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Circular

PFRDA/2021/42/SUP-ASP/08

October 4, 2021

To,
All Stake holders under Government Sector/Autonomous Bodies of Central/State Government

Subject: Online exit process for NPS subscribers under Government Sector

NPS Subscribers are empowered with the *comprehensive end to end digitally enabled solutions to fulfill their evolving needs* and allow them for performing various facets of NPS viz On-boarding, maintenance, contribution deposit, partial withdrawal and exit with greater ease and convenience. PFRDA had already enabled online paperless exit process of Non Govt Sector Subscribers.

1. PFRDA is pleased to extend the online and paperless process of exit to the Subscribers of Government Sector as an option in addition to the existing physical mode of exit. The online exit would be integrated with *Instant Bank Account Verification* as per the existing guidelines as part of *enhanced due diligence* in the interest of Subscribers. The facility would also be available to the employees of Autonomous Bodies of Central/State Government who are covered in NPS.
2. The online process flow and the associated function are provided at the Annexure for the benefit of stake holders. Central Record Keeping Agencies (CRAs) would be enabling the required technical functionalities in a time bound manner in the interest of Subscribers before 30th October 2021.
3. Subscribers are encouraged to utilize the option of online exit which *ensures timely process of exit and seamless issue of annuity by Annuity Service Providers (ASP)*. Nodal Officers of Government Sector need to play a larger role to educate their employees about the process of online exit which not only benefit Subscribers but also the nodal officers by freeing them from handling paper-based documents and dispatching those papers to the associated CRA for record keeping.
4. The Subscribers who are not able to initiate online exit request due to *any challenge are to be assisted by DDOs for digitization and to facilitate their exits by upload of documents*

in CRA system on behalf of Subscribers, for the benefit of those Subscribers to derive the intended benefit.

CRA's are advised to create wide awareness through targeted campaign, educational videos and any other creative modes for the desired outcome. This circular is issued under Section 14 of PFRDA Act 2013 and is available at PFRDA's website (www.pfrda.org.in) under the Regulatory framework.



K. Mohan Gandhi
(Chief General Manager)

Encl: A/a

Annexure

A. Initiation of online Exit request by Subscriber

1. Govt Sector Subscriber will initiate online exit request by logging to CRA system.
2. At the time of initiation of request, the relevant messages about e-Sign/OTP authentication, authorization of request by Nodal Office etc. will be displayed to the Subscriber.
3. Subscriber will select fund allocation percentage for lump sum/annuity, annuity details, nomination details etc.
4. Subscriber will upload the scanned images of the KYC/duly signed withdrawal documents. *The upload of documents will be mandatory.*
5. Subscriber authorizes the request by using any one of the two following options to make the process paperless:
 - a. OTP Authentication – Distinct OTPs will be sent on Mobile Number and email ID of the Subscribers.
 - b. e-Sign – Subscribers will e-Sign the request using Aadhaar

B. Authorization of Exit request by Nodal Office

1. On successful submission of online request by the Subscriber, the exit request along with scanned documents and the relevant flag (OTP Authentication/e-Sign) will be made available in the associated nodal officers' CRA login.
2. Nodal Office will verify & authorize the request on the basis of scanned documents.
3. Post authorization of request by Nodal Officer of Govt Sector, the request will get executed in the CRA system.
4. Rejection – In case of rejection of request by Nodal Office due to any deficiency, the Subscriber will be required to correct and re-initiate the request.

C. Instant Bank Account Verification

CRA shall carry out Instant Bank Account Verification of the beneficiary *through penny drop* as part of enhanced due diligence and the cost shall be borne by the Subscriber. Penny drop process matches the Bank Account no/Name with Permanent Retirement Account Number (PRAN) details.

D. Issue of Annuity: The copy of withdrawal documents/KYC shall be made available to ASPs by CRAs for the purpose of issuing annuity.

E. Continuation/deferment: An online feature shall be provided to the Govt Sector Subscribers *to opt for continuation/deferment at the time of exit.*

F. Online request without OTP/e Sign: The option is also to be provided to the Subscribers to initiate online exit request who do not authorize through e sign/OTP as the case may be. Those Subscribers post lodging online request need to submit their physical withdrawal form to the associated nodal officers.

G. The Subscribers who are not able to initiate online exit request need to be assisted by DDOs for digitization and for facilitation of exit by upload of documents in CRA system for the benefit of those Subscribers.

H. Awareness: CRAs/Nodal officers need to create intensive awareness among the Subscribers to update their latest mobile number and Email id in PRANs for generation of OTP/e-sign. CRAs need to create educational videos highlighting the process/benefits of online exit which can be used for creation of awareness.