



Ministry of Finance

PFRDA permitted now Overseas Citizen of India to enroll in NPS at par with Non-Resident Indians

Posted On: 30 OCT 2019 12:08PM by PIB Delhi

Pension Fund Regulatory and Development Authority (PFRDA) has now permitted Overseas Citizen of India (OCI) to enroll in National Pension Scheme (NPS) at par with Non-Resident Indians vide Circular No: PFRDA/2019/19/PDES/3 dated 29th October 2019. The Government vide notification S.O. 3732(E) dated 17th October, 2019 on Foreign Exchange Management (Non-debt Instruments) Rules, 2019 of Dept. of Economic Affairs, has specified that an OCI may subscribe to the National Pension System governed and administered by PFRDA, provided such person is eligible to invest as per the provisions of the PFRDA Act and the annuity/accumulated saving will be repatriable, subject to FEMA guidelines.

Contributions made towards NPS are eligible for an additional tax deduction under section 80CCD(1B) upto Rs. 50,000 which is over and above the Rs 1,50,000 limit of deduction available under sec 80CCD(1). In the Union Budget 2019, the tax exemption limit for lumpsum withdrawal on exit/maturity from NPS has been increased from the present 40% to 60% under section 10(12A) of the IT Act and the remaining 40% of the corpus is already tax-exempt as it is mandatorily utilized for annuity purchase.

About PFRDA:

Pension Fund Regulatory and Development Authority (PFRDA) is the statutory Authority established by an enactment of the Parliament, to regulate, promote and ensure orderly growth of the National Pension System (NPS) and pension schemes to which this Act applies. NPS was initially notified for central government employees joining service on or after 1st Jan 2004 and subsequently adopted by almost all State Governments for its employees. NPS was extended to all citizens of Indian on voluntary basis from May 2009 and to corporates in December 2011 and to Non-Resident Indians in October 2015.

As on 26th October 2019, the total number of subscribers under NPS and Atal Pension Yojana has crossed 3.18 crores and the Asset under Management (AUM) has grown to Rs. 3,79,758 crores. More than 66 lakhs government employees have been enrolled under NPS and 19.2 lakhs subscribers have subscribed to NPS in the private sector with 6,812 entities registered as corporates.

PFRDA in its endeavor to promote and develop NPS has taken several initiatives towards increasing the pension coverage in the country. Now, any Indian citizen, resident or non-resident and OCIs are eligible to join NPS till the age of 65 years.

RM/KMN

(Release ID: 1589523) Visitor Counter : 880

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