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## Circular

No: PFRDA/2021/38/SUP-CRA/16

September 3, 2021

To,

Central Record Keeping Agency (NCRA)

&

Other APY stakeholders

**Subject: Changes in Premature Exit Processing of APY for the benefit of Subscribers**

Atal Pension Yojana (APY) is the flagship Social Security Scheme of Government of India administered by PFRDA through Banks and Dept of Post. The scheme offers Guaranteed Pension Benefits to the eligible Indian Citizens after reaching the age of 60 years, who subscribe and contribute to the scheme. The existing mode of premature withdrawal under APY is examined from time to time by PFRDA based on the inputs/suggestions received from various stake holders and the changes are proposed with suitable technological intervention.

It is proposed to introduce Instant Bank Account Verification in the interest of underlying Subscribers *for orderly processing of their exit requests*. The following guidelines are issued for facilitating *timely transfer of withdrawal amount* in the Bank Account of APY Subscribers and also as *an additional due diligence* to protect their corpus lying in the Permanent Retirement Account Number (PRAN). There could be two scenarios at the time of exit which are explained as under:

### **A. If the SB account details of Subscribers at the time on-boarding & exit are same**

1. APY-SP should incorporate the field indicating active status of Savings Bank (SB) Account in the revised exit file format provided by CRA which *is mandatory w.e.f. Sep 15th, 2021*.
2. Further *“Instant Bank Account verification by penny drop”* shall also be undertaken by CRA to verify the operative status of SB Account as part of enhanced due diligence.
3. The above changes are being implemented to enable CRA system to process the premature withdrawal requests where the associated SB Account is operative so as to ensure receipt of APY account closure proceeds in the SB account.

4. If the associated SB Account is closed/dormant, the modified process ensures preservation of Subscribers contribution in the PRAN itself to generate optimum market based returns.

**B. If the SB account details at the time on-boarding & exit are not same, different Account Number of same Bank or the different Bank**

1. APY SPs are advised that the APY closure proceeds are credited to the same Bank Account number and may accept the request with different Account number or account of a different Bank *only as an exception*. Such requests are to be accompanied by *proof of Alternate Account Number* acceptable to the Bank.
2. "Instant Bank Account verification by penny drop" shall be undertaken by CRA as part of enhanced due diligence including the name matching between PRAN and Bank Account Number.
3. The exit requests with mismatches or with unsuccessful account verification, post penny drop is to be confirmed by the respective APY-SP for further processing of exit requests by CRA.
4. APY Subscribers are to be educated by APY-SP to keep their respective Bank account active when they submit their premature withdrawal request, till their request for premature withdrawal request is processed. A suitable undertaking can be obtained from the Subscriber as part of the withdrawal request.
5. The applicable charges for *Instant Bank Account verification* would be recovered by CRA from the respective PRAN for further reimbursement to the service provider. The prevailing charges for verifying Bank Account Number through penny drop is Rs. 2.40/- and tax.

For any further assistance, APY-SPs can contact Central Record Keeping Agency or Mr. A. Ramesh Kumar ([ramesh.kumar@pfrda.org.in](mailto:ramesh.kumar@pfrda.org.in)). This circular is issued under Section 14 of PFRDA Act 2013 and is available at PFRDA's website ([www.pfrda.org.in](http://www.pfrda.org.in)) under the Regulatory framework in "Circular" section.



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