

Dear Sir/Madam,

All Nodal Offices are hereby informed that as per the announcement made in the Union Budget for FY 2015-16, voluntary investment to an extent of Rs. 50,000/- made in the Tier I account under National Pension System (NPS) can be claimed for tax exemption by the investor under the applicable sections of the Income Tax Act, 1961. The employees who are mandatorily covered under NPS can now make voluntary investment in their PRAN - Tier I account by approaching any Point of Presence – Service Provider (PoP-SP). Also, the employees who are not mandatorily covered under NPS, can also make voluntary investment under NPS by opening a NPS account through any POP.

In this regard, the **advertisement mailer** provided by Pension Fund Regulatory & Development Authority (PFRDA) giving information about the 'Voluntary Contribution under NPS' is enclosed for reference. The Nodal Offices are requested to disseminate this information among the all staff members, whether they are mandatorily covered under NPS or not. Nodal Offices may display this mailer at prominent positions including notice boards in office/department or may provide printed copies to the employees to create awareness among the staff members.

Thanks & Regards,

Central Recordkeeping Agency (National Pension System)



Save **R**ight
Retire **B**right

Tax Savings through National Pension System

- **What are the Tax Benefits available to Government subscribers under NPS?**
Your own contributions in Tier I are eligible for tax deduction of up to 10 % of Salary (Basic + DA) u/s 80 CCD(1) within the overall ceiling of ₹ 1.50 Lakhs u/s 80 CCE of IT Act, 1961. The earlier ceiling limit of ₹ 1.00 lakhs have been removed from the current F.Y. 2015-16.
- **What is the additional Tax benefit made available to the NPS subscribers from the Current F.Y. 2015-16?**
From F.Y. 2015-16, you are allowed additional tax deduction in addition to the deduction of ₹ 1.50 Lakhs allowed under Sec. 80CCD(1), subject to contribution of maximum of ₹ 50,000/- as additional contribution in your NPS account, u/s 80CCD(1B) of IT Act, 1961.
- **If this contribution of ₹50,000/- u/s 80CCD (1B) is done , how much would an NPS subscriber be able to claim as Tax deduction?**
Effectively you can now claim tax deduction up to ₹2.00 Lakhs by contributing under NPS, as against ₹1.50 Lakhs earlier .
- **For a subscriber covered under the defined benefits scheme, old pension scheme, other pension schemes, how can tax benefit be availed ?**
You need to open an NPS account (PRAN– Permanent Retirement Account Number) through any of the registered POP-SPs (Point of Presence-Service Providers) under All Citizens Scheme and by contributing ₹ 50,000/- , you can avail tax deduction available under Sec. 80CCD(1B) of IT Act, 1961.
- **How can I submit this additional voluntary contribution for availing of this Tax benefit ?**
You can visit any POP-SP to register under NPS or to make the additional investment in your existing PRAN. To know about your nearest POP-SP call on 1800-110-708 or visit www.npscra.nsdl.co.in and click “Locate your nearest POP-SP”.