GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:268
ANSWERED ON:19.08.2011
UNITIZATION OF NPS FUNDS
Nahata Smt. P. Jaya Prada;Singh Shri Yashvir

Will the Minister of FINANCE be pleased to state:

(a) the details of funds collected by the National Security Depository Limited (NSDL) under the New Pension Scheme (NPS) from the Government employees and from private investors since inception;

(b) whether the entire funds collected under NPS has been unitized;

(c) if so, the details and the basis thereof;

(d) the details of treatment of the funds collected from those employees who have left their jobs;

(e) whether they are able to withdraw their hard earned money at will; and

(f) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE)

(a) to (f): A Statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO. 268 FOR 19.08.2011 REGARDING UNITIZATION OF NPS FUNDS RAISED BY SHRI YASHVIR SINGH AND SHRIMATI JAYA PRADA

(a) : The details of funds collected under New Pension System (NPS) from the Government sector employees and from private investors are as under:

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Funds collected as on 11.08.2011    (in Rupees)



Central Government     7050,90,15,091



Central Autonomous Bodies    321,85,20,607



State Governments     1870,85,14,968



Unorganised Sector     78,96,21,153



Corporate      71,73,00,935
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NPS Lite	71,11,91,076
Total	9465,41,63,830

(b) : Yes, Sir.

(c) : All the funds collected under NPS have been unitized on the basis of prevailing Net Asset Value (NAV) from the date of their receipt.

(d) : The unique feature of portability under NPS allows a subscriber to continue with his/her Permanent Retirement Account (PRA) under NPS even after the employee leaves his job.

(e) and (f): As per Notification F.No.5/7/2003-ECB & PR dated 22nd December, 2003, issued by the Government of India, Ministry of Finance, Department of Economic Affairs, individuals can normally exit from Tire-I account at the age of 60. At exit, the individual would be mandatorily required to invest 40 per cent. Of pension wealth to purchase an annuity from a life insurance company regulated by the Insurance Regulatory and Development Authority. However, individuals also have the flexibility to leave the pension system prior to age 60. However, in this case, mandatory annuitisation would be 80 per cent of the pension wealth. In addition to the non-withdrawable pension Tier-I account, individuals may also have a voluntary tier-II withdrawable account at their option.