Pension Account

Mandatory to open to join NPS

Withdrawal is restricted and conditional

Tier II NPS Account

Investment Account

Optional; can be opened later as well

Withdrawal is permitted anytime

Investment for availing of Tax Benefits is done only in Tier I NPS Account

There is no tax benefits in Tier II NPS Account

Particulars	Tier I Account	Tier II Account
Minimum Initial contribution required	Rs. 500*	Rs. 1000
Minimum Annual contribution required	Rs. 1000	Nil
Minimum contribution at any time	Rs. 500	Rs. 250

* This contribution has been waived off for the Corporate Employees

Choice of Funds

❖ Asset Class E

Equity

❖ Asset Class C

Corporate Bonds / Fixed Income

❖ Asset Class G

Government Securities

❖ Asset Class A

Alternate investment (maximum allocation is 5%)

Choice of 2 Investment Approaches

Investment shall be management by HDFC Pension Management Company Limited

❖ Active Choice

Active fund management by Employee across E, C, G and A funds (exposure to Fund E and A is restricted to 75% & 5% respectively)

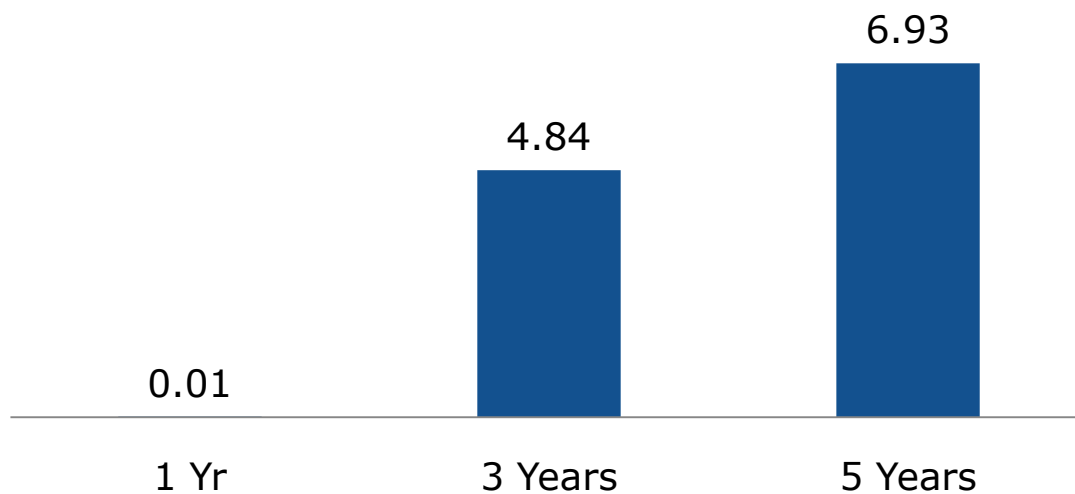
❖ Auto Choice

Investment across 3 funds (E, C and G) is done in a life cycle mode as per age of the Employee. It further offers choice between below 3 life cycle funds:

1. LC-75 Aggressive Life Cycle Funds
2. LC-50 Moderate Life Cycle Funds
3. LC-25 Conservative Life Cycle Funds

	LC -75 Aggressive Life Cycle			LC -50 Moderate Life Cycle			LC – 25 Conservative Life Cycle		
Age (Yrs)	E	C	G	E	C	G	E	C	G
< = 35	75	10	15	50	30	20	25	45	30
36	71	11	18	48	29	23	24	43	33
37	67	12	21	46	28	26	23	41	36
38	63	13	24	44	27	29	22	39	39
39	59	14	27	42	26	32	21	37	42
40	55	15	30	40	25	35	20	35	45
41	51	16	33	38	24	38	19	33	48
42	47	17	36	36	23	41	18	31	51
43	43	18	39	34	22	44	17	29	54
44	39	19	42	32	21	47	16	27	57
45	35	20	45	30	20	50	15	25	60
46	32	20	48	28	19	53	14	23	63
47	29	20	51	26	18	56	13	21	66
48	26	20	54	24	17	59	12	19	69
49	23	20	57	22	16	62	11	17	72
50	20	20	60	20	15	65	10	15	75
51	19	18	63	18	14	68	9	13	78
52	18	16	66	16	13	71	8	11	81
53	17	14	69	14	12	74	7	9	84
54	16	12	72	12	11	77	6	7	87
> = 55	15	10	75	10	10	80	5	5	90

Returns on Investment



Returns as on 14th May, 2020

	E	C	G
Allocation %	50	30	20

Employee can exit from the Scheme after 10 years of account opening or attainment of retirement age which ever comes first

Premature Exit (Exit before Retirement Age defined by Corporate)

Up to 20% of Corpus can be withdrawn in lump sum

Balance amount to be invested in Annuity

Exit on maturity (Exit on Retirement Age defined by Corporate)

Up to 60% of Corpus can be withdrawn in lump sum

Balance amount to be invested in Annuity

Employees joining after 60 years of age Exit before 3 years of account opening will be treated as premature exit

Upon exit at retirement age defined by the Company, Employee gets following flexibilities:

- ❖ Defer the Annuity investment for 3 years from retirement age, OR
- ❖ Defer the Corpus withdrawal till 70 years of age, OR
- ❖ Withdraw Corpus in lump sum or in installments (max 10), OR
- ❖ Keep on investing in NPS till 70 years of age

In case the Employee opts to defer investment in Annuity or withdrawal, the amount remains invested and keep on growing

- ❖ Allowed after 3 years of account opening
- ❖ Up to 25% of Employee's own Contribution can be withdrawn
- ❖ For specific purposes like Higher Education, Child's marriage, buying home or treatment of Critical illnesses etc
- ❖ Another 2 withdrawals can be any time after the first withdrawal



Contribution for availing of tax benefits u/s 80CCD (2) is treated as Employer's Contribution and withdrawal is not be permitted on it

Partial Withdrawal

Corpus Withdrawn is tax exempt

Pre Mature Exit

Corpus withdrawn in lump sum is tax exempt

Exit on Maturity

60% of Corpus withdrawn in lump sum is tax exempt

Tax treatment on Annuity

Amount invested in Annuity is tax exempt

Pension received is treated as Income and will be taxed appropriately, if falling into any tax bracket

Employee can buy annuity from HDFC Life Insurance upon exit from NPS.

Annuity Schemes available to get monthly pension post retirement are:

Pension payable for life at a uniform rate to the Subscriber only

Pension payable for 5, 10, 15 or 20 years certain and thereafter as long as Subscriber is alive

Pension for life with return of purchase price on death of the Subscriber

Pension for life with a provision of 50% / 100% of the annuity payable to spouse during his/her lifetime on death of the Subscriber

Intermediary	Charge Head	Charges	Frequency of deduction	Mode of deduction
POP (HDFC Pension)	Subscriber Registration	Rs. 200	One time	From the contribution amount / paid by Employee up front
	Contribution Processing*	0.25%	On each transaction	
	Non – Financial Txn Processing	Rs. 20		
CRA (KFintech)	PRAN Generation	Rs.39.6	One time	From NPS Account (by cancelling the units) on the last day of the calendar quarter
	Annual Maintenance	Rs.57.63	Per annum	
	Financial Txn Processing	Rs.3.36	On each transaction	
Fund Manager	Investment Management	0.01%	Per annum	Recovered through NAV deductions
Custodian	Asset Servicing	0.0032%		

* Subject to minimum Rs.20/- per contribution

New to NPS	Have NPS with NSDL CRA	Have NPS with KFinTech CRA
<p>•Employee willing to join NPS shall click on below link to open NPS account https://life99.in/register/d76ccf2846</p> <p>Before initiating the process of account opening, employee shall keep the following documents ready:</p> <ul style="list-style-type: none"> •Self attested scanned copy of Proof of Identity •Self attested scanned copy of Proof of Address •Scanned copy of cancelled cheque or Bank Statement •Scanned copy of Colour Photograph •Scanned copy of Signature •Scanned copy of PAN 	<p>•Employee needs to fill & sign the ICSS form and submit the same to HR</p> <p>•HR will submit the forms to R&P RM/ FLS for processing it further</p>	<p>•Corporate HR needs to mail the employees' PRAN details as mentioned below along with the Excel Sheet in the specified format to npscorpqueries@hdfcpension.com</p> <ul style="list-style-type: none"> •PRAN # •Name of the Employee •Account Type – Tier 1 / Both •Target CBO No: •Date of Joining •Date Of Retirement •Employee Id

NPS calculator link: <http://www.hdfcpension.com/nps-calculator.html>

For routing NPS Contribution through Employer to avail tax benefits u/s 80CCD(2)

- ❖ Employee will define the contribution amount (max upto 10% of Basic Salary) in the HR Payroll System or confirm through Consent Letter to HR
- ❖ HR will deduct the specified amount from monthly salary of the employee and send the same to HDFC Pension along with an e-mail in a specified format
- ❖ On successful contribution processing, Employee receives Email and SMS alert from CRA

For depositing own NPS Contribution upto Rs. 50K to avail tax benefits u/s 80CCD 1(B)

- ❖ Employee has to visit : <https://www.hdfcpension.com/>
- ❖ Click on "Subsequent Contribution Tab"
- ❖ Click on "Contribution for PRANs with KFinTech"

Thank You