

## NATIONAL PENSION SCHEME - NPS

### Scope

All expats located in the US and Canada who are eligible for the NPS program introduced by the government of India at Cyient, Inc., or Cyient Canada, Inc., or its subsidiaries (together, “Cyient”) in North America Region.

### Policy Statement

Cyient recognises the importance associates place on retirement savings and based on associate feedback Cyient is looking to extend NPS as a retirement benefit option to these associates with an employer contribution to the retirement benefit of associates who are foreign nationals of Indian origin and have been transferred on assignment from India to United States or Canada in North America.

National pension system (NPS) is a unique scheme launched by Govt. of India in 2004. NPS allows citizens of India to effectively plan for their retirement through safe and reasonable market based returns. NPS is regulated by PFRDA an independent government institution. An associate can contribute regularly in a pension account during their working life, withdraw a part of the corpus in a lump sum and use the remaining corpus to buy annuity for a secured future.

Registration and contribution to NPS is voluntary and not mandatory. Associate in Canada may opt for either the NPS or RRSP.

### Abbreviations and Definitions

- NPS: National Pension System
- RRSP: Registered Retirement Savings Plan (RRSP) is a retirement saving and investing plan for employees and self-employed in Canada.
- CRA: Central Recordkeeping Agency responsible for record keeping, administration and issuance of PRAN. National Securities Depository Limited (NSDL) is the Central Record-keeper for the NPS.
- PRAN: Permanent Retirement Account Number (PRAN) is a permanent unique and portable number issued to every individual NPS subscriber
- PFRDA: Pension Fund Regulatory and Development Authority is a statutory body created by Govt. of India to regulate pension. It is an entity of Ministry of Finance in India.
- Aadhar Card: Aadhar is a unique identification (UID) number issued by Govt. of India. The UIDA (Unique Identification Authority of India) which is an entity of Niti Aayog is responsible for UID creation.

- KYC: 'Know Your Customer' is a process of verifying the identity of client/customer.
- Annuity Service Provider (APS): ASPs are responsible for delivering a regular monthly pension to the subscriber after exit from the NPS.

### **Eligibility**

All Expats from India who are transferred to Cyient Inc or a Cyient Inc subsidiary and working in the United States or Canada for more than 6 months as part of long-term assignment are eligible to participate and contribute towards the NPS Program. Associates need to also be eligible and provide required documentation as per regulatory requirements. Details are also available on the government website. Expats from India who are transferred to US or Canada

### **Exclusion**

Associates of Indian origin holding Green Card or Permanent Resident Card.  
Associates of Indian origin from other nationality.

### **Type of NPS accounts**

Tier I – It's a non-withdrawable account where the subscriber/employer/or both contribute savings for retirement.

Tier II - Voluntary savings account from which subscribers are free to withdraw their savings at any time subject to minimum contribution and balance.

Note: Since the NPS Program is being extended to expats as a retirement benefit, tax exemptions in US/Canada will not be applicable. Any tax benefit in NPS is applicable only in India.

\*Please consult your local tax advisor.

### **Registration to NPS**

A. New Registration: Pre-requisite -

All associates joining NPS for the first time need to create a PRAN account ([Registration process](#)) for which the process is as below:

- Associate should have active (savings or current) bank account in India
- For hassle free registration process, associate may use Aadhar Card to receive OTP and complete the process of e-sign.

In case associate does not have a mobile number registered with Aadhar Card then the associate is required to complete the online registration, download and print the filled form, sign at the designated places and submit the hardcopy of the same to Cyient payroll team. Associates are required to self-attest and upload all required documents for KYC on service provided portal

To avoid KYC rejection associates are encouraged to ensure correspondence address and permanent address is same on all uploaded address proof documents.

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**B. Existing NPS Account:**

- Associates are required to ensure existing NPS account is active.
- Associate with existing PRAN (both Individual or tagged to previous employer) can shift the same to Cyient by providing PRAN a/c details and by submitting inter-CRA transfer form.

**Process**

- Once the PRAN account is ready, associates should send an email to [nam.benefits@cyient.com](mailto: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
- Option to submit/modify the contributions will be open only once every year.
- Associate contributions will be deducted per paycheck through payroll. This will be prospective and not retrospective.
- Employee and Employer contribution will both be transferred to Cyient India and deposited in the confirmed PRAN accounts (deposit happens Monthly).
- For any queries associates may directly reach out to payroll (on deductions) or our vendor ICICI Prudential (for details related to their NPS accounts)

**Contribution**

**A. Associate Contribution:**

Associates are required to contribute a minimum of \$25 USD (CAD for Canadian associates) per paycheck.

**B. Contribution by Cyient:**

Cyient will contribute an amount equal to the associate's contribution up to a maximum of \$50 USD (CAD for Canadian associates) per pay-check or \$1300 USD/CAD annually

In the event of the associate attaining the age of 60 years or exiting the organization Cyient will cease to contribute towards the associate's NPS.

This policy is only applicable for the duration the associate is in the United States or Canada as a Cyient employee.

C. Contribution When Associate Returns Back to India:

On returning back to India, associate may continue contributing towards NPS account. Associate can choose to contribute upto 5%, 7%, or 10% of basic of his India salary (as applicable to other associates in India).

Note: There will be no co-contribution from Cyient towards associate's NPS account once associate is back to India Pay-roll.

**Exit from NPS Account**

Associates may contribute into their NPS account until they attain the age of 60 years. After retirement associate is required to invest minimum 40% of the total corpus to purchase annuity from Annuity Service Providers. Remaining corpus can either be withdrawn completely or be deferred and withdrawn in phases between the ages of 60 and 70 years.

**Contact for enquiries**

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