



National Pension System

Corporate model

Software AG

Agenda

National Pension System- Introduction



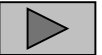
Why ICICI Pru PFM



How does it work?



Tax benefit & NPS illustration



Benefits with NPS



Fund options



NPS: Charges



On boarding process



National Pension System- Introduction

What is it?

- NPS is a pension scheme introduced by Pension Fund Regulatory and Development Authority (PFRDA), an entity created by Government of India.

Objective

- A retirement savings product introduced to promote old age income security, available on a voluntary basis to all citizens of India

NPS Corporate

- NPS corporate is a variant of the NPS model designed for companies

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Why ICICI Pru PFM?

IPru PFM is wholly owned subsidiary of ICICI Prudential Life Insurance Company Limited (IPru Life)

We have been managing pension funds for NPS since its inception

The IPru team has the expertise of managing employee pension funds for over 10 years

We manage pension funds for more than 450 corporate customers across India.

We along with our parent manage more than Rs. 65,000 crs of customer funds



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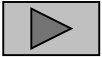
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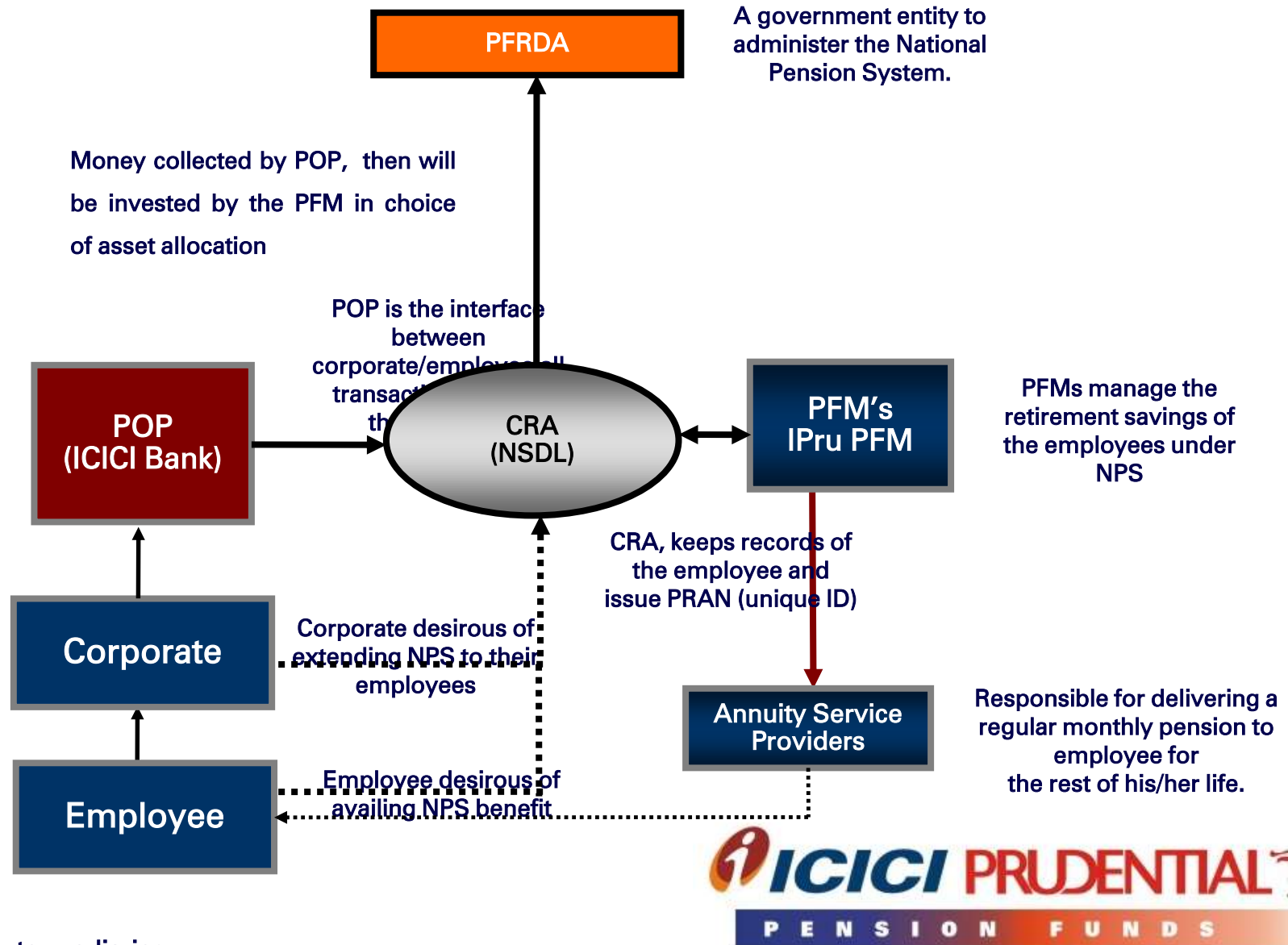
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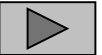
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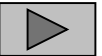
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Tax benefits

Employer

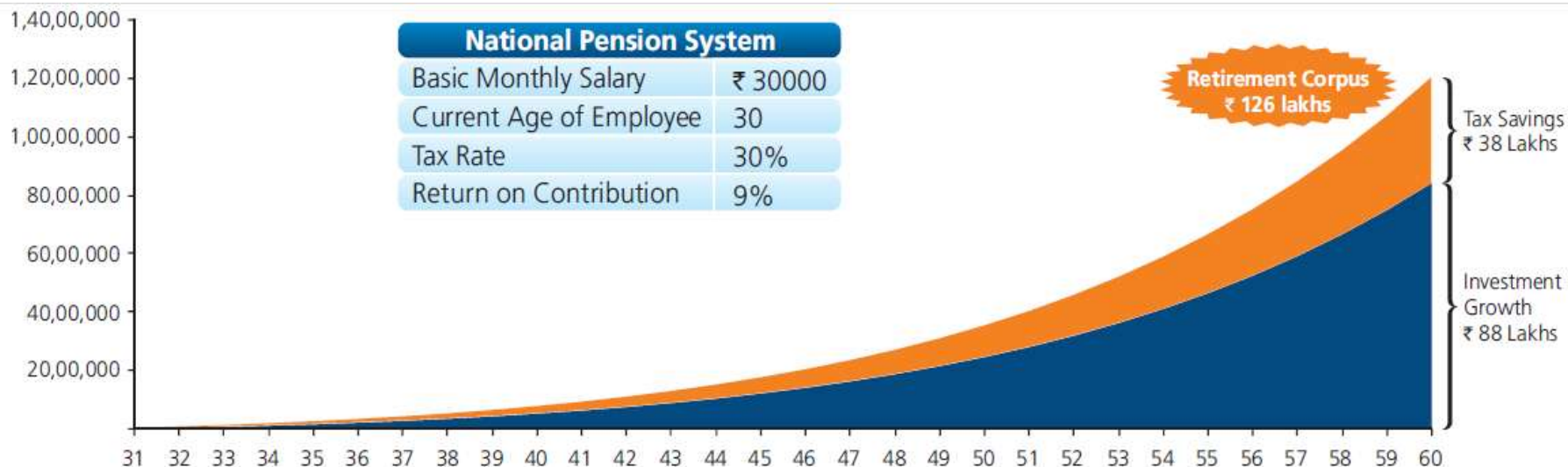
- Employers contribution towards employee's pension can be claimed as 'Business Expense'

Employee

- Contributions towards an employee up to 10% of basic salary are exempt in the hands of employee. This is in addition to ₹ 1.5 lac under section 80C of the income tax act

[Click here for details on taxation](#)

NPS- illustration



You Pay	₹ 40,78,196	You Save	₹ 38,03,149	You Get	₹ 1,26,77,163
10% of Basic Salary up to your Retirement		Tax Savings	₹ 12,23,459	Tax Savings	₹ 38,03,149
		Growth on Tax Saved*	₹ 25,79,690	Investment Growth	₹ 88,74,014

Your Retirement Benefits	Amount (₹)
Lump Sum amount on Retirement	50,70,865
Annual income for your lifetime at current Annuity Rates	6,84,567

* Amount on Tax saved through investing in NPS, will grow to add to your Retirement Corpus.

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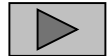
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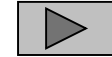
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Benefits with NPS

Transparent

NPS is a government regulated pension scheme with complete transparency

Flexible

Single scheme for pension, savings and liquidity

Portable

NPS allows employee to carry his fund to a new employer, on exit

Fund options

Choice of 3 fund options to suit the risk appetite of the employee

Investment choice

Active & Auto investment choice based on employee's investment knowledge

[Click for more info](#)

Benefits Payable

Vesting criteria	Benefits
At any point in time before 60 years of age	<ul style="list-style-type: none">i. 80% of the pension wealth to purchase a life annuity from any IRDA regulated life insurance companyii. Balance 20% of the pension wealth can be withdrawn as lump-sum
On attaining the age of 60 years and up to 70 years of age	<ul style="list-style-type: none">i. Min 40% of the pension wealth to purchase a life annuity from any IRDA regulated life insurance companyii. Balance 60% of the pension wealth can be withdrawn as lump-sum at age 60 or between age 60 and 70
Death due to any cause	<ul style="list-style-type: none">i. Nominee to receive 100% of pension wealth in lump-sum; orii. Can continue NPS by new subscription individually

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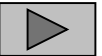
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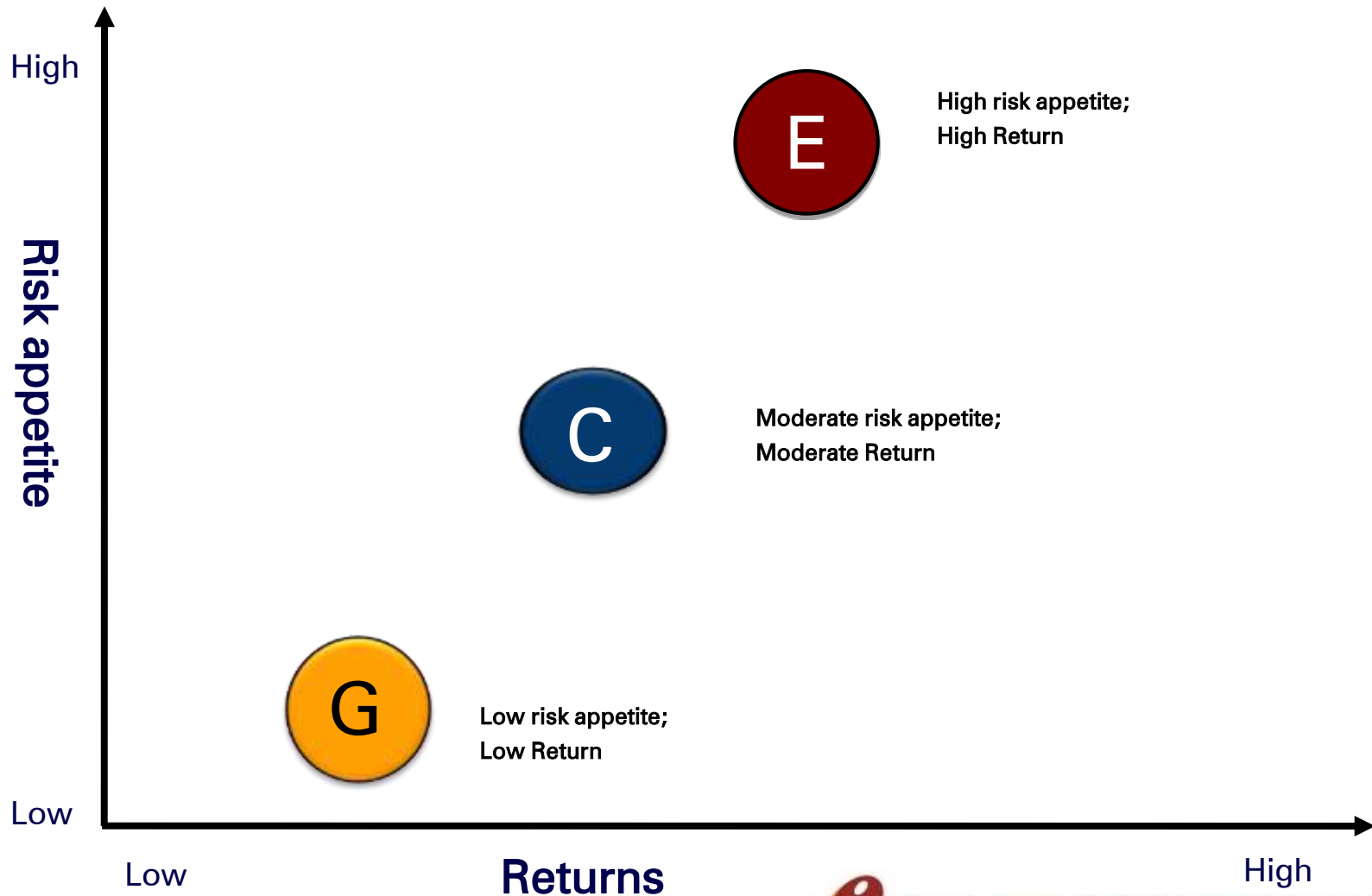
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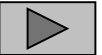
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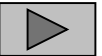
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NPS: Charges, as per PFRDA

Agency	Service	Charge ¹	Mode
CRA	Account opening	₹ 50	Through cancellation of units
	Annual maintenance charge	₹ 190	
	Per transaction	₹ 4	
PoP (Max permissible charge)	Registration	₹ 100	Upfront payment
	Per transaction	0.25% of the contribution with Min of ₹ 20 & Max of ₹ 25,000	
Trustee bank	Per transaction at RBI location	NIL	Through NAV deduction
	Per transaction at non-RBI location	₹ 15	
Custodian (on asset value)	Asset servicing	Electronic segment: 0.0075% per year Physical segment: 0.05% per year	Through NAV deduction
Fund manager	Investment management	0.01% per year	Through NAV deduction
Service tax and other levies as applicable			

¹Service tax and other levies, as applicable, will be levied as per the existing tax laws.
There are no additional CRA charges for the maintenance of Tier –II account.

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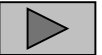
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Step 1: MOU & Corporate Registration Form to be processed by POP (T Day)

Step 2: Corporate & POP to receive registration no. via email (T+7 to 15 days)

Step 3: Employee forms to be processed by POP with CRA (NSDL)

Step 4: PRAN for member employees received by corporate/employee (as per choice) (T+7 to 15 days)

Step 5: Corporate to forward contribution cheque along with data to POP

Step 6: Contribution to reflect in member employee account, within 7 days of contribution received by POP

Annuity purchase options

Annuity Option	Description
Life Annuity	Annuities payable for annuitant's life
Life Annuity with return of purchase price	Annuities payable for annuitant's life Return of original purchase price to beneficiary on annuitant's death
Life Annuity guaranteed for <ul style="list-style-type: none">● 5 years● 10 years● 15 years	Annuities payable to annuitant/ beneficiary for 5/10/15 years irrespective of the annuitant's existence If annuitant lives beyond the stated years, annuities payable for his/her life
Joint Life Last survivor	Annuities payable to annuitant for life and after death to his/her spouse (if alive) for life
Joint Life Last survivor with return of purchase price	Annuities payable to annuitant for life and after death to his/her spouse (if alive) for life Original purchase price returned to beneficiary on spouse's death



Thank you

Contacts:-

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