

above ₹5,000 crore. They are also allowed to take derivative positions in F&O (futures and options) stocks up to 5 per cent of the portfolio.

Scheme G invests predominantly in Central government securities and State development loans across maturities.

The default risk in such G-Sec funds is almost nil, but they are exposed to risk from the rise and fall in interest rates.

Scheme C carries a higher risk than Scheme G and invests mainly in the listed securities issued by corporates with a minimum residual maturity period of three years from the date of

**Podcast**  
tinyurl.com/podnps

You can allocate up to 75 per cent of your investment amount in Scheme E (up to 50 years, and up to 100 per cent of the contribution in Schemes C and G; only 5 per cent allocation can be made in Scheme A. This option given to a subscriber is under 'active choice'.

In case you don't want to exercise a choice, you can opt for auto choice. In this option, the investments will be made in a lifecycle fund. Here, the proportion of funds invested across asset classes will be pre-determined by the age of the subscriber. As age increases, the

Unlike EPF, you will not receive the entire pension proceeds from NPS in hand at the time of retirement. Upon attaining the age of 60, at least 40 per cent needs to be utilised for the purchase of an annuity product and the balance is paid as lump sum to the subscriber. The mandatory requirement to purchase annuity is with a view to provide for monthly pension after retirement. You can defer the lump-sum withdrawal and the annuity purchase till the age of 70. You can also continue contributing up to the age of 70 years (with no change in tax treatment on contributions, returns and withdrawal). Note that

# How to open an NPS account online

SATYA SONTANAM

**A**n NPS account can be opened by visiting any of the nearest empanelled bank branches and submitting the filled-in registration form along with supporting KYC (Know Your Customer) documents.

However, if you don't wish to step out, let not the pandemic stop you from opening an NPS account. Here's how you can do so online.

## Using Aadhaar or PAN

You can open the account online by registering on the eNPS website (enps.nsdl.com or nps.kfintech.com).

The registration can be done either using Aadhaar or PAN.

When Aadhaar is used, the subscriber should upload the Aadhaar paperless offline e-KYC Zip file on the eNPS platform. Aadhaar paperless offline e-KYC is a secure and shareable document that can be used by any Aadhaar holder for offline verification of identification.

This can be downloaded from the UIDAI website (resident.uidai.gov.in/offline-kyc).

You can download the Zip file by giving the Aadhaar number and creating a password (share code).

After uploading the Zip file on the eNPS website, the subscriber will be prompted to enter the password

## FEES AND CHARGES LEVIED ON NPS SUBSCRIBERS

Intermediary	Event	Frequency	Charge
POP (Points of Presence)*	Initial subscriber registration	One-time	₹200.00
	Any subsequent monetary transactions	On each transaction including contribution	0.25% of contribution <sup>1</sup>
	Any subsequent non-financial transactions	On each transaction	₹20 per transaction
	Persistence charge	Annually	₹50 per annum <sup>2</sup>
CRA (Central Record-keeping Agency)**	Contribution through eNPS	On each transaction	0.10% of contribution <sup>3</sup>
	Account-opening charges if the subscriber opts for physical PRAN card	One-time	NCRA: ₹40 <sup>4</sup> KCRA: ₹39.36 <sup>4</sup>
	Account-opening charges if the subscriber opts for ePRAN card — welcome kit sent by post	One-time	NCRA: ₹35 <sup>4</sup> KCRA: ₹39.36 <sup>4</sup>
	Account-opening charges if the subscriber opts for ePRAN card — welcome kit sent via email only	One-time	NCRA: ₹39.36 <sup>4</sup> KCRA: ₹39.36 <sup>4</sup>
Subscribers can choose either of the record keeping agencies — NCGRA (NSDL CRA) or KCRA (Karvy CRA)	Maintenance cost	Annually	NCRA: ₹4 <sup>4</sup> KCRA: ₹95
	Transaction cost	On each transaction	NCRA: ₹3.75 KCRA: ₹3.36
	Asset servicing charges	Annually	0.0032% of AUM
Fund manager	Investment management fee	Annually	0.01% of AUM
NPS Trust <sup>4</sup>	Administrative charges	Annually	0.005% of AUM

\*POPs are banks/other firms that provide the services under NPS through their network of branches

\*\*CRA is responsible for record-keeping, administration and customer service functions for all NPS subscribers

\*\*\*The custodian — Stock Holding Corporation of India — is responsible for safe-keeping and settlement of underlying assets

<sup>4</sup>NPS Trust is responsible for monitoring the operational and functional activities of NPS intermediaries such as custodian, pension funds, trustee bank and CRA

Conditions: 1 Minimum of ₹20 and maximum of ₹25,000; 2 If the subscriber is associated with Pop for more than 6 months in a FY and contributes minimum of ₹1,000 (to Tier-1) during the FY; 3 Minimum of ₹10 and maximum of ₹10,000; 4 Excludes applicable taxes

(share code) created while downloading the Zip file on the UIDAI website. Using this, all your personal details will be fetched from the Aadhaar database.

After that, you need to upload the scanned copies of your PAN (Permanent Account Number) card, a cancelled cheque and signature. Then, you will be routed to a payment gateway for making the payment towards your NPS account using internet banking. The minimum contribution at the time of account-opening is ₹500 for

Tier 1 Funds	3-year	5-year	10-year	3-year	5-year	10-year	3-year	5-year	10-year	1-year	3-year
Aditya Birla Sun Life	4.8	-	-	9.4	-	-	9.8	-	-	-	4.0
HDFC	4.9	9.2	-	9.9	10.4	-	9.2	10.0	-	7.4	8.4
ICICI	4.2	7.9	7.9	9.5	10.2	9.9	8.9	9.8	10.6	2.9	6.2
Kotak	3.5	8.4	8.2	9.5	10.4	9.9	7.7	9.2	10.0	7.9	8.4
LIC	2.0	6.6	-	10.7	11.3	-	8.9	9.8	-	-	6.6
SBI	3.9	8.1	7.9	9.6	10.4	10.0	9.0	9.8	10.3	14.9	10.9
UTI	3.5	8.1	7.8	9.2	9.9	9.5	8.5	9.5	9.9	4.9	6.5
Average returns	3.83	8.06	7.93	9.66	10.43	9.80	8.87	9.70	10.19	6.93	7.79
Benchmark returns*	4.8	9.1	8.5	6.6	7.9	7.3	8.3	9.2	8.7	NA	NA

\*Scheme E: Nifty 100 TRI; Scheme G: CRISIL 10 Year Gilt Index; Scheme C: CRISIL Composite Bond Fund Index  
Returns as on September 18, 2020 Source: ACE MF

a Tier 1 account. On making the payment, you will be allotted a Permanent Retirement Account Number (PRAN).

Subsequently, the registration form has to be signed, after which your NPS account will be created.

The esign mechanism of Aadhaar shall be accepted in lieu of a wet signature on the documents provided.

esign is an online electronic signature service in India to facilitate an Aadhaar holder to digitally sign a document using an OTP (one-time password).

If you cannot esign, you need to take a print-out of the application form, sign your name, paste your photo and post it to the Central Record-keeping Agency in Mumbai.

Similarly, using PAN, you can open an account online by going through the entire process online (except the Zip file part) if you have an account with any of the empanelled banks for KYC verification.

The list of empanelled banks is available on the eNPS website.

If you are a non-resident, in addition to the above process, you need to provide the NRE/NRO bank account details, upload a scanned copy of passport and opt for preferred address for communication — overseas address or permanent address. All future NPS contributions can also be done online through your debit/credit card or internet banking.

The minimum amount that you should contribute per transaction is ₹500 for a Tier 1 account.

You can make contributions through UPI (Unified Payments Interface) as well. Using UPI, you can instantly transfer the money from your bank account. However, payment through UPI is only for contributions of up to ₹2,000 (including charges).

**Additional services**  
Once you create an NPS account, using PRAN, you can obtain additional services online on the eNPS website. You can view your NPS account details/transaction statement, change scheme preferences, update email id or mobile number, etc.

You can also provide nomination by selecting 'update personal details' after accessing your account on the eNPS portal. The subscriber is required to e-sign to authenticate the changes. If the e-sign fails, the changes will not be updated and the subscriber has to update using the physical form.

## Benefits

**Opening an account and making contributions online saves/lowers costs such as account-opening charge, which will otherwise be levied by empanelled banks**

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