

Circular No PFRDA/2022/38/FT&DA/03

09th December 2022

To,

All Stake Holders

Subject: NPS Prosperity Planner (NPP) for Adequacy in Retirement Income Planning

PFRDA takes a plethora of initiatives, enablers, empowerment kits & series of digitally enabled solutions for the large-scale adoption of NPS for the holistic retirement planning of the existing and prospective Subscribers.

2. NPS offers unique tax benefits for its Subscribers during accumulation and withdrawal, but its primary objective is Retirement Planning. NPS due to its cost effectiveness and transparency have all ingredients to become *partners of prosperity* of each earning individual when they retire from active work life and they no longer earn.

3. The working age population can build a retirement corpus through NPS by the regular contributions carved out from their income and periodical enhancement of their contribution commensurate with the rise in income to provide them and their spouse with regular stream of income once they reach the age of superannuation or retirement.

4. As part of Azadi Ka Amrit Mahotsav (AKAM) and in order to assist, empower and handhold the Subscribers to plan for *adequacy in retirement income*, PFRDA is pleased to provide NPS Prosperity Planner (NPP) for the benefit of Subscribers, made available by the CRAs.

5. Through NPP, the subscribers would be able to estimate the projected Retirement Income (Annuity) as per the Annuity options based on their existing contribution under NPS. NPP provides the tool for higher Retirement Income through *Accelerated Contribution plan* in the residual period until retirement duly considering *inflation and the projected cost of living expenses*.

6. NPS Prosperity Planner is futuristic and offers personalized retirement planning for the subscribers based on their past contribution, expected income rise in the future and their cost of living. The calculator thus can provide the subscriber with the reasonable projections which aid in better retirement planning to ensure adequate and sustainable old age income.

This circular is issued furtherance of and to protect the interests of subscribers and to regulate, promote and ensure orderly growth of the National Pension System.

Suggestions/Improvements about NPP are welcome by email to <*fintech-data@pfrda.org.in*>.

Chief General Manager

परिपत्र संख्या- PFRDA/2022/38/FT&DA/03

9 दिसंबर २०२२

प्रति,
सभी हितधारक

विषय : सेवानिवृत्ति आय योजना में पर्याप्तता हेतु एनपीएस प्रोस्पेरिटी प्लानर (एनपीपी)

पीएफआरडीए द्वारा मौजूदा और भावी अभिदाताओं की समग्र सेवानिवृत्ति योजना के लिए कई पहलों, सक्षमकर्ताओं, सशक्तिकरण किट तथा डिजिटल रूप से सक्षम समाधानों की व्यवस्था की जाती है जिससे एनपीएस को बड़े पैमाने पर अपनाए जाने हेतु प्रोत्साहन मिलता है।

2. यद्यपि, एनपीएस के अभिदाताओं को संचय (accumulation) और प्रत्याहरण (withdrawal) के दौरान विशेष कर-लाभ मिलता है, लेकिन इसका मूल उद्देश्य सेवानिवृत्ति की योजना है। अपनी मूल्य प्रभावशीलता और पारदर्शिता के कारण एनपीएस में वे सभी गुण हैं जिससे यह सक्रिय जीवनचर्या से सेवानिवृत्ति और उपार्जन बंद होने के बाद भी प्रत्येक अर्जक की समृद्धि का भागीदार बन सकता है।

3. कार्यशील लोग, अपनी आय में से नियमित अंशदान करते हुए और आय में वृद्धि के अनुरूप ही अपने अंशदान में बढ़ोतरी करते हुए, एनपीएस के माध्यम से सेवानिवृत्ति कोष का निर्माण कर सकते हैं ताकि सेवानिवृत्ति के बाद उन्हें और उनके पति या पत्नी को नियमित आय प्राप्त हो सके।

4. "आजादी का अमृत महोत्सव (AKAM)" के एक भाग के रूप में और सेवानिवृत्ति आय में पर्याप्तता सुनिश्चित करने के क्रम में, अभिदाताओं की सहायता, सशक्तिकरण और उन्हें सहयोग प्रदान करने हेतु सीआरए द्वारा उपलब्ध कराए गए एनपीएस प्रोस्पेरिटी प्लानर (एनपीपी) को प्रदान करने में पीएफआरडीए को प्रसन्नता हो रही है।

5. एनपीपी के माध्यम से अभिदाता, अपने मौजूदा अंशदान पर आधारित वार्षिकी विकल्पों के अनुसार, एनपीएस के तहत अनुमानित सेवानिवृत्ति आय (Annuity) का आकलन कर सकेंगे। एनपीपी, महंगाई और जीवनयापन-व्यय की अनुमानित लागत को ध्यान में रखते हुए सेवानिवृत्ति तक की शेष अवधि में त्वरित अंशदान योजना (Accelerated Contribution plan) द्वारा उच्चतर सेवानिवृत्ति आय का एक साधन प्रदान करता है।

6. एनपीएस प्रॉस्पेरिटी प्लानर भविष्यवादी है और अभिदाताओं के पिछले अंशदान, भविष्य में अपेक्षित आय-वृद्धि और जीवन-यापन की लागत के आधार पर उनकी व्यक्तिगत सेवानिवृत्ति योजना में सहायक हो सकता है। इस कैलकुलेटर द्वारा उचित आकलन किया जा सकता है जिससे पर्याप्त और सतत वृद्धावस्था आय सुनिश्चित करने हेतु एक बेहतर सेवानिवृत्ति योजना बनाने में अभिदाताओं को सहायता मिल सकती है।

यह परिपत्र, अभिदाताओं के हितों की रक्षा को प्रोत्साहित करने और राष्ट्रीय पेंशन प्रणाली का विनियमन, संवर्धन और व्यवस्थित विकास सुनिश्चित करने के लिए जारी किया गया है।

एनपीपी पर सुझावों / सुधारों का स्वागत है और इन्हें <fintech-data@pfrda.org.in> ईमेल पर भेजा जा सकता है ।

सादर,

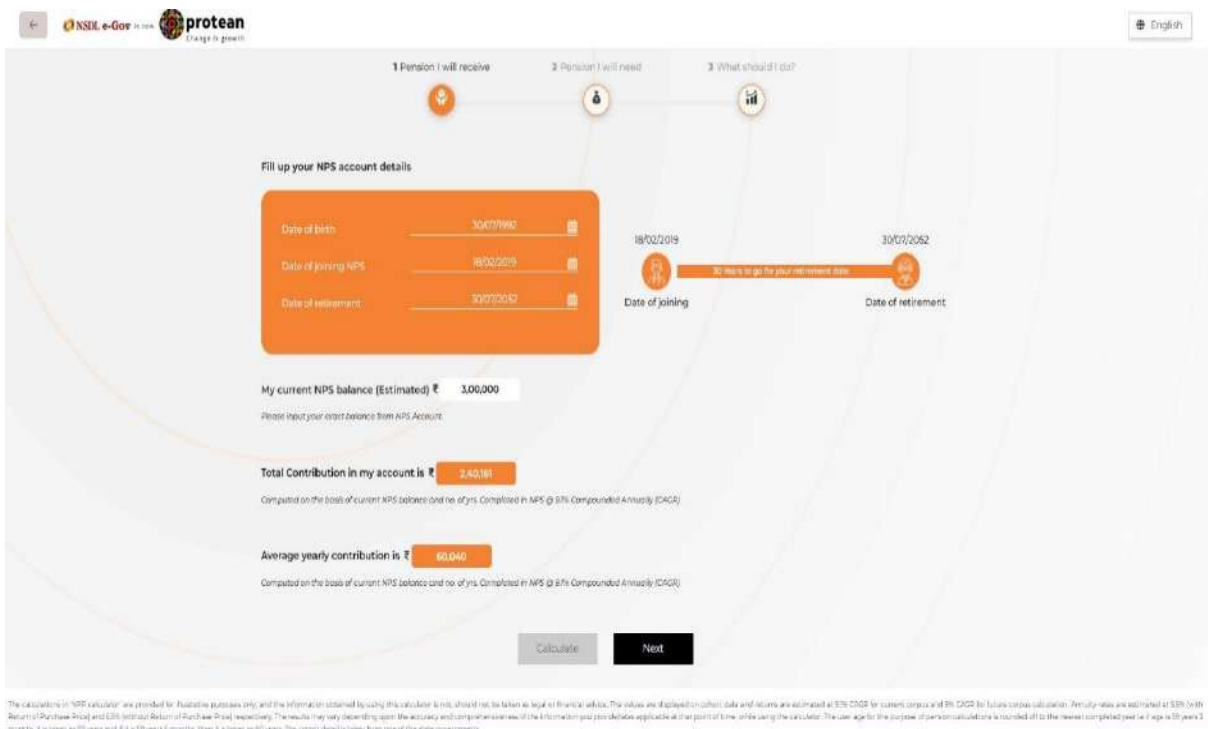
मुख्य महाप्रबंधक

1. NPS Prosperity Planner at PCRA Portal (<https://npp.proteantech.in/>)

Screenshot 1:



Screenshot 2:



The calculations in NPS calculator are provided for illustrative purposes only and the information obtained by using this calculator is not, should not, be taken as legal or financial advice. The values are displayed on (current) date and returns are estimated at 8% CAGR for current corpus and 8% CAGR for future corpus calculation. Annuity rates are estimated at 5.5% (with Return of Purchase Price) and 5.5% (with Return of Purchase Price) respectively. The results may vary depending upon the accuracy and completeness of the information you provide applicable at the point of time while using the calculator. The user age for the purpose of pension calculation is rounded off to the nearest completed year i.e. if age is 55 years 3 months, it is taken as 55 years and if it is 55 years 6 months, then it is taken as 56 years. The corpus details come from one of the state governments.

Screenshot 3:

NSDL e-Gov protean Change is growth English

1 Pension I will receive 2 Pension I will need 3 What should I do?

If I continue with my existing contribution of ₹ 60,040 till my retirement i.e. year 2052

My Annual Increase in Contribution: 0% to 20% (set at 10%)

My Annuity Component: 40% to 100%

My projected contribution will be ₹1.01 cr

My NPS corpus on retirement will be ₹27 cr

Projected monthly pension from year 2052 onwards

₹1,23,602 Joint life with return of purchase price (With ROP)	₹1,46,076 Joint life without return of purchase price (Without ROP)
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But is your monthly pension going to be enough for you?

Calculate Check now

The calculations in 'NPS calculator' are provided for illustrative purposes only, and the information obtained by using this calculator is not, should not be taken as legal or financial advice. The values are displayed on cohort data and returns are estimated at 8% CAGR for current corpus and 9% CAGR for future corpus calculation. Annuity rates are estimated at 5% (with Return of Purchase Price) and 6.5% (without Return of Purchase Price) respectively. The results may vary depending upon the accuracy and comprehensiveness of the information you provide/inputs applicable at that point of time, while using the calculator. The user age for the purpose of pension calculation is rounded off to the nearest completed year. If age is 59 years 8 months, it is taken as 59 years and if it is 59 years 9 months, then it is taken as 60 years. The cohort data is taken from one of the state governments.

Screenshot 4:

NSDL e-Gov protean Change is growth English

1 Pension I will receive 2 Pension I will need 3 What should I do?

Estimate your actual pension requirement

My monthly living expenses at current cost is: ₹ 1,00,000

I expect the rate of inflation to be: 0% to 10% (set at 5%)

Calculate

Monthly pension requirement in 2052 would be ₹ 4,32,194

But my current contribution with 10% increase will only give pension of ₹ 1,46,076

Monthly pension requirement from 2052 onwards

₹1,46,076 (Current contribution) vs ₹4,32,194 (Required pension)

Your actual pension requirement at retirement will be significantly impacted by inflation.

How do I address the gap?

The calculations in 'NPS calculator' are provided for illustrative purposes only, and the information obtained by using this calculator is not, should not be taken as legal or financial advice. The values are displayed on cohort data and returns are estimated at 8% CAGR for current corpus and 9% CAGR for future corpus calculation. Annuity rates are estimated at 5% (with Return of Purchase Price) and 6.5% (without Return of Purchase Price) respectively. The results may vary depending upon the accuracy and comprehensiveness of the information you provide/inputs applicable at that point of time, while using the calculator. The user age for the purpose of pension calculation is rounded off to the nearest completed year. If age is 59 years 8 months, it is taken as 59 years and if it is 59 years 9 months, then it is taken as 60 years. The cohort data is taken from one of the state governments.

Screenshot 5:

The screenshot displays the Protean NPS calculator interface. At the top, there are three steps: 1. Pension I will receive, 2. Pension I will need, and 3. What should I do?. The main content is divided into two columns.

Left Column: How do I get my targeted pension amount?

- I wish to get a Monthly Pension/Annuity of: ₹4,32,194
- I wish to change the annuity component to: 40% (slider from 0% to 100%)
- Options: With ROP, Without ROP
- Calculate button
- My NPS Corpus at Retirement: ₹60,040

Right Column: Monthly pension requirements from 2052 onwards (Joint life with ROP)

- Bar chart showing:
 - Pension from current contribution: ₹1,23,662
 - Pension from accelerated contribution: ₹4,32,194
- Callout box: Accelerated contribution will help you meet your targeted pension target.

To achieve your targeted pension amount:

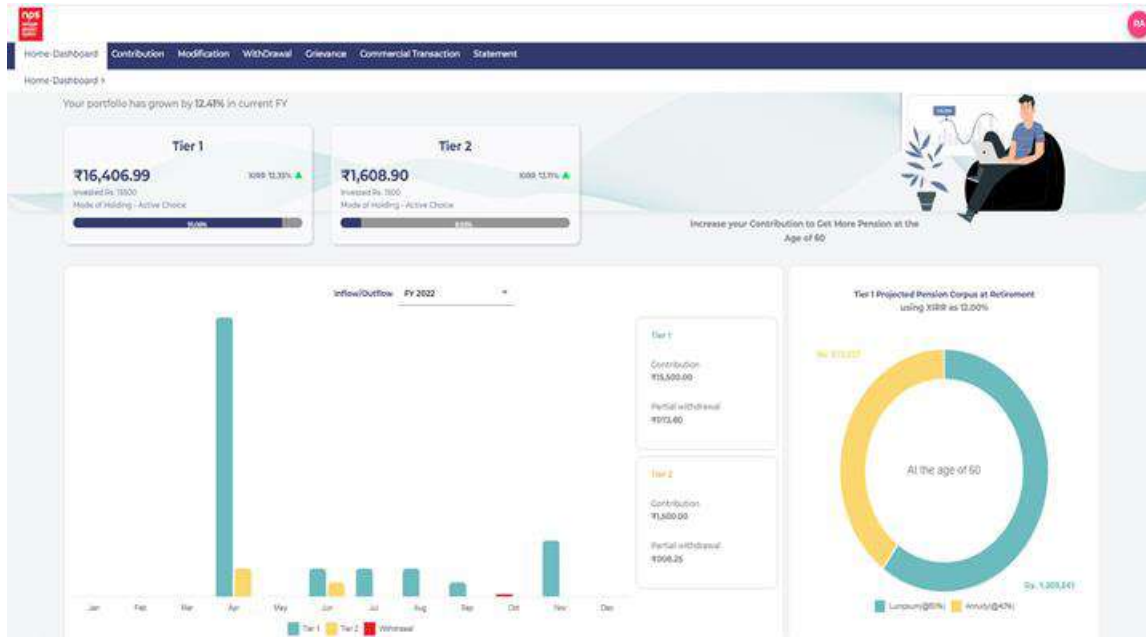
- Current NPS contribution: ₹60,040
- Accelerated NPS contribution: ₹2,28,835

At the bottom, there is a button: **Contribute to my NPS Account**

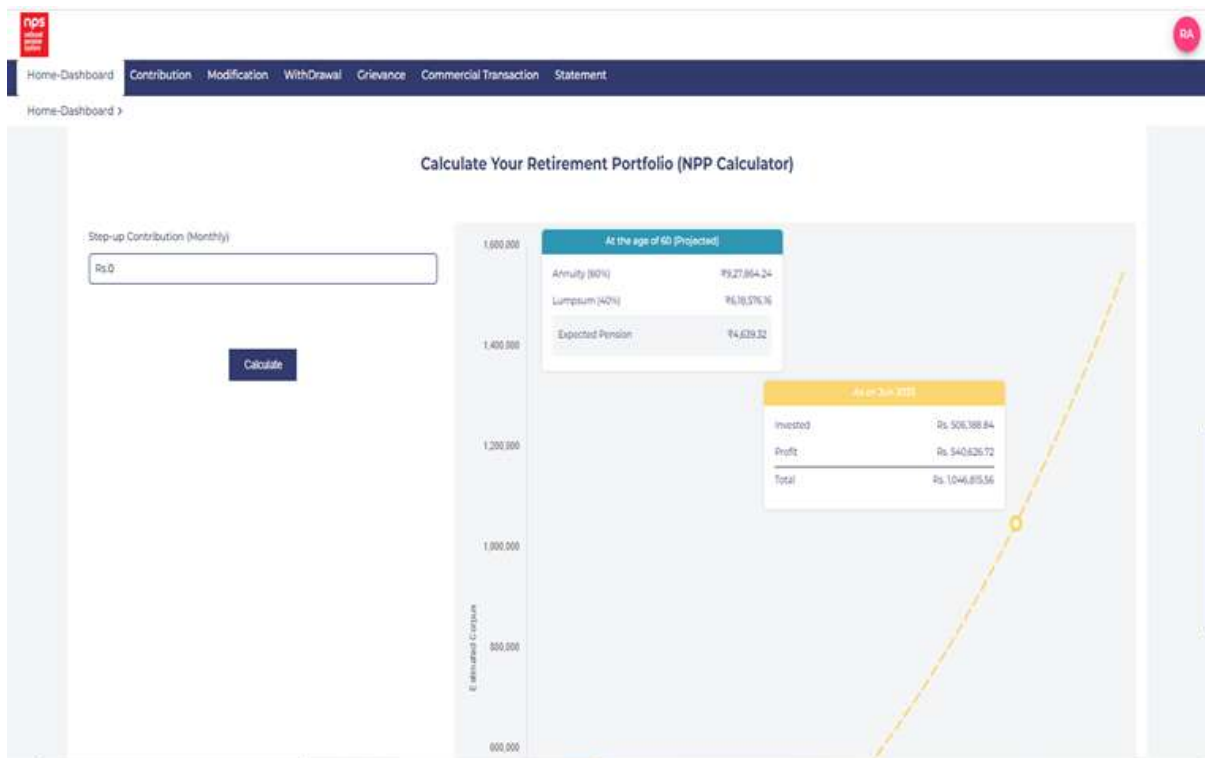
The calculator's "NPS calculator" are provided for illustrative purposes only, and the information obtained by using this calculator is not, should not be taken as legal or financial advice. The values are displayed on other data and inputs are estimated at 8% CAGR for current corpus and 6% CAGR for future corpus calculation. Annuity rates are estimated at 5.5% (with Return of Purchase Price) and 5.5% (with Return of Purchase Price) respectively. This result may vary depending upon the accuracy and completeness of the information you provide applicable at the point of time, while using the calculator. The usage for the purpose of pension calculation is rounded off to the nearest complete year (if age is 59 years 8 months, it is taken as 60 years and if it is 59 years 2 months then it is taken as 59 years). This content detail is taken from one of the above documents.

2. NPS Prosperity Planner in CAMS Subscribers' Login:

Screenshot 1:



Screenshot 2:



Screenshot 3:

