

NEW PENSION SCHEME

**SECTION 10(44): INCOME OF NEW PENSION SCHEME TRUST
IS EXEMPT FROM TAX****SECTION 10(12A): INCOME OF ASSESSEE ON CLOSURE OF
NPS ACCOUNT OR OPTING OUT OF NPS IS
EXEMPT FROM TAX**

Any payment from the National Pension System Trust to **an employee assessee** on closure of his account or on his opting out of the pension scheme referred to in section 80CCD, to the extent it does not exceed **60%** of the total amount payable to him at the time of such closure or his opting out of the scheme shall be exempt from tax.

(Amended by Finance Act, 2019)

**SECTION 10(12B): INCOME OF ASSESSEE ON PARTIAL
WITHDRAWAL FROM NPS ACCOUNT IS
EXEMPT FROM TAX**

Any payment from the National Pension System Trust to **an employee** under the pension scheme referred to in section 80CCD, on partial withdrawal made out of his account in accordance with the specified terms and conditions, to the extent it does not **exceed 25%** of the amount of contributions made by him, shall be exempt from tax.

**SECTION 10(13)(v): TRANSFER FROM SUPERANNUATION
FUND TO NPS ACCOUNT EXEMPT
FROM TAX**

Any payment from an approved superannuation fund made by way of transfer to the account of the **employee** under a pension scheme referred to in section 80CCD and notified by the Central Government shall be exempt from tax.

**SECTION 197A(1E): NO DEDUCTION OF TAX AT SOURCE TO
BE MADE IN CERTAIN CASES**

No TDS on any payment to NPS Trust.

SECTION 80CCD: DEDUCTION IN RESPECT OF CONTRIBUTION TO PENSION SCHEME OF CENTRAL GOVERNMENT

PARTICULARS	DEDUCTION TO	
	NON-EMPLOYEE	EMPLOYEE
Self-contribution to NPS	20% of Gross Total Income subject to ceiling of ₹ 1,50,000 AND Additional Deduction of ₹ 50,000	10% of salary subject to ceiling of ₹ 1,50,000 AND Additional Deduction of ₹ 50,000
Contribution by Employer	N.A	Non-Government Employer: 10% of salary Government Employee: 14% of salary
Amount received on Partial Withdrawal	Fully taxable in year of Withdrawal.	Exempt upto 25% of the amount of contributions made by self.
Amount received on closure of NPS account or on opting out of NPS	Exempt upto 60% of the amount payable	Exempt upto 60% of the amount payable.
Amount received by nominee on death	Fully exempt	Fully exempt