

What is NPS?

NPS is voluntary, simple, regulated, portable and flexible pension system that allows you to make small but consistent savings for your retirement.

The National Pension System (NPS) is a pension plan where you can invest during working period and withdraw when you retire. Until May 1st 2009, the plan was open to Central Government employees only. It is now offered to all citizens of India including Non Resident Indians (NRIs). PFRDA has authorized TMB to act as service provider to receive NPS application and to collect further contributions, from the prospective customers.

Pension Fund Regulatory and Development Authority (PFRDA) has been formed by the Ministry of Finance, Government of India, to promote old age income security. Government has authorized PFRDA to extend NPS on a voluntary basis to all citizens of India including workers of the unorganized sector.

Since TMB is appointed as a service provider, you can approach any of our branch for obtaining Permanent Retirement Account Number (PRAN) and to make further contributions towards NPS.

Benefits of joining NPS:-

- * It is meant for all citizens of India between the age group 18 to 60 years at the time of joining.
- * It is Voluntary : NPS is open to every Indian citizen and NRIs too.
- * It is Flexible : One can choose his own investment option or through Pension Fund Manager.
- * It is Portable : One can map the account to anywhere in the country, even if you change your city, job or your pension fund manager.
- * Subscriber can view his A/c in NSDL site through I-Pin.
- * Subscriber can clear their doubts at NSDL TollFree number through T-Pin
- * Subscriber has choice to shift Pension Fund Manager (PFM) once in a year.
- * Income Tax exemption under sec 80C upto ₹ 1,50,000 for Tier-1.
- * Additional Income Tax benefit under section 80CCD is ₹ 50,000.
- * Subscriber will receive a Govt. PRAN Card which can also be used as ID Proof.

* It is Regulated : NPS is regulated by PFRDA, with transparent investment norms, and regulated monitoring and performance review of fund managers by NPS trust.

When can a subscriber withdraw the amount?

VESTING CRITERIA & BENEFITS

At any point before 60 years of Age :-

You would be required to invest atleast 80% of the pension wealth to purchase a life annuity from any IRDA-regulated life insurance company. Rest 20% of the pension wealth may be withdrawn as lump sum.

On completion of 10 years a subscriber can withdraw entire amount in his account without opting for any pension scheme provided his/her corpus fund balance is below ₹ 1.00 lakh

An investor can withdraw up to 25% of his corpus fund on completion of 10 years from date of opening of NPS account under specific circumstances like:

- Specified illness for self
- Purchase of house or Build house
- Marriage of son/daughter
- Education purpose of the children.

On attaining the age of 60 years and up to 63 years of age:-

At 60 years you are eligible to invest a minimum 40% of your accumulated savings (pension Wealth) to purchase a life annuity from any IRDA-regulated life insurance company.

You may choose to purchase an annuity for an amount greater than 40%. The remaining pension wealth can either be withdrawn in a lump sum on attaining the age of 60 or in a deferred manner, between age of 60 & 63, at the option of the subscriber.

In case if corpus fund balance stood below ₹ 2.00 lakhs, there is no need to invest in Annuity scheme, and can be withdrawn in full.

Death due to any cause:-

In the event of death, option will be available to the Nominee/Legal heir to receive 100% of the entire accumulated pension wealth and there would not be any purchase of annuity/ Monthly Pension.

NPS in Nutshell

Particulars	NPS	
	Tier 1	Tier 2*
Entry Age (Years)	18-60	18-60
Min Contribution to open A/c (in ₹)	500/-	1000/-

Particulars	NPS	
	Tier 1	Tier 2*
Min Cont in a FY (in ₹)	6000/-	250/-
Min A/c Balance FY (in ₹)	NA	Units worth ₹2000/-
AMC NSDL (₹ per Annum)	225/-	NIL
Fund Management Fee (Per Annum)#	0.25% Maximum	0.25% Maximum
Charge per contribution	0.25% of Contribution or min ₹20/-**	0.25% of Contribution or min ₹20/-**

*Tier 1 Account is mandatory to open a Tier 2 Account.

**Initial account opening charge of ₹125+service tax applicable.

with effect from 1.11.2012.

Investment choice the subscriber has:

Asset Class E

Investments predominantly in Equity market instruments.

Asset Class C

Investments in Fixed income instruments other than the Government securities.

Asset Class G

Investments in Government securities.

You can choose to invest your entire pension wealth in C or G asset classes and upto a maximum of 50% in asset class E. You can also distribute your pension wealth across E, C & G asset classes primarily to diversify the investment avenues.

The subscriber has to indicate his choice of Pension Fund from the seven pension fund managers appointed by PFRDA.

NPS offers two approaches to invest your contributions.

- * Active choice-Individual chooses on the percentage of the fund that should be invested in E, C & G category.
- * Auto choice - NPS offers an easy option for those participants who lack required knowledge to manage their NPS investments. Here depending on the age of the customer the contributions are invested towards E, C, & G category.

My Retirement Savings Guide

My Corpus at age 60
Monthly saving at ₹1000

Age	6%	8%	10%	12%
18	2,270,160	4,120,494	7,744,296	14,965,113
19	2,126,657	3,793,210	6,998,859	13,269,523
20	1,991,491	3,491,008	6,324,080	11,764,773
21	1,864,177	3,221,966	5,713,261	10,429,383
22	1,744,259	2,954,310	5,160,340	9,244,293
23	1,631,308	2,716,400	4,659,830	8,192,586
24	1,524,919	2,496,724	4,206,761	7,259,249
25	1,424,710	2,293,882	3,796,638	6,430,959
26	1,330,323	2,106,587	3,425,389	5,695,895
27	1,241,420	1,933,645	3,089,331	5,043,562
28	1,157,681	1,773,958	2,785,126	4,464,651
29	1,078,807	1,626,508	2,509,756	3,950,896
30	1,004,515	1,490,359	2,260,488	3,494,964
31	934,539	1,364,645	2,034,847	3,090,348
32	868,628	1,248,565	1,830,595	2,731,272
33	806,547	1,141,381	1,645,702	2,412,610
34	748,072	1,042,411	1,478,336	2,129,814
35	692,994	951,026	1,326,833	1,878,847
36	641,116	866,645	1,189,692	1,656,126
37	592,251	788,731	1,065,549	1,458,473
38	546,226	716,788	953,174	1,283,065
39	502,874	650,359	851,450	1,127,400
40	462,041	589,020	759,369	989,255
41	423,580	532,383	676,016	866,659
42	387,353	480,086	600,563	757,861
43	353,231	431,797	532,263	661,308
44	321,091	387,209	470,436	575,622
45	290,819	346,038	414,470	499,580
46	262,305	308,023	363,809	432,097
47	235,447	272,920	317,950	372,209
48	210,150	240,508	276,438	319,062
49	186,323	210,580	238,860	271,896
50	163,879	182,946	204,845	230,039
51	142,740	157,430	174,054	192,893
52	122,829	133,869	146,181	159,927
53	104,074	112,113	120,950	130,672
54	86,409	92,025	98,111	104,710
55	69,770	73,477	77,437	81,670

P
e
n
s
i
o
n

C
o
r
p
u
s

Corpus mentioned above is based on a monthly savings of ₹ 1000. In case, a member saves ₹ 2000 per month the above figures can simply be doubled.

Monthly pension is based on the corpus shown in table which starts from the age of 60 Years.

National Pension System (NPS)

My monthly Pension on the
basis of my Corpus

Age	6%	8%	10%	12%
18	13,451	24,414	45,885	88,668
19	12,600	22,475	41,468	78,622
20	11,800	20,684	37,470	69,706
21	11,045	19,031	33,851	61,794
22	10,335	17,504	30,575	54,772
23	9,666	16,095	27,609	48,541
24	9,035	14,793	24,925	43,011
25	8,441	13,591	22,495	38,103
26	7,882	12,482	20,295	33,748
27	7,355	11,457	18,304	29,883
28	6,859	10,511	16,502	26,453
29	6,392	9,637	14,870	23,409
30	5,952	8,830	13,393	20,708
31	5,537	8,086	12,056	18,310
32	5,147	7,398	10,846	16,183
33	4,779	6,763	9,751	14,295
34	4,432	6,176	8,759	12,619
35	4,106	5,635	7,861	11,132
36	3,799	5,135	7,049	9,813
37	3,509	4,673	6,313	8,641
38	3,236	4,247	5,648	7,602
39	2,980	3,853	5,045	6,680
40	2,738	3,490	4,499	5,861
41	2,510	3,154	4,005	5,135
42	2,295	2,845	3,558	4,490
43	2,093	2,558	3,154	3,918
44	1,902	2,294	2,787	3,411
45	1,723	2,050	2,456	2,960
46	1,554	1,825	2,156	2,560
47	1,395	1,617	1,884	2,205
48	1,245	1,425	1,638	1,890
49	1,104	1,248	1,415	1,611
50	971	1,084	1,214	1,363
51	846	933	1,031	1,143
52	728	793	866	948
53	617	664	717	774
54	512	545	581	620
55	413	435	459	484

M
o
n
t
h
l
y

P
e
n
s
i
o
n

Pension examples are based on yearly annuity of ₹ 7110 per ₹1,00,000 with return of corpus on death of annuitant.

All values are indicative. This Calculator does not guarantee or represents that the annuity rate on your savings will be as shown here. The returns shown here do not take fees and charges into account.

TMB Tamilnad
Mercantile
Bank Ltd
Be a step ahead of life



NATIONAL PENSION SYSTEM

NPS

Pension nahi yeh Pran hai

Tamilnad Mercantile Bank Ltd., branches are designated by PFRDA as POP (Service Provider) for opening and servicing NPS Accounts

TMB Tamilnad
Mercantile
Bank Ltd
Be a step ahead of life

Assistant General Manager
Bancassurance Cell
196A&B, Ettayapuram Road
Thoothukudi - 628 002
Phone No: +91 95241 47264
Email : insurance@tnbonline.com
Toll Free: 180 0425 0426
Visit us at: www.tmb.in