

Frequently Asked Questions: NPS Corporate Model

1. What is NPS Corporate Model?

NPS was launched in 2004 for Govt. employees as defined contribution Pension Scheme. PFRDA has now launched a separate model to provide NPS to the employees of corporate entities, including PSUs. This model is known as “NPS – Corporate Sector Model”.

2. What are the distinctive features of NPS?

Prudentially regulated - NPS is regulated by PFRDA, with transparent investment norms & regular monitoring and performance review of fund managers by NPS Trust.

Portable – NPS account is portable across geographies and employment.

Flexible – Flexibility to choose Point Of Presence, Pension Fund Managers, investment option, Annuity Service Provider and Annuity schemes.

Low Cost: NPS is one of the world’s lowest cost pension schemes.

Simple and Web enabled/online: All transactions can be tracked online through CRA system. Employee can check fund, NAV and contribution status through CRA website.

3. What are the benefits available to the employees in this model?

- Cheapest investment product with better growth options through long term market linked returns.
- Provides choice of various funds with a flexible investment pattern.
- Individual Retirement Account for record keeping at individual level ensures portability across geographies and employment.
- Employee’s as well as Employer’s contribution towards the NPS account of an employee is eligible for tax exemption as per the Income Tax Act, 1961 as amended from time to time.
- Additionally offers Tier II account which is a voluntary savings facility with anytime liquidity/withdrawal option. However, Tier II account does not give tax exemption - Offers choice of Pension Funds to subscriber with an option to switch every year.
- Efficient grievance management through CRA Website, Call Centre, Email or Postal Mail. Routine/quarterly disclosure of the funds helps subscriber to achieve better fund management.
- Auto Choice option for those who do not have the required knowledge to manage their investment.
- An option to remain invested even after retirement (deferred withdrawal option is available).
- Annuity can also be deferred for maximum period of three years.

4. Is it mandatory to enroll in NPS Program?

Enrolment in the NPS Program is voluntary.

5. Am I eligible to participate in the NPS Program if I am on short term assignment in US or Canada?

Expats from India who are transferred to US or Canada for long term assignment (more than 6 months) are eligible to participate in NPS Program. Associates need to also be eligible and provide required documentation as per regulatory requirements for NPS. Please refer to the Government website for more details with respect to regulatory requirements.

6. I am of Indian origin but not a citizen of India. Am I still eligible to participate?

Expats transferred to US or Canada who have a Green Card or a Permanent Resident Card; or are from a nationality other than India are not eligible to participate in this program.

7. How can I contribute towards NPS Program if I work out of US or Canada?

Associates are required to create a PRAN account before enrolling in this benefit. Please refer launch e-mail communication for [registration process](#). Associates with existing PRAN can shift the corpus to Cyient from their previous employer by providing PRAN a/c details and by submitting subscription specific (NSDL or KARVY) CRA transfer form. Post enrolment, associate contributions will be deducted per paycheck via regular payroll. Employee and Employer contribution will both be transferred to Cyient India and deposited in the confirmed PRAN accounts on a monthly basis.

8. Do I need to have a bank account in India to participate in this program?

Yes, associates are required to have an active bank account in India to contribute towards this program.

9. Do I need to open a separate NPS account as a corporate subscriber even if I have an existing NPS account?

No, your existing NPS account can be tagged to the corporate.

10. How can I shift my existing NPS account to the corporate?

If you already have an NPS account with NSDL CRA and want to tag the account to the corporate, then, you will need to submit Inter CRA Shifting form. The form is available at [CRA Form](#).

Please fill the form as per the below details:

- From Section I – VI, please fill your details
- Section VII – Existing PRAN Association (Source Office Details). Can be found in NSDL Online account under: VIEWS -> NODAL OFFICE VIEW -> POP-SP/CBO VIEW □
Section VIII – Target PRAN Association:
 - i) If Existing PRAN is in 'All Citizen Model' (individual NPS account), then, Target POP-SP Reg. No -> 1616010 & Target POP-SP Name -> ICICI Prudential Pension Funds Management Co. Ltd.

- ii) If Existing PRAN is in 'Corporate Model' (corporate NPS account with previous employer), then, Target POP-SP Reg. No -> 1621050 & Target POP- SP Name -> Cyient Limited

11. Will ICICI open a bank account for me if I don't have an existing India bank account?

You do not need ICICI Bank account to register to NPS. You may register and start contributing to NPS with any Indian bank account and do not need ICICI bank account.

12. Is there a one-time registration fee associated with opening a new NPS account?

Yes, One time registration fee is INR.200/- + 18% GST.

13. Is there any annual maintenance charge for the NPS account?

Yes, annual maintenance will be charge for CRA- KFintech which is INR.57/- + GST

14. Will I get tax exemption in the US/Canada or India if I contribute towards the NPS program?

Since the NPS Program is being extended to expats as a retirement benefit while they are still working in the US or Canada tax exemptions in India, US or Canada may not be applicable.

However, upon returning back to India, associate is eligible for tax deduction upto INR 50,000 under sec 80 CCD (1B) which shall be excluded from the limit of INR 1.5 lac provided under Sec. 80 CCE.

15. Where do I go to enroll in the NPS Program?

- Once the PRAN account is ready, associates should send an email to nam.benefits@cyient.com to set up their access to the NPS contribution page.
- Based on associate request, Ben admin team will set up the access.
- Once the access is enabled, associate should login to [NPS page](#) and submit the below details.
 - India Bank account number, Band Name, Bank IFSC code, Bank Branch name
 - PRAN No, Contribution amount

16. Is there a minimum and maximum contribution amount required to enrol in NPS? Associates are required to contribute a **minimum of \$25 USD** per pay-check. There is no limit on the maximum amount that can be contributed towards the NPS Program.

17. How much will Cyient contribute towards my NPS account?

Cyient will contribute an amount equal to the associate's contribution **up to a maximum of \$50 USD per pay-check** or \$1300 USD annually.

18. Is the company match or contribution taxable?

Yes, Cyient's contribution is considered as earnings to the associate and will be taxed as per the governing federal and state regulations.

19. If I am contributing in any other retirement account would Cyient still match my contribution or pay an annual lump sum upon submission of receipts?

No. At present, Cyient is set to match employee contribution only under the NPS program. Please see the contributions guidelines for more details.

20. Can I choose to enroll in NPS at any time during the year?

No. Enrolment option will be available only once every year. Associate would be required to select their contribution only one time in a year.

21. Can I change my contribution amount in the middle of the year?

No. Contributions selected at the time of enrolment can be changed only upon the subsequent open enrolment.

22. What will happen to my NPS account when I move back to Cyient, Ltd (India)?

On returning back to India, associates may continue contributing towards NPS account. Associate may choose to contribute up to 5%, 7%, or 10% of the basic India salary (as per the current structure available to associates in India). Cyient will cease to match or co-contribute towards associate's NPS account upon being transferred to India Pay-roll.

23. What type of accounts are available under this model?

- a. Tier I account – is a non-withdrawable account where the subscriber/employer/or both contributes savings for retirement. Tax benefit is available for both employer and employee contributions.
- b. Tier II account – is a voluntary savings account from which subscribers are free to withdraw his / her savings whenever he/she wishes subject to minimum contribution & balance.

24. Would I be allowed to convert my Tier –I account to Tier – II account after returning back to India?

Tier-I accounts cannot be converted into Tier-II.

25. Can corporate account be converted into individual account? Yes.

26. In case I resign or leave the organization will the employer contribution be forfeited? No.

27. How many days will I have to enroll in this benefit?

Existing employees will have 30 days from the date of launch of this initiative to enroll and expatriates who will be transferred over the course of time will have 30 days to enroll from the date when they are transferred to US/Canada payroll.