



# Flexible Benefit Plan (FBP) Frequently Asked Questions

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## **Contact Points – Helpdesks**

### **Only for Policy Related Clarifications**

- Associates can raise GSD requests in <https://gsd.cognizant.com> → Human Resources → India Payroll with the below CTIs:

Category*	Type*	Item*
FBP	Car Running Expense	Policy Related - Driver's Salary
FBP	Car Running Expense	Policy Related – Fuel
FBP	Car Running Expense	Policy Related – Maintenance
FBP	Car Running Expense	Procedure for Credit card
FBP	Food Card	Policy Related
FBP	LTA	Policy Related
FBP	LTA	Reimbursement method
FBP	Mobile	Policy Related
FBP	Mobile	Procedure for Credit card
FBP	Superannuation Fund	Policy Related

### **Salary / Reimbursement Credit/ Tax Related Queries / Approval of FBP bills / Credit card transactions confirmation**

- Call GSD Helpdesk (**VNET 56666**, Please dial 3 followed by 2 for Payroll Voice Support) or
- Associates can also raise GSD request using the link <https://gsd.cognizant.com> → Human Resources → India Payroll

Category*	Type*	Item*
FBP /Reimbursements	Car Running Expense	Car Maintenance, Insurance, Driver's Salary
FBP /Reimbursements	Car Running Expense	Credit status
FBP /Reimbursements	Car Running Expense	Missing credit card Transactions
FBP /Reimbursements	Credit Card mapping	Bank POC not responding
FBP /Reimbursements	Food Card	Amount not credited/loaded in
FBP /Reimbursements	Food Card	Food Card Issue
FBP /Reimbursements	Leave travel allowance	Unclaimed amount
FBP /Reimbursements	LTA	Claiming Process
FBP /Reimbursements	LTA	Credit Status
FBP Reimbursements	LTA	Document Submission /
FBP /Reimbursements	Mobile Reimbursement	Credit status
FBP /Reimbursements	Mobile Reimbursement	Missing credit card Transactions
FBP /Reimbursements	Mobile Reimbursement	Payment Issues
FBP /Reimbursements	NPS	Enrolling
FBP /Reimbursements	NPS	Status
FBP /Reimbursements	Superannuation Fund	Enrolling and login

Tax Exemption	80C	Query
Tax Exemption	Higher education loan	Query
Tax Exemption	House rental	Query
Tax Exemption	Loss on House	Query
Tax Exemption	Mediclinic	Query

## Proof of Car Ownership – Submission and Approval

Associates can raise a GSD with the following CTI in <https://gsd.cognizant.com> → Human Resources → India Payroll

Category*	Type*	Item*
FBP /Reimbursements	Car Running Expense	Car Ownership - Proof & Registration

## Finance Point of Contacts for Claims Submission - (For All Reimbursable FBP Components)

Location	Place for claims submission	Finance Point of Contact
<b>Bangalore</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Kolkata</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Hyderabad</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Chennai</b>	Mail Room (Internal courier)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Pune</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Coimbatore</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Kochi</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Mumbai</b>	Mail Room (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>Gurgaon</b>	Admin, Gurgaon (Drop box available)	Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.
<b>All other client locations</b>	Direct courier	<b>LTA &amp; Car Running Only:</b> Payroll department, 6th Floor, CCO, Menon Eternity, Building, 165, St.Mary's Road, Alwarpet, Chennai –600 018.

## Food Card - Bank Contact points

### HDFC Bank

Any queries related to HDFC prepaid food card, please write to [Foodcardsupport.cts@hdfcbank.com](mailto:Foodcardsupport.cts@hdfcbank.com)

TAT for reply is one working day, i.e. Mails received on Day "0" will be replied by Day "1" EOD.

Please follow the escalation matrix, in case you did not receive a response within specified TAT.

#### Escalation Matrix

In case of no response, you may escalate to the following IDs with the relevant query id (the query id will be useful to track and trace the query faster)

Escalation 1 - DAY 2 : Premkumar.M@hdfcbank.com

Escalation 2 - DAY 3 : Srinivasan.Annamalai@hdfcbank.com

Escalation 3 - DAY 4 : Rohit.Khemani@hdfcbank.com

Associates need to contact HDFC phone banking (your local std code- 61606161 option 1, 3) for:

1. I-Pin Generation
2. Loss of HDFC Food card and application for a new card

Associates are also requested to read through all the other FBP Documents on the home page of <https://mypay.cognizant.com> for better understanding of the FBP Framework.

### Axis Bank

Escalation level	Name	email id
Level 1	M.Ramaguruparan	<a href="mailto:M.Ramaguruparan@axisbank.com">M.Ramaguruparan@axisbank.com</a>
Level 2	R Balakumaran	<a href="mailto:Balakumaran1.R@axisbank.com">Balakumaran1.R@axisbank.com</a>
Level 3	G Subramanian	<a href="mailto:G.Subramanian@axisbank.com">G.Subramanian@axisbank.com</a>

Please refer to the documents on FBP Policy on the home page of <https://mypay.cognizant.com> for better understanding of the FBP Framework.

## Frequently Asked Questions

### 1. What is a Flexible Benefit Plan, and what are its benefits?

Flexible Benefit Plan (FBP) allows you to structure your benefits to suit your individual needs. With FBP you can choose from a bouquet of components that comprise your benefits structure. A desired value can be assigned to each benefit component you choose. The assignable value is subject to allowed limits as per FBP policy. The benefit components available in FBP help in making the structure more tax effective.

### 2. What is the maximum amount I can claim using the Flexible Benefit Plan?

Sum of the following components is available for allocation under the FBP:

- HRA, Conveyance Allowance and Special Allowance – Up to Associate level
- HRA and Special Allowance – Senior Associates and above

**3. Up to an Associate level, what benefits can I claim through the Flexible Benefit Plan?**

The benefits available as a part of Flexible benefit plan up to an Associate level are House Rent Allowance, Conveyance Allowance, Leave Travel Allowance, Food Reimbursement, Mobile Reimbursement, National Pension Scheme(NPS) and Superannuation Fund.

**4. As an associate at Senior Associate or Manager Level, what benefits can I claim through the Flexible Benefit Plan?**

The benefits available as a part of Flexible Benefit Plan for Senior Associate and Manager Levels are House Rent Allowance, Leave Travel Allowance, Car Running Expense, Food Reimbursement, Mobile Reimbursement and National Pension Scheme.

**5. As an associate at Senior Manager and above Level, what benefits can I claim through the Flexible Benefit Plan?**

The benefits available as a part of Flexible Benefit Plan for Senior Manager and above levels are House Rent Allowance, Leave Travel Allowance, Car Running Expense, Food Reimbursement and National Pension Scheme.

**6. I have been with Cognizant for a month. What benefits can I avail from the Flexible Benefit Plan?**

The eligibility for availing the components under the FBP depends only on the grade of the associate and not on the duration of employment with Cognizant.

**7. Will the allowances be credited to the salary account or will it be given separately?**

While most allowances would be credited to the salary account, certain benefits like Food Reimbursement (would be administered through a pre-loaded card) and superannuation (which is a retrieval benefit) will not be credited into the salary account.

**8. How can I divide the amount in Special Allowance?**

The amount available in Special Allowance can be distributed amongst the components available as a part of the FBP within the allowable limits.

**9. Can I divide my incentive between the allowances?**

No. Incentive amount is a one-time pay out which is not a part of the amount available under the Flexible Benefits Plan.

**10. Do I have to update the table on a monthly basis, or are the details entered only once in a financial year?**

The benefits defined once can be redefined on a monthly basis if the associate so desires.

**11. Can I cancel or recall the amount I have entered in the Flexible Benefit Plan after submission?**

The amounts entered while defining the various components in the FBP page can be re-entered any number of times within the window period of 5<sup>th</sup> to 24<sup>th</sup> of every month.

## **12. How does the amount declared under any FBP component works?**

The amount defined under various FBP Components in the FBP earnings definition page is deducted from the associate's Special allowance and hence associates will see a lesser special allowance in their Payslip compared to the offer letter/Eletter. The Special allowance in the Payslip corresponds to the special allowance in FBP earnings definition page in <https://mypay.cognizant.com> and does not correspond to the special allowance in the offer letter/Eletter. The amount deducted from the special allowance is accrued under the respective FBP component (Mobile reimbursement, Car running expenses, Leave Travel allowance, Food Reimbursement). The amount accrued by the associates will be paid as reimbursement, only after appropriate claims by submitting proofs as mentioned in the FBP Policy document. The reimbursement cycles for various FBP components are also mentioned in the policy document. The reimbursable FBP components do not form part of the Payslip and hence can be viewed in the link <https://mypay.cognizant.com> → Mstatements → Reimbursement slip.

## **Food Reimbursement**

### **13. What kind of food coupons are given as part of the Food Reimbursement?**

Food Reimbursement is administered through a "Meal Card" (like a debit card) and not through food coupons. The card would be credited with the declared amount along with the salary. This card is different from the debit card offered along with your salary account. Associates can use their "Meal Card" to avail Food Reimbursement only for food items at the outlets specified by the third party vendor who will be providing the cards.

### **14. What happens if the total credit of Rs.3000 worth of food is not consumed in a month?**

The amount remains in the card and gets carried forward to the next month.

### **15. Is there a limit of per day card usage?**

Yes. The usage is limited by governmental regulations to Rs. 100 per day.

### **16. Is the benefit transferable to any fellow colleagues in case of any emergency?**

No.

### **17. What should I do if my card gets misplaced?**

Please contact the vendor (details in the website of the vendor) to block the card from being misused and apply for a new card.

### **18. Can I use food coupons in restaurants and grocery stores?**

Associates can use their "Meal Card" to avail the food reimbursement only for ready-to-eat cooked food items at the outlets specified by the third party vendor who will be providing the cards.

### **19. Where should I submit the details of my "Meal Card"?**

Associate can enter their Meal Card details in <https://mypay.cognizant.com> > MyUPdates > Personal Information > Food Card Details.

**20. How much amount can I accumulate in my “Meal Card”?**

The maximum amount that can be maintained in the *Food Card* is (According to RBI Regulations):

1. Rs.50,000/- for Associates
  - a. Holding any account in HDFC (is an existing customer of the bank)
  - b. Not holding any account in HDFC (not being an existing customer), but have provided their KYC details to the bank for this Food Card purpose
2. Rs. 10,000/- for Associates not holding accounts in HDFC/Axis Bank and have also not submitted their KYC details to the bank as required for this Food Card purpose

**21. Can I top up or load the “Meal Card” in my own individual capacity?**

The “Meal Card” can be loaded on a monthly basis only by your employer. Associates cannot top up the “Meal Card” in their own capacity.

**22. How do I check the balance available in my “Meal Card”?**

Associates can check the balance available in their “Meal Card” at any ATM centre or through IPIN.

**23. What happens to the amount in the “Meal Card” if I travel on a global assignment?**

The “Meal Card” has a validity period like a typical debit card. Associates can use the amount available in the card till its validity period.

**24. How is the definition on Food Reimbursement treated in case of a resignation?**

The amount defined under Food Reimbursement would be treated as Special Allowance and be paid after appropriate tax treatment as a part of the full and final settlement.

## **Mobile Reimbursement**

**25. Does the mobile connection need to be in the company name for reimbursement?**

No. The mobile connection should be in the name of the associate and should be in the same location as the workplace for claiming the reimbursement.

**26. Can I claim mobile bill if it is in my spouse / father’s name?**

No. Associates can claim only mobile bills for connections in their names.

**27. What if the amount defined in FBP is less than bill amount of a particular month?**

Only the amount which is defined in FBP for Mobile Reimbursement will be reimbursed.

**28. Can I claim reimbursement for a pre-paid connection?**

No. Only post-paid connections are reimbursed.

**29. Are landlines considered for the purpose of reimbursement?**

No. Only mobile phone connections will be reimbursed.



**30. How many post-paid connections can I get reimbursed?**

Associates shall be reimbursed in respect of one post-paid connection only.

**31. How do I pay my mobile bills to get my reimbursement?**

Associates have to pay their bills by the credit card obtained from ICICI, HDFC or Axis. The bank will share the mobile bill payment details with Cognizant. Associates would be reimbursed based on the data shared by the bank. As per Reserve Bank of India mandate, only bills paid by credit card shall be reimbursed. Bills paid by any other mode of Payment shall not be reimbursed.

**32. Do I have to submit my bills?**

No. Associates have to retain their original bills for future reference.

## **House Rent Allowance**

**33. I am from another city and stay in a hostel. Can I submit my hostel accommodation charges as House Rent Allowance?**

Yes. Hostel accommodation is covered under House Rent Allowance. Please read the policy for further details.

**34. What if I am deputed to another location for short period of time?**

Proof for rent payment at the deputed location has to be shown for the respective months to claim exemption.

**35. How do I claim tax exemption for the HRA amount?**

Associates have to submit the proof mentioned in the policy document and provide the details at <https://mypay.cognizant.com> → My update → Higher Education loan, HRA and Investments actual.

**36. Under FBP should I necessarily have to declare 60% of my basic towards my HRA?**

No. Associates have the flexibility to declare any amount ranging from 0 to 60% of their basic salary towards HRA.

**37. Can I claim HRA if I stay at my own house?**

No. HRA is provided only for a rented accommodation and not for own house.

## **Car Running Expense**

**38. What is covered under Car Running Expense?**

Car Running Expense can be claimed under the following heads: Fuel, Driver's Salary, and Car Maintenance.

**39. Can the car be in the name of my dependents?**

No. The car should be registered in the name of the associate.

#### **40. Do I need to submit any proof for ownership?**

Yes. Associates have to submit a copy of the RC book as the proof for ownership.

#### **41. How should I pay my fuel, Driver's Salary and car maintenance bills?**

Associates have to pay their fuel bills and car maintenance expenses by the ICICI, HDFC or Axis card. The associates would be reimbursed based on the data shared by the banker to Cognizant. Please note that car maintenance bills can also be paid by cash and bills can be submitted for claiming the reimbursement. As per Reserve Bank of India mandate, only bills paid by credit card shall be reimbursed. Bills paid by any other mode of Payment shall not be reimbursed.

**Fuel expenses** – Only by Credit card (Please refer FBP policy document for claim process)

**Driver's salary** – Only by Cash (Please refer FBP policy document for claim process)

**Car maintenance expenses** – Credit card or cash (Only by sending the original receipt to CCO (Please refer FBP policy document for claim process)

#### **42. What expense is covered under "Car Maintenance"?**

Car Insurance, Breakdown and Preventive Maintenance charges.

#### **43. What do I need to do if my car is registered in a state different from my work location?**

If the car is registered in any other state, the associate has to submit an NOC and Road Tax receipt from the State of the associates' current location (office).

#### **44. When do we get credit card transaction and payment for the transactions confirmed in the current month?**

Transaction pertains to previous month will be loaded in the current month on 10<sup>th</sup> of every month and payment for the confirmed transactions will be paid on 21<sup>st</sup> of every month.

### **Superannuation Fund Contribution**

**Note:** Superannuation Fund is a retirement benefit provided to employees. The amount defined by the associates under FBP will be deducted from their monthly salaries and contributed towards superannuation fund under the Group Superannuation Scheme administered by LIC. There would be no contribution from the company towards the same.

#### **45. What is a Superannuation Fund?**

It is a fund built through monthly contribution and is realized at the time of superannuation (Retirement) of the associate.

#### **46. What is superannuation?**

Superannuation refers to that age at which associates retire from the company, which is 58 years of age.

#### **47. What is the contribution limit?**

The contribution limits are a minimum of Rs. 500 per month and subject to a ceiling of 15% of basic salary or Rs. 150,000 per annum, whichever is lesser.

**48. Is there an equal contribution from the employer?**

The amount defined by the associates under FBP will be deducted from their monthly salaries and contributed towards superannuation fund. There would be no contribution from the company towards the same.

**49. Who maintains the fund?**

Life Insurance Corporation of India maintains the fund.

**50. Who guarantees the payment of pensionable amount on resignation or retirement?**

Life Insurance Corporation of India.

**51. Can I withdraw any amount contributed to the fund?**

No. Associates cannot withdraw any amount from the fund till they superannuate.

**52. How do I get back the money after my retirement?**

Associates will receive an amount on a monthly basis as pension on retirement. This monthly amount is calculated as a percentage (called as "pension rate") of the total value of the fund. The pension rate is defined by the government of India. Alternatively, associates can commute (i.e opt to withdraw) 1/2 or 1/3 portion of amount available in the fund on retirement, which is completely tax exempt (If an associate served more than 4 years 240 days in the present organization then he/she can withdraw only 1/3 of the contributions). In this case, the pension amount would be calculated on the rest of the 2/3<sup>rd</sup> value which is still maintained in the fund.

**53. What happens to the fund on separation from Cognizant before superannuation?**

There are two options available:

- Associates can transfer the fund to their future employer if they have an option, or keep the fund dormant if they do not have an option available with their future employer.
- Associates can choose to receive an amount on a monthly basis as pension. This monthly amount is calculated as a percentage (called as "pension rate") of the total value of the fund. Alternatively, associates can commute (i.e opt to withdraw) 1/2 or 1/3 portion of amount available in the fund on retirement, which is taxable (If an associate served more than 4 years and 240 days in the present organization then he/she can withdraw only 1/3 of the contributions). In this case, the pension amount would be calculated on the rest of the 2/3<sup>rd</sup> value which is still maintained in the fund.

**54. Is the amount contributed towards Superannuation Fund exempt from tax under 80C?**

The contribution towards Superannuation Fund is fully exempt from income tax, but it does not fall under the umbrella of 80C deductions.

**55. Who decides the pension rate and what is the typical pension rate?**

Life Insurance Corporation of India. The typical pension rate varies between 7% to 9%.

**56. How frequently is the pension rate revised?**

The pension rate is revised every Year.

**57. When will the interest accrue on the Superannuation fund investment?**

31st March of every year.

**58. How long will I get my pension under superannuation scheme?**

Pension will be paid based on the type of scheme opted by the associate. Please refer “Annexure I Pension Type” document available under MyPay > Myforms > Group Superannuation Forms.

**59. Is there a double contribution towards superannuation fund like PF?**

Unlike PF contributions, there is no double contribution towards the superannuation fund. Only the associates contribute through the company. There is no contribution made by the company for the associates over and above their compensation.

**60. Can I avail of a loan from the amount available in the superannuation fund?**

No. It is not possible to avail of a loan from the superannuation fund.

**61. What happens on resignation, when I am in no contact with Cognizant? Who will be my contact for keeping track of my funds?**

On resignation when associates start receiving pension, the associate will receive an annuity number which can be used as the reference number to track the funds.

**62. What is the rate of interest offered on the contributions?**

The rate of interest is fixed at 8 to 8.5 % approx for old policy and 7.5 to 7.7 % approx for new policy rate to be entered

**63. What is the minimum amount that I can receive as pension?**

The minimum pension payable is Rs. 400. If the pension amount falls below Rs. 400, then the associates are paid the entire amount available in the fund on superannuation as a one-time payment.

**64. What happens in the event of death?**

Please refer “Annexure I Pension Type ” document available under MyPay > Myforms > Group Superannuation Forms.

## **National Pension System (NPS)**

**65. What is NPS?**

New Pension System (NPS) is a scheme introduced originally in 2003 by the Government of India to enable individuals to save for their retirement, and was extended in 2009 to cover employees of private sector as well. Effective April 1st, 2011, the Government has exempted from Income tax the contribution through the employer.

The scheme is administered and controlled by the Pension Fund Regulatory & Development Authority – PFRDA ([www.pfrda.org.in](http://www.pfrda.org.in))

In NPS, a subscriber contributes every year till retirement and the contribution is invested as per the investment pattern selected by the subscriber. On retirement, part of the investment corpus (Pension Wealth) accumulated is paid in lump sum while the remaining goes in purchasing a life annuity which will ensure stable monthly income to the subscriber till death.

## 66. Who can invest in NPS?

Any Indian citizen, whether resident or non-resident, can invest in this scheme provided he is between 18 to 60 years of age as on the date of submission of application. The applicant would also be expected to complete the regular KYC formalities before opening the account.

## 67. What are the benefits of NPS?

- Voluntary
  - Simple
  - Flexible
  - Investment Option
  - Portable
  - Regulated
  - Cost
  - Returns
- Open to all Indian Citizens
  - Easy to operate
  - Option for choosing Pension Funds
  - Choose between Equity / Fixed Income Instruments / Govt. securities
  - Can be operated from anywhere in the country
  - Regulated by PFRDA, a statutory authority
  - Lowest fund cost
  - Market driven returns

## 68. What are the types of account under NPS?

Tier I and tier II are the two types of accounts available for investment in NPS.

- **Tier I account:** You shall contribute your savings for retirement into this non withdrawable account.
- **Tier-II account:** This is a voluntary savings facility. You will be free to withdraw your savings from this account whenever you wish, subject to certain conditions.

However, a subscriber needs to have Tier I account before opening tier II account.

## 69. What are the differences between Tier I and Tier II accounts?

	Tier I	Tier II
Contribution	Minimum One Contribution per year.	No such requirements.
	Minimum Contribution - Rs.500 at the time of Account opening.	Minimum Contribution - Rs.1,000 at the time of Account opening.
	Minimum Contribution - Rs.500 per contribution.	Minimum Contribution Rs.250 per contribution.
	Minimum Annual Contribution - Rs.6,000	No such requirements, contribution is purely voluntary.
	Non-withdrawable, balance keeps accumulating at end of each year	Withdrawable, subject to the condition that a minimum balance of Rs.2,000 should be maintained at the end of each Financial Year.
Withdrawal	One time withdrawal of up to 20% before 60 years, balance 80% has to go for Annuity	No limit on Withdrawal
	At 60 years can withdraw 60% and balance 40% needs to go into Annuity.	Transfer to Tier I allowed.
Pension Payout	Customer to choose the Annuity Fund	Flexibility of anytime withdrawal.
	Pension will be paid till the age of 70 years and balance amount to be withdrawn	

## 70. Are the tax benefits available under NPS?

Amounts allocated under the FBP plan towards NPS would be fully tax exempt.

## 71. What are the charges under NPS?

NPS offers an extremely low cost option for retirement planning. Because of such low charges, the banks and other intermediaries do not promote the NPS scheme.

**A 0.0009%\* fee (based on assets under management) for managing your wealth, makes pension funds under NPS perhaps the world's lowest cost money managers.**

Following are the summary of charges under NPS:

Intermediary	Charge Head	Service Charge*	Method of Deduction
NSDL (Record keeping Agency)	Account Opening Charges	Rs.50	Through cancellation of units
	Annual maintenance cost per account	Rs.280	
	Charge per transaction	Rs.6	
ICICI Bank (POP)	Initial subscriber registration and contribution upload	Rs.40	To be collected upfront
	Any subsequent transactions	Rs. 20	
Custodian	Asset Servicing charges	0.0075%	Through NAV deduction
Fund Manager	Investment Management Fee	0.0009% p.a	Through NAV deduction

- If the subscriber contributes less than Rs. 6,000 in a year, then
  - a. He would have to bear a default penalty of Rs 100 per year of default and the account would become dormant.
  - b. In order to reactivate the account, the subscriber would have to pay the minimum contributions, along with penalty, due for the period of dormancy.
  - c. A dormant account shall be closed when the account value falls to zero.
- The fee structure may change as may be decided by PFRDA/NPS Trust from time to time.

## 72. Who manages the amount contributed to NPS?

PFRDA has appointed six Pension Fund Managers (PFM) to manage the fund, and a subscriber has to choose one with whom he wishes to place his money.

- Pension Fund Manager available are listed below in alphabetical order:
  - ICICI Prudential Pension Funds Management Company Limited
  - IDFC Pension Fund Management Company Limited
  - Kotak Mahindra Pension Fund Limited
  - Reliance Capital Pension Fund Limited
  - SBI Pension Funds Private Limited
  - UTI Retirement Solutions Limited

A subscriber has to compulsorily select one of these fund managers; otherwise the application will be rejected. In case he is not satisfied with the performance of a fund manager, he has the option to switch to another manager. However, this option can be utilized only once in a financial year.

## 73. Where do the funds get invested?

After selecting the fund manager, the subscriber needs to select any one of the two approaches available to invest the money.

The asset classes under which the funds are invested are equity (E), fixed-income instruments (C) or government securities (G).

**NPS offers the following two approaches:**

**1. Active choice- subscriber has an option to decide the % in various asset classes.**

- A subscriber can invest up to 50% (max limit) of its pension wealth in equities and the remaining either in fixed-income instruments or government securities or both.
- Once the option is selected, the pension fund managers will manage your investment in the said proportion.
- A subscriber has an option to change his allocation pattern for subsequent investments.

**2. Auto choice – lifecycle fund**

- In case an individual does not want to choose the allocation pattern or in case he is not aware which allocation pattern is right for him, he can choose auto choice option.
- If the subscriber does not select any option, by default auto choice will be selected.
- In this option, the investments are made in a lifecycle fund. The proportion of funds across the above 3 asset classes will be determined by a pre-defined portfolio based on age.
- When the subscriber is young, major portion of the investment will go to equities. As he grows old, the exposure to equities will reduce and government securities will increase.

**74. What are the risks to take note of?**

- There are no guarantees on investment. NPS is a defined contribution plan and the benefits would depend upon the amounts of contributions invested and the investment growth up to point of exit from NPS.
- You may seek professional advice to assist you in planning your finances. However, this would be your own decision and PFRDA would not be responsible for any consequences.
- Past performance of the Fund Manager does not guarantee future performance of the investment.
- The name of the Fund does not in any manner indicate either the quality of the investment scheme or its future prospects and returns.
- All investments are subject to market risks and there is no assurance or guarantee that the Investment objectives shall be achieved.
- Investment involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal.
- Value of your investment in the NPS may go up or down depending upon the forces and factors affecting financial markets in general.
- Tax laws may change, affecting the Return On Investment (ROI).

**Please read through the detailed statement of other risks available on the PFRDA website.**

## Leave Travel Allowance

**75. Do I need to go on a vacation for claiming med**Yes. Associates must avail a minimum of continuous 3 days of vacation leave for the travel performed from 1<sup>st</sup> January 2017.

**76. How often can I claim my LTA for tax exemption?**

Associates can claim LTA twice in a block of four years for getting total tax exemption on the claim amount.

**77. Who defines the block of four years?**

Income tax authorities.

**78. Can I carry forward my LTA amount to the next block?**

Yes, Associate can carry forward your Leave Travel Allowance in the situation that it has not been used. It can be brought forward and claimed in the first year of the next block

**79. What happens to my unclaimed LTA amount?**

The unclaimed amount accumulates till the associate claims it. The amount would be credited to the associate compliant to the Income Tax rules and regulations.

**80. Is LTA inclusive of my accommodation, recreation and sight seeing expenses?**

No. Only the travel expenses can be claimed under LTA.

**81. Can I reimburse any of my dependants' travel expenses through my LTA?**

Yes. Associates can reimburse the travel of their dependents only if they accompany them during the travel.

## Technical Queries

**82. Where do I declare / define my benefits structure for FBP?**

Flexible Benefit Plan can be accessed by clicking on the new link made available in MyPay home page. On the click of the new link, a window would pop up with the introduction page of the Flexible Benefit plan. On selecting the Flexible Benefit Plan menu the flexi definition would be populated.

**83. Why is the Flexible Benefit Plan being introduced in MyPay?**

The FBP is being introduced in MyPay to provide the associate with an integrated link.

**84. How long does it take for the earnings structure to take effect?**

Associates can define the Flexi components, any number of times within the open period of 5<sup>th</sup> to the 25<sup>th</sup> of every month. The defined flexi components would take effect from the 1<sup>st</sup> of the defined month for payroll processing.

**85. How do I access the Flexible Benefit Plan?**

Associates can make their definitions by logging to <https://mypay.cognizant.com> and clicking on the Flexible benefit link provided in the MyPay.



**86. Can I print my Earnings Definition table?**

No. Associates cannot print their Earnings Definition table.

**87. Where can I find the policy manual for the components of FBP?**

The policy manual for the FBP components would appear as a link towards the right - top corner of the page.

## **Finance / Tax Related Queries**

**88. What are Total Eligible Earnings?**

Total eligible earnings are the earnings of an associate which is pro-rated to the number of days the associate has actually worked in the month.

**89. Can I claim House Rent Allowance for paying guest accommodation?**

Yes. Please refer policy document for further clarification.

**90. Do reimbursements form a part of my pay-slip?**

No. Reimbursements do not feature as a part of the pay-slip and would be paid out through separate reimbursement cycles.

**91. What is included in maintenance reimbursement under Car Running Expense?**

Insurance, Preventive and Breakdown Maintenance charges.

**92. Will I be entitled for an exemption on HRA if I have taken a home loan?**

Yes, but only if the associate stays in a rented accommodation and not in the property that he / she has bought.

**93. Does LTA include reimbursements for stay / accommodation?**

No.

**94. Are international travels reimbursed under LTA?**

No.

**95. Are fuel bills reimbursed as a part of LTA?**

Fuel bills are reimbursed if the associate goes on a vacation by his own car. Please refer to the policy document for further clarification.