

NPS subscribers can withdraw after three years

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Partial Withdrawal under NPS

The Pension Fund Regulatory Development Authority (PFRDA) has relaxed the norms for partial withdrawal under the National Pension Scheme (NPS). In accordance with the PFRDA (Exits and Withdrawals under the National Pension System) (First Amendment) Regulations 2017, the subscriber ought to be subscribed to the National Pension System, at least for a period of three years from the date of his or her joining to such system, to be eligible to make partial withdrawals, under specific circumstances as specified in such regulations.

The NPS subscribers can withdraw after three years from the date of joining the system and a maximum of three times during the entire tenure of subscription under NPS, but the partial withdrawal is linked with contributions made by the subscriber. The subscriber shall be permitted to withdraw accumulations not exceeding twenty-five per cent of the contributions made by him or her and standing to his or her credit in his or her individual pension account, as on the date of application for withdrawal.

Earlier the subscriber under NPS was permitted to withdraw accumulations not exceeding twenty-five per cent of the contributions made by him or her after 10 years from the date of his or her joining the system, and a maximum of three times during the entire tenure of subscription under NPS.

This was stated by Shri Shiv Pratap Shukla, Minister of State for Finance in written reply to a question in Rajya Sabha today.