

Tata Securities Limited

**Charge structure of Points of Presence (PoP) for
Common Schemes under NPS (All Citizen and
Corporate Model) including NPS Vatsalya**

The National Pension System (NPS), instituted by the Government of India, serves as a vehicle for citizens to prudently secure their retirement benefits through a combination of safety and market-driven returns. Oversight and regulation of the NPS fall under the purview of the NPS Trust, an entity appointed by the Government of India, with the primary aim of mobilizing small savings from subscribers and ensuring a secure, market-oriented return on their contributions upon retirement.

Regular contributions from subscribers, including employees from the Government and corporate sectors, along with contributions from their respective employers, are strategically invested in Pension Funds selected by subscribers from an approved list. Upon reaching superannuation, a portion of the accumulated corpus is available for lump-sum withdrawal, while the remainder can be invested in an "Annuity" through a registered Annuity Service Provider (ASP), facilitating a consistent pension income for the subscriber.

Each subscriber is assigned a Permanent Retirement Account Number (PRAN) by the Central Record Keeping Agency (CRA). This PRAN serves as a comprehensive identifier, tracking all transactions, contributions, modifications of details, and scheme preferences. The oversight mechanism involves coordination between the Nodal Office, subscribers, and various entities such as PFRDA, CRA, Trustee Bank, Annuity Service Providers, Custodian, and Pension Funds.

Tata Securities Limited (TSL) functions as the registered **Point of Presence (POP)** within the NPS architecture. The following procedures are outlined as a guide for POP functions under the regulatory framework of the Pension Fund Regulatory and Development Authority (PFRDA) (Point of Presence) Regulations, 2018, and PFRDA POP operating guidelines. These guidelines aim to offer clarity on POP activities, encompassing their scope, key functions, essential outputs, and measurements required for compliance with applicable regulations, establishing a foundation for robust internal controls.

Regulation 16 of Pension Fund Regulatory and Development Authority (Point of Presence) Regulations, 2018 (hereinafter referred to as "POP Regulations") states that "the charges that may be collected by the point of presence from the subscriber shall be subject to the limit, mode and manner of collection, as permitted by the Authority".

In accordance with the PoP regulations, the applicable charges for PoPs under NPS (All Citizen and Corporate Model) including NPS Vatsalya are hereby revised as under:

Intermediary		Charges for NPS Common Schemes
Point of Presence	First Year of subscribers onboarding	0.2% p.a. of the AUM (subject to minimum of Rs. 30/-) and 0.1% p.a. for CPSE employees (subject to minimum of Rs.15/-) pro-rata on quarterly basis.
Point of Presence	Second Year onwards	0.2% p.a. of the AUM (subject to minimum of Rs.30/-) 0.1% p.a. for CPSE employees (subject to minimum of Rs.15/-) pro-rata on quarterly basis, in accounts other than Dormant accounts. This shall be applicable to all existing accounts as well.

Further, the following may also be noted with respect to the subject matter:

- ❖ Method of deduction shall be through cancellation of units by Central Recordkeeping Agencies.
- ❖ The term “p.a.” shall mean a period comprising of four (04) consecutive quarters and shall not be construed to or to be aligned with, a financial year or a calendar year.
- ❖ Accordingly, charges shall be levied at 0.05% of AUM on the last day of quarter for Common Schemes of NPS (All Citizen and Corporate Model), including NPS Vatsalya, and 0.025% of AUM on the last day of quarter for CPSE employees.
- ❖ Subscribers onboarded through a POP and making subsequent contributions through e-NPS or D-Remit, shall be liable to pay PoP charges as prescribed above.
- ❖ Dormant Account will not be charged. Dormant account is defined as such account where subsequent to a contribution in a quarter, there is no contribution for four consecutive quarters as identified at the end of each quarter.
- ❖ GST or other taxes as applicable, shall be additional.
- ❖ The existing POP charge structure is further subject to change as per the guidelines of Pension Fund Regulatory & Development Authority (PFRDA).