



# Open an account with **SHCIL** under the **NATIONAL PENSION SYSTEM (NPS)**



## What is NPS?

- NPS is a voluntary, simple, regulated, portable and flexible pension system that allows you to make regular savings for your retirement.
- NPS is a useful retirement planning tool and also a good tax planning investment opportunity.
- NPS has been introduced by Govt. of India and is regulated by Pension Fund Regulatory and Development Authority (PFRDA). PFRDA is an autonomous body set up by Govt. of India, Ministry of Finance to promote old age income security and regulate the pension sector.
- SHCIL is registered with PFRDA as POP (Points of Presence) to act as a link between you and NPS.

## What are the benefits of NPS?

- It is simple – All you have to do is to approach any designated branch of SHCIL. Our officers will be happy to assist you for completing all the formalities thereafter.
- It is voluntary – You can decide the amount you want to set aside and save for retirement.
- It is flexible – You can choose your investment option as well as Pension Fund Manager and see your money grow.
- It is portable – You can operate your account from anywhere in the country, even if you change your city, job, your pension fund manager and investment asset classes. You will have a unique PRAN (Permanent Retirement Account Number) that remains with you for the rest of your life.
- It is a low cost product for retirement planning - Details of applicable charges will be available with designated branches of SHCIL.
- It is market based – NPS is structured to give you freedom in deciding the investment for your corpus. You can expect market based returns and build your retirement corpus the way you want .
- It is regulated – NPS is regulated by PFRDA with transparent investment norms as well as regular monitoring and performance review of fund managers by NPS Trust.

## Who can invest?

- NPS is open to every Indian Citizen between the age of 18 and 60 years at the time of joining.
- The earlier you start, the greater will be the growth of your retirement corpus. You should take advantage of compounding of your wealth by joining NPS, right now.

## How much to invest?

- You can make contributions as per your convenience, subject to following conditions:
  - Minimum amount per contribution – Rs.500
  - Minimum contribution per year – Rs.6000
  - Minimum number of contributions per year – 1

## What are the Investment Options?

- NPS offers you two options to invest your money.
  - **Active Choice – Individual Funds** - You will have the option to actively decide as to how your contributions should be invested among the following three asset classes.
    - ❖ Asset Class E – Equity market instruments.
    - ❖ Asset Class C – Debt instruments other than Government securities.
    - ❖ Asset Class G – Government SecuritiesYou can choose to invest your entire contribution in C or G Asset Classes or a combination of C and G with up to a maximum 50% in Asset Class E.
  - **Auto choice – Lifecycle Fund** - NPS offers an easy option for citizens who don't have the required expertise or don't want to decide asset classes for the contributions made by them. In such cases your funds will be invested in accordance with the Auto Choice option. In this option, the investments are made in a lifecycle fund and the distribution of your investments across asset classes E, C and G are made automatically based on age.

## Who decides the Pension Fund Manager (PFM)?

- You will decide your choice of PFM from among six fund managers appointed by PFRDA.
- It is mandatory to mention your PFM in the account opening form. You can change your PFM, in future.



## How to invest?

- To enroll in the NPS, contact us and complete the Registration Form (UOS-S1). The form is available free of cost and our officers will be happy to assist you in completing the formalities. You can also download the same from our web site [www.shcil.com](http://www.shcil.com).
- Submit the filled in form along with the payment (Cheque / Demand Draft) to the nearest SHCIL branch.
- The Cheque / DD has to be in favour of “ **Stock Holding Corporation of India Ltd. Collection Account - NPS Trust** ”.

## What are the withdrawal options?

- **At any point in time before 60 years of age:**
  - You would be required to invest at least 80% of the retirement corpus to purchase a life annuity from any Annuity Service Provider (ASP) appointed by PFRDA.
  - Rest 20% of the retirement corpus may be withdrawn as lump sum.
- **On attaining the age of 60 years and up to 70 years of age:**
  - At exit you would be required to invest minimum 40% of your accumulated savings (retirement corpus) to purchase a life annuity from any ASP.
  - The remaining retirement corpus can either be withdrawn in lump sum on attaining the age of 60 or in phased manner till age of 70 subject to minimum 10 % of the corpus to be withdrawn every year.
  - Any amount lying to the credit at the age of 70 should be compulsorily withdrawn as lump sum.
- **Death due to any cause:**

In such an unfortunate event, option will be available to the nominee to receive 100% of the NPS retirement corpus in lump sum.

## How will the Pension be available?

- On exit from NPS, you will have to transfer the portion of the retirement corpus you decide to annuitize to any of the Annuity Service Providers (ASP) appointed by PFRDA.
- ASPs appointed by PFRDA would be responsible for delivering a regular monthly pension to you after your exit from NPS.
- The ASP will provide you a monthly pension based on the amount you have annuitized.

**For any further information and explanations, SHCIL offices will be happy to assist you.**

## About SHCIL:

Stock Holding Corporation of India Ltd. (SHCIL) was incorporated at the special initiative of the Government of India as a Public Limited Company in 1986. It has been jointly promoted and owned by the All India Banks and Financial Institutions, viz., LIC, GIC and its subsidiaries, IDBI Bank, ICICI Bank, IFCI and SUUTI all leaders in their fields of business. SHCIL - India's Premier and Leading Custodian, Depository participant and Professional clearing member, has over the years positioned itself as a market leader in providing financial services. With over decades of experience in the financial domain and a wide network comprising more than 200 branches, we have established our forte, which in turn, helps us to serve our clients better. With a host of services ranging from Derivatives clearing, Custodial services to Third-party products distribution and e-stamping services, SHCIL is a one-stop solution for all your financial needs.



# Stock Holding Corporation of India Limited

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