



**PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY**

PFRDA/ 2013/ 6/ PDEX /5

March 11<sup>th</sup>, 2013

To,

All POP's, Aggregators, CRA, Central and State Governments,

Dear Sir/ Madam,

**Sub: Circular on replacing the existing facility of 'Phased Withdrawal' with 'Deferred Withdrawal'**

Feedback is being received from various stakeholders that the subscribers be given a specific option to defer or time the entire lump sum withdrawal (max 60%) at the time of exit from National Pension System (NPS) rather than forcing them to choose a certain percentage (%) each and every year while choosing the existing 'Phased withdrawal' option, including the year in which they are exiting the system.

The matter has been examined by the Authority and it has been decided to replace the "Phased Withdrawal" option currently available with a "Deferred withdrawal" option whereby the subscriber can time the lump sum withdrawal allowed under NPS at the time of exit, with immediate effect.

Under the Deferred withdrawal facility, the subscribers at the time of exit from National Pension System (NPS) can exercise an option to defer the withdrawal of eligible lump sum withdrawal and stay invested in the NPS. However, it may be noted that no fresh contributions are accepted and also no partial withdrawals are allowed during such a period of deferment. The subscriber can withdraw the deferred lump sum amount at any time before attaining the age of 70 years by giving a withdrawal application or notice. If no such notice is given, the accumulated pension wealth would be automatically monetized and credited to his bank account upon attaining the age of 70 years.

This is for the information of all concerned. The circular also is being placed on PFRDA website at <http://www.pfrda.org.in> and CRA website at <http://www.npscra.nsdl.co.in>.

Yours faithfully,  
**Sd/-**

**Venkateswarlu Peri**  
**General Manager**