

**GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
RAJYA SABHA  
QUESTION NO 3404  
ANSWERED ON 23.07.2019**

**Pensionary benefits under NPS on voluntary retirement**

3404 Shri Ravi Prakash Verma

Will the Minister of FINANCE be pleased to state :-

- (a) whether voluntary retirement is allowed to employees of Central Government covered under NPS after completion of 20 years of service on the lines of old pension scheme;
- (b) if so, the details thereof;
- (c) the details of pensionary benefits and other retirement benefits available/ allowed under NPS to employees who voluntarily retire;
- (d) whether Government would increase its contribution to 20 per cent from 14 per cent under NPS in view of dismal returns on NPS fund to make it more attractive;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

**ANSWER**

The Minister of State (Finance)

(a) and (b) The features and benefits under National Pension System (NPS) and the old pension scheme are independent. Under NPS, there is a provision for voluntary retirement/exit prior to the age of superannuation, without linking it with the minimum number of 20 years of service.

(c) As per Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015, and amendments there under, the provisions for voluntary retirement/exit and the benefits available/ allowed under NPS to employees of Central Government who voluntary retires are as follows:

“3(b) where the subscriber who, before attaining the age of superannuation prescribed by the service rules applicable to him or her, voluntarily retires or exits, then at least eighty per cent out of the accumulated pension wealth of the subscriber shall mandatorily be utilized for purchase of annuity and the balance of the accumulated pension wealth, after such utilization, shall be paid to the subscriber in lump sum or he shall have a choice to collect such remaining pension wealth in accordance with the other options specified by the Authority from time to time, in the interest of the subscribers”

Further, as informed by the Department of Pension and Pensioners' Welfare, the benefit of retirement gratuity and death gratuity has been extended to Government employees covered under NPS on the same terms and conditions as are applicable under CCS (Pension) Rules, 1972.

(d) to (f) (d) to (f) Recently, vide Gazette Notification dated 31.01.2019, the mandatory contribution by the Central Government for its employees covered under NPS Tier-I has been enhanced from the existing 10% of basic pay +DA to 14% of basic pay + DA. The employees' contribution rate would remain at the existing 10% of basic pay + DA. There is no proposal to increase the contribution to 20 per cent from 14 per cent under NPS.

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