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About NPS:

1. What is National Pension System (NPS)?

National Pension System, a **defined contribution** based pension scheme, is an initiative by the Government of India to provide security via pension during old age to all the citizens of India.

The person (employee/citizen) who joins the NPS will be known as 'Subscriber' in the NPS. Under the NPS, each Employee will open an account with Central Recordkeeping Agency (CRA) which will be identified through a unique Permanent Retirement Account Number (PRAN).

There are two ways of investing: -

- a. At corporate level- In Mphasis, you can contribute 10% of your basic as an investment.
- b. At an individual level- This has to be done at an individual level and Mphasis will not be party to this

2. Who all are eligible for NPS?

Any citizen of India in the age group of 18-60 years (as on the date of submission of NPS application) can subscribe to NPS, provided they are under the India payroll. OCI (Overseas Citizens of India) and PIO (Person of Indian Origin) card holders and HUFs are not eligible.

3. Who are the intermediaries in NPS architecture and what are their roles?

Below are the details of intermediaries and their roles in NPS Architecture

- **POP (Point of Presence):** POP is responsible for processing all sorts of service requests raised by the employee including new employee registration. POP acts as the first point of contact for NPS employee under NPS architecture. Branch offices of POP are known as Facilitation Centre (POP – SP). **Kotak Mahindra Bank** acts as the POP for Mphasis.
- **Central Recordkeeping Agency (CRA):** CRA is responsible for recordkeeping, servicing of customer requests, issuance of PRAN card and Welcome KIT etc. NSDL is CRA in NPS architecture.
- **Pension Fund Manager (PFM):** PFM is responsible for investment of contribution amount deposited by the employees. Employees have the flexibility to select their fund managers among the listed managers.
- **Custodian:** Stock Holding Corporation of India Limited (SCHIL) acts as Custodian in NPS architecture. The entity is responsible for holding and safeguarding assets of the NPS Trust.
- **Trustee Bank:** Trustee Bank is an interface with CRA and Pension Fund Managers. It manages the banking of Pension Funds in accordance with applicable provisions of NPS.
- **NPS Trust:** The Trust monitors the working of each and every entities / intermediaries operating under NPS architecture.
- **Regulator:** PFRDA (Pension Fund Regulatory and Development Authority)
- **Annuity Service Provider:** Employee, post maturity of NPS Account, would buy Annuity plan of his / her choice from any of the PFRDA registered Annuity Service Providers

4. What are different types of NPS Accounts?

Under NPS, two types of account are available to employees

- i. **Tier - 1 NPS Account** - where employees contribute his / her savings for retirement into a non-withdraw-able account.
- ii. **Tier - 2 NPS Account** - a voluntary savings account from which employees are free to withdraw their savings whenever he wishes. Employee's contributions and savings in this account will not enjoy any tax advantages.

5. What are the tax benefits available to employees for contribution under corporate model?

Under NPS corporate model, 10% of employee's salary (Basic + DA) will be contributed to NPS and is deducted from CTC which the employee gets along with the following tax benefits on contributions -

- a. **Tax Benefits on Employer's Contribution:** Contribution made by the Employer (10% of Basic and DA Salary) of the employee is deductible from taxable income under section 80CCD (2) of Income Tax Act 1961. The contribution made via Mphasis will be part of this section.
- b. **Tax Benefits on Employee's Contribution:** Employee can also contribute to his / her Tier - 1 NPS Account. This contribution is deductible from taxable income under section 80C upto Rs. 1.5 lacs. An additional contribution of Rs.50,000 p.a. is eligible for an additional deduction of Rs.50,000 p.a. Section 80 CCD(1B) of the Income Tax Act, 1961. This will be additional contribution if any, you make over and above via Mphasis.

PART	Section	Contribution Type	Contribution Amt	Comments
A	80 CCD(1)	Individual	Rs. 1.5 Lacs	Can claim upto 10% of Basic + D.A
B	80 CCD(1B)	Individual	Rs. 50, 000/-	Exclusively for NPS
C	80 CCD(2)	Employer	Up to 10% of Basic + D.A.	Under corporate model only, No cap on amount (Note: Effective from April 2021 there will be an upper limit capping of 7.5 lakhs)

6. What part of employee's salary will be contributed to NPS?

Under NPS corporate model, 10% of employee's salary (Basic + DA) will be contributed to NPS. However Mphasis does not have DA as a component and hence 10% will be deducted only from the employees basic salary.

7. What is meant by 'Defined Contribution' scheme?

Scheme where returns are not guaranteed are called defined contribution scheme. The returns under NPS are market driven. The returns generated through investments are accumulated and is not distributed as dividend or bonus,

8. Can NRI join NPS?

Yes, an NRI can also join NPS. However, they will need to work with Kotak directly and Mphasis will not be involved. They can get in touch with Kotak Mahindra Bank for further details by writing to nps@kotak.com. Employees working onsite cannot enroll for the corporate model under NPS as they are not under the India payroll

How to Opt for NPS:

1. What is the process of joining NPS (Online)

Employee Raises case in Ease +HR requesting enrollment to NPS



HRHD checks eligibility and communicates to employee with online portal link



Employee fills the Corporate Subscriber Registration form online and registers to the scheme



PRAN is generated via NSDL portal by Mphasis HR latest by 10th of every month

HR will make salary structure changes and employee receives re-structured salary letter by end of the same month



PRAN is generated and employee receives Welcome kit from NSDL



Form authorized by HR and forwarded to POP (Point of Presence)



Deductions are made from employees' salary and same is paid to Kotak as employee contributions



Deductions will be made automatically month-on-month. This will be aligned to the salary payout dates

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Note: Employee can only register online by adhering to the below checklist -

- Employee should have an Aadhar card and a mobile number linked to the Aadhar card
- Employee to keep a copy of his Aadhar card in his Computer/Laptop to upload the same during filling the online form.
- The Aadhar copy can be used for ID/Address proof
- Employee to sign on a white piece of paper and scan it in a jpeg format. The size cannot be more than 12KB.
- Employee to scan a cancelled cheque of their Account in a jpeg format. - Note the MICR code of a cheque. It's the number after the Cheque number

Employee to confirm his Retirement date from HR(60 years completion), as incorrect date will lead to PRAN not getting mapped to your Corporate.

2. What is the process of joining NPS?

Employee Raises case in Ease +HR requesting enrollment to NPS



HRHD checks eligibility and communicates to employee with subscription form and details



Employee fills the Corporate Subscriber Registration form and validates with POP vendor helpdesk at his/her location. Post that the employee has to courier to

HR Helpdesk-Shared Services team,

Mphasis Ltd, Bagmane World Technology Centre, WTC-3, Block B, 1ST Floor,

Marathalli, Outer Ring Road, Doddanekundi, KR Puram, Bangalore 560048



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Note:

Cut-off date is 10th of every month. If the PRAN number is generated on or before 10th of the month, the NPS deductions will be considered for the same month, if not it will be considered for subsequent month.

3. Which form a does an employee need to fill for new registration and where can it be obtained?

Once employee raises a case- HD team will send via email, the Fill NPS Registration Form (CSRF 1) form which must be filled up.

4. What is PRAN?

PRAN is Permanent Retirement Account Number which is allotted to the employee by Government of India upon successful registration to NPS.

5. What is PRAN Kit?

It's a Welcome Kit containing PRAN card, Employee details and an information booklet sent to the employee's registered address by CRA. The T-Pin (Telephonic password) and I-Pin (internet Password) are sent separately to the registered address.

6. What is PRAN Card?

PRAN Card is a document with PRAN, employee's name, father's name, photograph and signature/thumb impression. This card proves the completeness of information in the CRA system. A copy of the card is required for Tier - 2 activation and also for subsequent contribution NPS Account.

7. How can an employee check the status of application for registration?

An employee can go to <https://cra-nsdl.com/CRA/> using the I-PIN and check the status of PRAN kit using following path: Value added services >>> Track the status of the PRAN Card for NPS regular
Employees can also check with the Kotak Mahindra Branch or can call at CRA's toll free number 1800 222 080 for the status of pending request

8. How do employees come to know about his / her PRAN?

Once the PRAN is generated, an email alert as well as a SMS alert is sent to the registered email ID and mobile number of the employee by NSDL (CRA). For security reason, only the last four digits are mentioned in the alert. Employees can know the PRAN on receipt of the PRAN Kit.

9. Whom to contact for if the PRAN Card is not received?

PRAN Card is dispatched to the registered address within 20 days from the day of PRAN generation by NSDL (CRA). During this period, an employee can go to <https://cra-nsdl.com/CRA/> and check the status of PRAN kit using following path: Value added services >>> Track the status of the PRAN Card for NPS regular.

If for some reason PRAN is not received employee can write to info.cra@nsdl.co.in

You can also get your queries clarified via the NSDL Toll free number: 1800-222-080

10. Is it mandatory to open Tier – 2 NPS Account at the time of opening Tier – 1 NPS Account?

No. Tier – 2 NPS Account is optional to the employee. An employees can open Tier – 2 NPS Account later on as well.

11. Can an employee open only Tier – 2 NPS Account?

No. Active Tier – 1 NPS Account is a must criterion for opening Tier – 2 NPS Account. Employees cannot apply for only Tier – 2 NPS Account.

12. In which account (Tier - 1 / Tier - 2) corporate contribution would be processed?

Corporate contribution would be processed in Tier - 1 NPS Account only.

13. What is the use of T-Pin?

Employees can call at CRA's (NSDL) toll free number 1800 222 080 and access the Interactive Voice Response (IVR) or speak to customer service executive using the T-PIN (Telephonic Personal identification Number).

14. What is the use of I-Pin?

Employees can log in to CRA website using his / her unique ID and Password and access his / her NPS account details including investment details.

15. Can T-Pin and I-Pin be reset?

If for any reason an employee wants to reset the T-Pin or I-Pin it can be done by going to <https://cra-nsdl.com/CRA/> and clicking on “Forgot Password” option where they can choose to either reset the password through the generation of an OTP (One Time Password) or by answer a few questions set at the time of initial login.

Charges under NPS:

1. What are the charges under NPS?

Below are the details of charges under NPS :

Intermediary	Charge Head	Charge#	Mode of Deduction	Intermediary
Point of Presence	Initial Contribution Amount*	Rs. 500	To be collected through cheque.	Point of Presence
	Employee Registration Charge	Rs.125	To be collected up upfront through cheque as a part of the initial contribution amt.	
	Contribution Processing Charge**	0.25%	To be collected up front	
	Non – Financial Transaction Processing Charge	Rs.20	To be collected up front	
	Min amount to open account	RS 500	To be collected up front	
Central Recording Agency	Account Opening Charge	Rs.40	Through cancellation of units	
	Transaction Processing Charge	Rs.3.75	Through cancellation of units	
	Annual Maintenance Charge	Rs.95	Through cancellation of units	
Pension Fund Manager	Fund Management Charge	0.01%	Through NAV deduction	
NPS Trust	Management Fee	0.01%	Through NAV deduction	
		0.0075% p.a for Electronic	Through NAV deduction	
		segment & 0.05% p.a. for	Through NAV deduction	
Custodian	Security Deposit Charge	Physical segment	Through NAV deduction	

*Once the PRAN generation is complete and deductions for registrations done the remaining Rs. 351.40 is credited back to the employee.

**subject to minimum Rs.20 and maximum Rs.25000 per PRAN per Transaction #exclusive of Service Tax

2. Does employee need to pay POP charges over and above the contribution amount?

In general, the POP charges are deducted from the contribution amount deposited by the employee.

For example, if an employee has opted for Tier – 1 NPS Account and has deposited Rs.1000 as initial contribution, POP will deduct the following charges

- Employee Registration Charge: Rs.147.5 (Rs.125 + GST)
- Contribution Processing Charge:Rs.23.6 (Rs.20 + GST)

The balance amount Rs.834.7 (Rs.1000 – Rs.147.5 – Rs.23.6) will be sent for investment in Tier – 1 NPS Account of the employee

3. Are there any charges applicable for Tier – 2 NPS Account opening?

There is no charge for opening Tier – 2 NPS Account if employee has opted this account at the time of opening Tier – 1 NPS Account. However, if the employee opts for Tier – 2 NPS Account at a later stage, Rs.20 plus Service Tax would be applicable.

4. What is meant by Non-financial transactions?

Apart from contribution processing, employee is allowed to do below transactions as well which are known as Non– Financial transactions

- Switch from one sector to another
- Withdrawal from Tier – 2 NPS Account
- Change of Scheme Preference, Fund Manager and Asset Allocation Pattern
- Modification of Employee details like Change in Name, Change in Nominee, and Change in Address etc.
- Request for Re-issue of I-Pin / T-Pin
- Shifting of Employee from one POP / POP – SP to other POP / POP – SP
- Re-printing of PRAN
- Activation of Tier – 2 NPS Account
- Switching the amount from Tier – 2 NPS Account to Tier – 1 NPS Account
- Modification of Photograph / Signature of the employee
- Request of unfreezing of NPS Accounts

5. Is the ‘Transaction Processing Charge’ under CRA head applicable for both – Financial and Non – Financial Transaction requests?

Yes. Rs.4 plus Service Tax will be applicable for any kind of transaction request raised by the employee.

6. How is the Non – Financial Transaction Charge recovered by POP?

Employee needs to pay Rs.20 + Service Tax in Cash or by cheque at the time of submitting request for process of any Non – Financial transaction at the Kotak Mahindra Helpdesk.

Contribution / Financial Transaction:

1. What is Initial Contribution Amount?

Subscriber needs to pay minimum initial contribution amount depending on what type of account he / she has opted for

- i. Rs.500 if the subscriber has opted only for Tier - 1 NPS Account
- ii. Rs.1500 if the subscriber has opted to activate his Tier - 2 NPS Account

Subscriber has to pay the contribution in the form of Cheque at the Kotak helpdesk

2. What process employee needs to follow to make contribution to NPS Account?

To contribute in Tier - 1 and Tier - 2 NPS Account, the employee needs to deposit the contribution amount through cheque favoring “KMBL Collection A/c NPS Trust” along with duly filled NCIS (NPS Contribution Instruction Slip) to Kotak Mahindra Bank helpdesk.

In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the cheque

3. What are the documents required at the time of opening an NPS Account?

The Documents required are:

- 1. Address proof
- 2. Identity Proof
- 3. One color passport photo (No signature on photo)
- 4. NCIS (NPS Contribution Instruction Slip)
- 5. Cheque of initial contribution amount

4. Is it mandatory for the employee to contribute on his own in Tier - 1 NPS Account along with corporate contribution?

This is not mandatory. It a choice of individual employee to contribute to Tier - 1 NPS Account over and above the contribution made by the employer. However the employee needs to ensure that minimum incremental contribution (including corporate contribution) in Tier - 1 NPS Account for the financial year is Rs.1000.

5. Are there any minimum annual contribution requirement for Tier - 1 and Tier - 2 NPS Accounts?

Yes. Minimum annual contribution amount for Tier - 1 and Tier - 2 NPS Accounts as defined by PFRDA is as under.

- i. Tier - 1 NPS Account: Rs.1000

ii. Tier - 2 NPS Account: minimum unit holding at the end of FY should be Rs.2000

6. Is there any restriction in frequency of contribution?

Under the corporate model 10% is deducted from Basic + DA salary every month, Employees can additionally deposit his individual contribution into his NPS account which he can contribute vide the cheque for that amount.

On an individual level Employee has the option to make the contribution in any mode – monthly, quarterly, half yearly or yearly.

5. If the employee is on leave without pay, then will the 10% of Basic + DA clause for corporate contribution applicable for actual working days or for full year?

The 10% clause is applicable on actual Basic + DA salary an employee gets from the employer. In case of leave without pay, his / her actual Basic + DA salary is reduced and the 10% clause would be applicable on reduced salary.

6. If the employee has left immediately and three months' salary is given as settlement, how can he make corporate contribution towards NPS?

Since, the settlement amount is going to be treated as salary for the employee, NPS contribution from the corporate can be done as per the normal process.

9. How is NPS adjusted incase employee leaves the organization on the 15th of the Month?

In such a case the salary is deducted on a pro-rated basis and 10% of basic is contributed as NPS. However the minimum prorated contribution has to be Rs. 500/-.

10. How is NPS adjusted in a situation where an employee has a stop pay.

Whenever the salary is paid to the employee, the amount for NPS is deducted. In a situation where an employee has taken a sabbatical and there is a stop in pay, contribution to the NPS has to be made by the employee directly to the Kotak Mahindra Branch to keep the account active

11. Is there any restriction on amount to be invested in NPS?

Under the corporate model maximum contribution is 10% of Basic + DA salary. Individually there is no restriction in the amount that can be contributed.

12. Can employee increase or decrease the contribution amount in subsequent year?

Employee can increase or decrease the contribution amount as there is no limit on the amount of contribution which can be deposited by the employee into his NPS account. However of the tax benefit on the employers' is limited to 10% of Basic salary of an employee.

13. What is the TAT for credit of units to employee's Tier - 1 / Tier - 2 NPS Account?

The TAT for credit of units to employee's Tier - 1 / Tier - 2 NPS Account can range up to 15 working days for initial contribution and 7 working days for subsequent contributions after the clear funds are realized in Kotak Mahindra Bank account.

14. Does employee get any alert on credit of contribution amount to his / her NPS accounts?

Yes, once the contribution is credited to employee's NPS account, an email alert as well as a SMS alert is sent to the registered email ID and mobile number of the employee

15. Is third party contribution acceptable in Tier - 1 / Tier - 2 NPS Account?

Yes third party contribution is allowed.

16. Does the employee have the option to pick and choose when the contributions are to be made?

No employee cannot choose which month contributions are to be made. It will be deducted on a month on month basis from the employee's salary once he/she enrolls.

Minimum criteria required for subscribing

1. What happens if the employee does not pay the initial contribution amount at the time of registration?

It is advisable that employee pays the initial contribution amount directly to Kotak. In case the contribution amount is not credited in employee's NPS Account within one month of account opening, the account would be deactivated.

If the account is deactivated, employee will have to activate it by paying a fine of 100 INR into the NPS account.

2. What happens if the minimum contribution of Rs. 1000 is not available in Tier - 1 NPS Account at the end of the Financial Year?

In case the employee fails to contribute minimum Rs.1000 in Tier - 1 NPS Account, the PRAN is frozen. Once the PRAN is frozen, employee is not allowed to do any transaction (financial / non – financial) in both - Tier - 1 and Tier - 2 NPS Accounts.

3. How can an employee re activate the PRAN?

The employee should pay a minimum contribution of Rs. 500/- for current year together with a penalty of Rs. 100/- along with the reactivation request. POP Charges to be paid over and above this amount.

4. How can the employee unfreeze Tier - 2 NPS Account?

Employee needs to submit request for unfreezing the Tier - 2 NPS Account along with the amount required to unfreeze the Tier - 2 NPS Account. The amount required to unfreeze the account would be difference between the amount lying in the account as on date of freezing and Rs.500 for each year.

The penalty amount can be submitted to Kotak Mahindra Bank helpdesk. In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the amount.

5. Does Tier - 1 NPS Account of the employee also get frozen if Tier - 2 NPS Account is frozen?

No, Tier - 1 NPS Account will get frozen only in case minimum criteria is not fulfilled for Tier - 1 NPS Account.

Investment Options:

1. What are various Investment Choices available under NPS?

NPS offers two Investment Choices to employees – Active Choice and Auto Choice.

Active Choice: Under this option, employee selects the allocation pattern amongst the three funds:

- Equity Fund (E)
- Government Securities Fund (G)
- Fixed Income Instruments other than Govt. Securities (C)
- Alternate Investment funds (AIFs)

Auto Choice: Under this option, employee funds are automatically allocated amongst three funds E, C and G in a per pre-defined portfolio pattern prescribed by PFRDA. These pre defined portfolios are known as :

Aggressive lifecycle fund , Moderate lifecycle fund & Conservative lifecycle fund

Percentage allocation to different Asset Classes	Moderate Lifecycle fund (Existing) LC -50			Aggressive lifecycle fund LC-75			Conservative lifecycle fund LC-25		
Age	Equity (E)	Corp. Bonds (C)	Govt. Bonds (G)	Equity (E)	Corp. Bonds (C)	Govt. Bonds (G)	Equity (E)	Corp. Bonds (C)	Govt. Bonds (G)
Upto 35 years	50	25	25	75	10	15	25	45	30
36	48	26	26	71	11	18	24	43	33
37	46	27	27	67	12	21	23	41	36
38	44	28	28	63	13	24	22	39	39
39	42	29	29	59	14	27	21	37	42
40	40	30	30	55	15	30	20	35	45
41	38	31	31	51	16	33	19	33	48
42	36	32	32	47	17	36	18	31	51
43	34	33	33	43	18	39	17	29	54
44	32	34	34	39	19	42	16	27	57
45	30	35	35	35	20	45	15	25	60
46	28	36	36	32	20	48	14	23	63
47	26	37	37	29	20	51	13	21	66

48	24	38	38	26	20	54	12	19	69
49	22	39	39	23	20	57	11	17	72
50	20	40	40	20	20	60	10	15	75
51	18	41	41	19	18	63	9	13	78
52	16	42	42	18	16	66	8	11	81
53	14	43	43	17	14	69	7	9	84
54	12	44	44	16	12	72	6	7	87
55	10	45	45	15	10	75	5	5	90
55 & beyond	10	45	45	15	10	75	5	5	90

As the employee grows old, the investment is shifted more towards secured fund option – Government Securities.

2. What are the fund options available under NPS?

Below mentioned fund options (also known as asset classes) are available under NPS -

Maximum Investment Limits				
Active:	Upto 50%	Upto 100%	Upto 100%	Upto 5%
Auto:	Upto 75%			Upto 5%

3. Can an employee invest 100% of contribution to Equity Fund?

Under Equity Fund option, employee is allowed to invest only up to 50% of contribution amount in case of active choice & upto 75% of contribution amount in case of aggressive auto choice

4. Can an employee invest 100% in Government Securities or Corporate Bond Fund?

Yes, employee can invest 100% of contribution to Government Securities or Corporate Bond Fund under Active choice.

6. Can an employee select different Asset Allocation Pattern for Tier – 1 and Tier – 2 NPS Accounts? Can an employee select different Investment Choice for Tier – 1 and Tier – 2 NPS Accounts?

Yes. Employee can have different asset allocation patterns for both the accounts

7. What happens if the exposure in Equity Fund crosses the 50% threshold at any given point of time under Active Choice Scheme Preference option?

In case of excessive market performance where corpus in Equity Fund breaches the 50% threshold, system driven **Auto – Rebalancing of Portfolio** technique is carried out on next date of birth of the employee.

With this technique, units worth excessive corpus is redeemed from the Equity fund corpus of the employee and allocated to other Funds (Government Securities and Corporate Bonds) in the same pattern as last selected by the employee.

8. How the ‘Auto – Rebalancing of Portfolio’ technique work under Auto Choice Scheme Preference?

The same is system driven technique and is carried out on the next date of birth of employee.

Unit's worth excessive corpus (considered as per the age of the employee) is redeemed from the Equity fund corpus of the employee and allocated to other Funds (Government Securities and Corporate Bonds) in the same pattern defined for that age.

Account Transfer / Maintenance:

1. Can an employee change / modify his PRAN data?

Yes an employee can request for change / correction in personal details, nomination details, bank details, reissue of I-Pin/T-Pin/PRAN Card at the Kotak Mahindra Bank helpdesk.

An employee can also update his / her photograph and signature by submitting written request to Kotak Mahindra Bank helpdesk.

2. What happens if the employee changes the employment?

Employee has to shift his NPS account to

1. Corporate model of his new company if the new company has the corporate setup for NPS.
2. Individual model if the new company does not have corporate setup for NPS. .

Employee needs to submit the shifting request form along with the self-attested copy of his PRAN card & a cheque of Rs. 23.60/- favouring “KMBL Collection A/c NPS Trust”.

3. What happens if an employee has an active NPS Account?

If an employee already has an existing NPS account which is not under the corporate model then he can shift the account to the corporate model of Mphasis by submitting an ‘Inter Sector Shifting Form’ along with a cheque of Rs. 23.60/- in favour of “Kotak Mahindra Bank Collection Account NPS Trust” and a self-attested PRAN card copy and submit to Kotak helpdesk.

4. From where can the forms for service requests can be obtained?

The Composite Application Form can be obtained from the HR Helpdesk. In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the form.

5. Can an employee view the status of its request of change / modify in PRAN data?

Yes, employees can check with the representatives at the Kotak Mahindra helpdesk or can also login to <https://cra-nsdl.com/CRA/> using the I-PIN and check the status.

6. Can an employee request for a duplicate PRAN Card?

Yes. In case of loss or damage of PRAN Card, the employee needs to submit a duly filled **CS S2** form to the Kotak Mahindra helpdesk for issuance of duplicate PRAN Card.

Subsequently, the request is processed by CRA and a fresh PRAN Card is printed and sent to employee's registered address. This is a chargeable transaction.

In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the form.

7. Does CRA charge for PRAN Card Re-print?

Yes, the charge is Rs.50 plus applicable Service Tax. The charge gets deducted by unit cancellation.

8. Can an employee change asset allocation pattern for Tier - 1 / Tier - 2 NPS Account?

Yes an employee can request for a change in asset allocation once in a financial year for each of Tier - 1 and Tier - 2 NPS Account. In case the Employee wants to change Asset Allocation for both Tier-1 & Tier – 2 accounts then he / she should submit separate forms for each Tier.

9. Can an employee change the scheme preference?

Yes. The employee can change the scheme preference once in a financial year for both – Tier - 1 and Tier - 2 NPS Accounts. In case the Employee wants to change Scheme Preference for both the Tiers then he / she should submit separate CS S3 forms for each Tier to the Kotak Mahindra Helpdesk. The forms can be downloaded from the NSDL portal <https://cra-nsdl.com/CRA/>

In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the form.

10. Can an employee change the Pension Fund Manager?

Yes, employee can change the Pension Fund Manager for both Tier - 1 and Tier - 2 NPS Accounts once in a year. In case the Employee wants to change Pension Fund Manager for both the Tiers then he / she should submit separate S3 forms for each Tier to the Kotak Mahindra Helpdesk. The form can be downloaded from the NSDL portal <https://cra-nsdl.com/CRA/>

In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the form.

11. Do employees get any physical statement for NPS account?

Yes. An annual statement containing details of the unit holdings is issued by CRA to employee's registered address within 3 months of the end of every financial year.

12. How does employee get its Statement of Transaction (SOT) on ad-hoc basis?

Employee can view / print the SOTs by logging into CRA website <https://cra-nsdl.com/CRA/> using the I-PIN.

13. If the corporate has selected Pension Fund Manager, Scheme Preference and Asset Allocation under NPS Corporate Sector Model, will this be applicable for Tier - 2 NPS Account as well?

No, the same will be applicable only for Tier - 1 NPS Account

Withdrawal from Tier - 1 NPS Accounts:

1. Can an Employee withdraw the entire Corpus from Tier – I NPS Account?

Primary objective of Tier – I NPS Account is to create a Corpus which can be used at the time of retirement to buy pension for the Employee / Nominee. Hence, there is a restriction imposed on lump sum withdrawal amount as mentioned below

Exit from NPS at the age of 60 years	Maximum amount available for lump sum withdrawal would be 60% of the Corpus
Exit from NPS before the age 60 years	Maximum amount available for lump sum withdrawal would be 20% of the Corpus

However, if the Corpus at the time of exit from NPS at the age of 60 years is less than 2 lacs, Employee will have to compulsorily withdraw the entire amount in lump sum.

2. Is it mandatory to withdraw the amount immediately at the time of exit from NPS?

In case of exit from NPS on attainment of the age 60, employer contribution will stop, however an employee can defer the withdrawal of his corpus for another 10 years upto the age of 70 years. However if he defers his contribution period beyond 60 years, then he cannot defer his annuity whenever he chooses to finally withdraw his corpus from his NPS account. The derment decision will depend on the market condition. That means, if at the time of exit from NPS (on attaining the age 60) if market is not good and funds are low, employee can let the amount in NPS account be and he can opt for withdrawal at any point of time before he attains the age 70 years.

However, in case of pre – mature exit from NPS (before attaining the age of 60 years), Employee does not have option to defer the option.

3. What happens to the funds if employee opts to defer the withdrawal (after the age 60 years)

The fund would continue to remain invested. The Pension Fund Manager, Scheme Preference and Asset Allocation Pattern will remain the same as these were at the time of investing.

However employer contribution will stop.

4. What will happen to NPS accounts after the employee attains the age 60.

Both Tier - 1 and Tier - 2 NPS Accounts would be closed. Employee will not be allowed to make any further contribution in either of the accounts.

Amount lying in the Tier - 2 NPS Account is transferred from the Trustee Bank to employee's bank account as registered in the CRA system.

Withdrawal from Tier - 2 NPS Accounts

1. What process employee needs to follow for withdrawal from Tier - 2 NPS Account?

In order to withdraw from Tier - 2 NPS Account, the employee needs to submit a duly filled UOS-S12 form to the associated Kotak Mahindra helpdesk.

In case helpdesk is not present the employee can write to nps@kotak.com following which a time can be scheduled for the Kotak Mahindra representative to come and collect the form.

2. What is the TAT for redemption from Tier - 2 NPS Account?

After the request is processed in CRA system by Kotak Mahindra Bank on T+3 days, (T being the date of processing) the funds are transferred from the Trustee Bank to employee's bank account as registered in the CRA system.

Annuity/Pension

1. In case the employee opted for withdrawal from Tier – 1 NPS Account before the age 60, at what age annuity will start?

In case of pre-mature withdrawal, the employer will have an option of lump sum withdrawal up to 20% of his total corpus, while the balance amount will have to be invested in the annuity scheme of his choice.

2. Can an employee change the annuity service provider?

Yes, an employee can change the Annuity service provider once a year.

3. Can an employee use 100% of accumulated wealth to buy annuity plan?

Yes. Employee can use 100% of accumulated wealth to buy annuity plan

4. In case of death of employee, what happens to the annuity plan bought by him / her?

In case of death of the employee, the pension payment to the nominee will be determined by the annuity scheme opted by the employee. There are 7 types of the annuity schemes :

Annuity for life – Here payment of annuity stops after the death of the annuitant.

1. **Annuity guaranteed for 5, 10, 15 or 20 years and for life thereafter** – There are 2 scenarios :
 - a. If the annuitant dies during the guarantee period –payment of annuity continues to be paid to the nominee for the entire guarantee period
 - b. If the annuitant dies after the guarantee – payment of annuity stops.
2. **Annuity for life with return of purchase price on death** – Payment of annuity stops and purchase price is returned to the nominee.
3. **Annuity for life increasing at simple rate of 3% p.a.** – payment of annuity ceases.
4. **Annuity for life with a provision for 50% of the annuity to the spouse of the annuitant for life on death of the annuitant** – payment of annuity stops and 50% of the annuity is paid to the surviving named spouse during his/her life time. In case the spouse dies before the annuitant then payment of annuity stops after the death of annuitant.
5. **Annuity for life with a provision for 100% of the annuity to the spouse of the annuitant for life on death of the annuitant** - payment of annuity stops and 100% of the annuity is paid to the surviving named spouse during his/her life time. In case the spouse dies before the annuitant then payment of annuity ceases after the death of annuitant.
6. **Annuity for life with a provision for 100% of the annuity payable to the spouse of the annuitant for life on death of the annuitant, with return of purchase price on the death of last survivor** – 100% of the annuity is paid to the spouse of the annuitant for during his/her lifetime and purchase price is returned to the nominee after death of spouse. In case the spouse dies before the annuitant then payment of annuity ceases after the death of annuitant.

Death Proceedings

1. **In case of death of the employee, who can claim the corpus in Tier - 1 and Tier - 2 NPS Accounts of deceased?**

In case of death of the employee, option will be available to the nominee to receive 100% of the NPS pension wealth in lump sum. In case, nominee is not there, the legal heir to the employee can claim the corpus.

2. **What is the process of claiming the corpus after death of the employee?**

The beneficiary needs to submit a withdrawal form available at the NSDL website and submit it at the Kotak Mahindra branch for processing the request. After the request is processed, a cheque is issued favoring the beneficiary and forwarded to the Kotak Mahindra Bank branch by CRA, which can be collected by the beneficiary.

3. What happens if the employee dies after attaining the age 60?

The mode and manner of payment of amount (if any available) will depend on the type of annuity plan / scheme selected by the employee while buying the annuity.

Opt-out from the corporate model

Scenario 1

Mr X has enrolled for the corporate scheme of NPS in Jan 2018. Can he opt-out of the scheme anytime during the year?

No. In this case, he will have to remain in the scheme till the end of that financial year.

Scenario 2

When will the opt-out option be available for Mr X?

The opt-out window will be enabled for Mr X only from 5th March to 15th March of the following FY. The effective date of opt-out from the NPS scheme is 1st April

Scenario 3

Mr X wants to opt out of the scheme in May 2019. Is this possible?

No. The opt-out window will be enabled only from 5th March to 15th March 2019.

Escalation Matrix

1. What is the process of registering grievance / complaint?

If an employee has any complaint he/she can write to smita.kumari@kotak.com. In case there is no response from the Kotak Mahindra representative then the employee can raise a Ease+ HR Ticket, post which the HR helpdesk will redirect them to the Kotak representatives.

The table provided below explains the escalation matrix in case of any complaint –

Level	Point of Contact
1.	Smita Kumari – smita.kumari@kotak.com
2.	Raise Ease+ HR Ticket–: AppAccess >> EASE+ >> HR Icon >> Dexter
3.	NPS @ Kotak - nps@kotak.com

You can also get your queries clarified via the NSDL Toll free number: 1800-222-080

Policy Revision History

Serial No.	Version No.	Date of Change	LT2 Approver	Sections Affected	Changes in Brief
1	1.0	13 Feb 2014	-----	All	Initial Draft
2	1.1	14 Sep 2017	-----	Included Online process , Escalation Matrix added	Included Online process , Escalation Matrix added
3	1.2	19 Jan 2018	-----	Opt Out from corporate model	Included the details for Opting Out from corporate model
4	1.3	15-May-2018	Bamini G	Multiple	NSDL Toll free number included
5	1.4	31-Jul-2019	Suresh SR	Escalation Matrix	Replaced PS Case with Ease+ HR Ticket. Navigation details updated
6	1.5	15-Sep-2020	Bamini G	Multiple	Updated the POC in escalation matrix PRAN generation step amended e-NPS process reference provided TAT for receiving PRAN card is revised to 20 days