

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Subject:-Procedure for withdrawal of NPS amount at the time of Superannuation or before superannuation and death while in service.

- READ:-
- 1.G.O. No.FD (Spl)04 PET 2005, Bangalore, dated 31.03.2006.
  - 2.G.O.No.FD (Spl)28 PEN 2009, Bangalore, dated 29.03.2010.
  - 3.G.O.No.FD (Spl)01 PEN 2010, Bangalore, dated 20.10.2010.
  - 4.G.O.No.FD (Spl) 203 PEN 2012, Bangalore, dated 16.01.2013.
  - 5.G.O.No.FD(Spl) 203 PEN 2012, Bangalore dated 30.07.2014.
  - 6.Circular No:FD(Spl)203 PEN 2012(Part) Bengaluru, dated 21.05.2015.
  - 7.Letter No.DOT/NPS/17/2011-12,Dt:14.1.2016 of Director of Treasuries, Bengaluru.

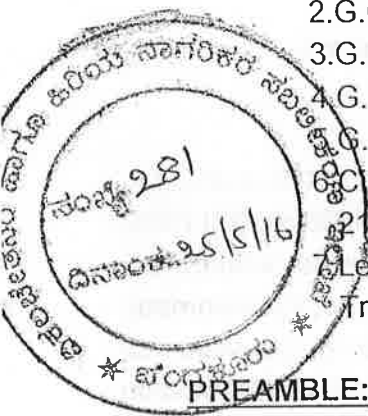
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PREAMBLE:

Government of Karnataka has introduced a New Defined Contribution Pension system for its employees who joined/join Government service on or after 01-04-2006 in G.O. read at (1) above and it was operationalised from 01/04/2010 in G.O. read at (2) above. NPS is made applicable for the members of the All India Services Officers (Karnataka Cadre) joining the All India Services on or after 01/01/2004 in G.O read at (3) above.

According to para 4 & 1(F) of G.O. read at (1) & (3) above, Government employees who are under NPS shall at the time of superannuation i.e., at the time of exit from service, be mandatorily required to invest 40% of accumulated amount in the Permanent Retirement Account (PRA) towards purchase of an annuity to facilitate for payment of pension to the employee. As per para (5) of the said G.O. the NPS employees of Government who leave the scheme before attaining the age of superannuation, the mandatory annuitization rate shall be 80% of the total accumulated amount in the Permanent Retirement Account (PRA) for making payment of pension. Detailed procedure for settlement of accumulated pension corpus to the nominee/family members/legal heirs of NPS employee whose death occurred while in service is issued in the G.O read at (5) above. In the Circular read at (6) above, detailed procedure for withdrawal of entire NPS amount, on superannuation, if accumulated pension amount is equal to or less than Rs. 2,00,000 is issued.

As per the notification of PFRDA (Exit and withdrawal under NPS) Regulations 2015 which was issued on 11<sup>th</sup> May 2015. the procedures/conditions for exit from NPS in case of superannuation and other than superannuation is slightly changed. Hence,



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the Director of Treasuries, in letter read at (7) above has sent a proposal to Government for detailing the procedure for withdrawal of accumulated NPS amount of Government Employees is more than Rs. 2,00,000/- at the time of superannuation and to issue a revised order as per PFRDA regulations by superseding G.Os and Circulars read at (4), (5) and (6) above.

Therefore, after examining all these aspects Government has decided to order as follows:

**GOVERNMENT ORDER NO: FD (Spl) 203 PEN 2012(P)  
BENGALURU, DATED: 18.05.2016**

In supersession of G.O. No.FD (Spl) 203 PEN 2012, dated:16.01.2013 and G.O. No. FD (Spl) 203 PEN 2012, dated:30.7.2014 and Circular No:FD(Spl)203 PEN 2012(Part) Bengaluru, dated 21.05.2015, Government issues this Order for withdrawal of accumulated NPS amount in Permanent Retirement Account of Government employees at the time of superannuation/resignation/death while in service, for employees who have joined/join the Government service on or after 01/04/2006 and Officers who have joined/join All India Services on or after 01/01/2004 borne on Karnataka cadre.

**A. WHERE THE SUBSCRIBER RETIRES AT THE AGE OF SUPERANNUATION:-**

40%of the accumulated pension corpus of the subscriber shall to be utilized for purchase of an annuity providing for the monthly pension of the subscriber and the balance 60% shall be paid as lump sum to the subscriber. In default annuity scheme/contract, monthly pension shall be paid for life of the subscriber and his/her spouse (if any) with provision for return of purchase price of the annuity, upon death of such subscriber/spouse, be re-issued to the family members in the order specified hereunder at a rate prevalent at the time of purchase of such annuity.

- (a) Living dependent mother of the deceased subscriber,
- (b) Living dependent father of the deceased subscriber.

After the coverage of all the family members specified above, the purchase price will be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber.

In case the accumulated pension wealth in the permanent Retirement Account of the subscriber who retires at the time of superannuation is equal to or less than a sum of two lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity. In such cases the subscriber will not be eligible for any pension under the scheme.

**B. WHERE THE SUBSCRIBER WHO, BEFORE ATTAINING THE AGE OF SUPERANNUATION RESIGNS FROM GOVERNMENT SERVICE FOR OTHER REASONS:-**

80% of the accumulated pension wealth of the subscriber shall mandatorily be utilized for purchase of annuity and the balance of 20% shall be paid to the subscriber in lump sum. In default annuity scheme/contract, monthly pension shall be paid for life of the subscriber and his/her spouse (if any) with provision for return of purchase price of the annuity, upon death of such subscriber/spouse, be re-issued to the family members in the order specified hereunder at a rate prevalent at the time of purchase of such annuity.

(a) Living dependent mother of the deceased subscriber,

(b) Living dependent father of the deceased subscriber.

After the coverage of all the family members specified above, the purchase price will be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber.

If the accumulated pension wealth in the Permanent Retirement Account of the employee who leave the scheme before attaining the age of superannuation is equal to or less than one lakh rupees, the subscriber shall have the option to withdraw the entire accumulated pension wealth without purchasing annuity.

**C. IN CASE OF EMPLOYEE WHO, BEFORE ATTAINING THE AGE OF SUPERANNUATION DIES WHILE IN SERVICE:**

The accumulated pension wealth of the subscriber is more than two lakh rupees, 80% of the accumulated pension wealth of the subscriber shall be mandatorily utilized for purchase of annuity and balance of 20% shall be paid as lump sum to the nominee or nominees or legal heirs as the case may be, of such employee. In this case, pension shall be provided for life of the spouse of the subscriber with provision of return of purchase price of the annuity, upon the death of such spouse be re-issued to the family members in the order specified hereunder at a prevalent rate at the time of purchase of the annuity.

(a) Living dependent mother of the deceased subscriber,

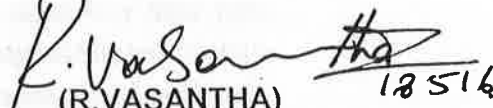
(b) Living dependent father of the deceased subscriber.

After the coverage of all the family members specified above, the purchase price will be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber.

If the accumulated pension wealth in the PRA of the employee at the time of his or her death is equal or less than two lakh rupees, the nominee /legal heirs shall have the option to withdraw the entire accumulated pension wealth without requiring to purchase any annuity and upon such exercise, family members shall not be eligible for any pension under the NPS Scheme.

The procedure to be followed for withdrawal as per existing PFRDA Exit Rules in all the above cases, are detailed in the annexure to this G.O. and may stand modified from time to time as per PFRDA guidelines.

By Order and in the name of the  
Governor of Karnataka.

  
(R.VASANTHA) 18516

Under Secretary to Government  
Finance Department (Pension & FCC)

To

1. The Principal Accountant General (A&E), Karnataka, Bengaluru.
2. All Principal Secretaries/ Secretaries to Government.
3. Secretary, State Legislature, Bengaluru.
4. Secretary, Karnataka Public Service Commission, Bengaluru.
5. Controller, State Accounts Department, T.T.M.C Building, 3<sup>rd</sup> Floor, B.M.T.C Shanthinagara, Bengaluru-560 027.
6. Registrar, Karnataka Lokayukta, Bengaluru.
7. Registrar, High Court of Karnataka, Bengaluru.
8. Registrar, Karnataka Administrative Tribunal, Bengaluru.
9. All Heads of Departments & DDOs.
10. All Deputy Commissioners of Districts.
11. All Divisional Commissioners.
12. All Chief Executive Officers of Zilla Panchayats.
13. Director of Treasuries, Bengaluru & District Treasury Officers & Sub-Treasury Officers.
14. Weekly Gazette.
15. All sections of Karnataka Government Secretariat, Bengaluru.
16. President, Karnataka Government Employees Union, Cubbon Park
17. Karnataka Government Secretariat Library/Legislature Library.
18. Section Guard File.
19. Spare copies.

Visit, the Official Website of Finance Department, GOK: [www.finance.kar.nic.in](http://www.finance.kar.nic.in)

## Annexure to the G.O

1. Retiring/retired Employee shall report missing credits (NPS amount deducted from salary but not reflected in PRA) if any in his PRA to the Treasury officer through his DDO.
2. Treasury Officer shall trace the missing credit. (i.e. NPS amount deducted from employee's salary but not credited to his PRA) and arrange to credit the same to employee's PRA together with matching Government contribution. If the missing credit happens to be with other Treasury, present Treasury officer shall refer the same to the concerned Treasury Officer and ask him to arrange to credit the missing contribution to the employee's PRA. However there shall not be any claim from the employee for compensating any loss due to the missing credit.
3. Retiring/retired employee shall submit his/her application for withdrawal from PRA after ensuring that there are no missing credits in the enclosed format to his/her DDO.
4. No recovery shall be made under NPS for last 3 months of normal superannuation. If it is recovered, same shall be settled by the concerned employer at their end by drawing through payees receipt under the HOA 8342 00 117 through concerned Treasury. Govt contribution for the said three months shall be drawn on payees receipt (CTS 8) by the concerned DDO from the Treasury by debiting HOA 2071-01-117-0-01.
5. Pension or accumulated pension wealth in the Tier-I account of the permanent retirement account of the NPS subscribers under National Pension System on account of past services or present services shall not be liable to seizure, attachment or sequestration by process of any Court at the instance of a creditor, for any demand against the subscriber, or in satisfaction of a Decree or Order of any such Court.
6. Government/Appointing Authority shall have the right of withholding the co-contributions made by the State Government as employer to the Tier-I account of the National Pension System account (PRA) of the employee and without any investment income accruing thereon, in the event of recovery of the whole or part of any pecuniary loss caused to the Government, if, in any departmental or judicial proceedings, the government servant is found guilty of grave misconduct or negligence during the period of service under the relevant service rules. However, such right of withholding shall have to be effected before the date of normal superannuation of the employee pursuant to a notice to be given to the National Pension System Trust, seeking to

withhold the said co-contributions from the accumulated pension wealth of the subscriber and providing the evidence thereof on the related matter.

7. Three months prior to the exit from service upon superannuation or before the age of superannuation of the employee, he/she has to submit the duly filled in withdrawal form along with supporting documents to his/her DDOs - **Employee also has the option to initiate withdrawal request in CRA website.**
8. The required documents to be submitted to DDOs are:
  - a. Original PRAN Card / notarized affidavit in case if the original is not submitted.
  - b. Photo ID proof
  - c. Residence proof
  - d. Cancelled cheque/bank certificate/copy of the bank passbook with photograph and all the other details like IFS Code, Account no, Branch address and Code.
  - e. Direct credit mandate
  - f. Annuity application form duly filled and signed by subscriber
  - g. Death certificate in original, if the claim is for the benefits arising out of the death of the retired subscriber. Death certificate should be in English. If the Death certificate is in the language other than English or Hindi, the Treasury officer shall translate the same into English language and should be duly attested by the Treasury officer.
  - h. Legal heir certificate in English wherever applicable
  - i. Relieving letter and NOC, if applicable.
9. On receipt of duly filled and attested withdrawal forms along with required documents, DDO shall verify the withdrawal forms with supporting documents and service details and details of the credits in Schedule of Transactions (SOT) of CRA and after verification submit to the concerned Treasury officer along with No due certificate in duplicate within 10 working days from receipt of such application. A copy of all documents must be filed in personal file of the employee.
10. On receipt of duly attested withdrawal form along with required documents, Treasury Officer shall verify the DDO signature and DDO details, NPS contribution details available in HRMS/Khajane and statement of Transaction and statement of holding in CRA system. After due verification, Treasury Officer shall initiate the request in CRA website ([cra-nsdl.com](http://cra-nsdl.com)) and authorized the same. Treasury Officer will forward the withdrawal form along with required documents to NPS claim processing cell at CRA.

11. On receipt of the claim request through online, NPS claim processing cell at CRA will process the forms and instruct PFMs & Trustee Bank to transfer the 60% of accumulated amount in one lump sum to the bank account of the employee: (20% in case of exit before superannuation i.e. resignation, death while in service etc.). The CRA gives the intimation to concerned employee through e-mail, Mobile message and through e-mail to Treasury Officer and NPS cell. CRA shall provide weekly MIS for PRANS exited to NPS cell.
12. NPS claim processing cell at CRA will forward Annuity form to selected Annuity Service Provider (ASP) and crediting the ASP account with the 40% (80% in case of before superannuation i.e. resignation, death while in service etc.) of accumulated amount in case of superannuation as per the instructions provided in the withdrawal application form by the employee. Once an investment is made in the annuity by way of purchase of annuity, the option of cancellation and reinvestment with another annuity service provider or in another annuity scheme shall not be allowed unless the same is within the time period specified by the Annuity Service Provider as provided in the terms of the contract or unless specifically provided by Insurance Regulatory Development Authority. If any of the PFRDA's empanelled Annuity service provider has not been selected by the employee, the default annuity service provider and default annuity scheme applicable for subscribers exiting from National Pension System shall be as decided by the Authority.
13. In default annuity scheme/contract monthly pension for life of the subscriber and his/her spouse (if any) with provision for return of purchase price of the annuity and upon death of such subscriber/spouse, the annuity be re-issued to the family members in the order specified hereunder at a rate prevalent at the time of purchase of such annuity.
  - (a) Living dependent mother of the deceased subscriber,
  - (b) Living dependent father of the deceased subscriber.After the coverage of all the family members specified above, the purchase price will be returned to the surviving children of the subscriber and in the absence of children, the legal heirs of the subscriber.
14. The subscriber has the option to defer the withdrawal of the lump sum amount after purchase of mandatory annuity until he or she attains the age of seventy years by submitting specified request form at least 15 days before the attainment of age of superannuation to the NPS Trust or entity authorized by the Authority for this purpose.
15. The subscriber also has the option to defer the purchase of annuity for a maximum period of three years from the date of attainment of age of superannuation by submitting specified request form at least 15 days before the attainment of superannuation to the NPS Trust or entity authorized by the Authority for this purpose. In case if death occurs before such due date of

purchase of an annuity after the deferment, the annuity shall be mandatorily purchased by the spouse providing for pension for life of the spouse with provision for return of purchase price of the annuity, upon death of such spouse and be re-issued to the family members in the order of preference as mentioned in Para 13.

16. Where the subscriber desires or opts to defer the withdrawal of lump sum or the purchase of annuity only with the condition that the subscriber agrees to bear the maintenance charges of the Permanent Retirement Account including charges payable to the CRA, Pension Fund, Trustee Bank as may be applicable from time to time.

17. CRA shall inform the details of funds settled to NPS cell and concerned Treasury Officer in the following format :

PRAN	Employee Name	PAO Reg. No.	Treasury	DDO Reg. No	Present DDO code	DOJ service	Date of Retirement of employee
1	2	3	4	5	6	7	8

Date of inactivation of PRAN in CRA system	Pension corpus available with the PRAN at the time of inactivation	Cheque Amount	Mandate date/ Cheque date and number	Account number to which cheque is being sent	IFSC Code and name of the bank in which Retiring employee has the account	Name and address of the employee
9	10	11	12	13	14	15

Annuitized Amount	Annuity Scheme	Nominee/legal heirs	Address of Nominee/legal heirs	Bank account No. of the Nominee/ Legal heir
16	17	18	19	20

Forms to be submitted while Exit from service on attaining the age of normal superannuation along with required documents specified above in para 8.

1. **Form 101-GS** – Withdrawal form for claiming of accumulated amount on superannuation for Government employees.

2. **Form 101-GS-N1** – Annexure for Nomination Details

The details of nominees to whom the outstanding accumulated amount of the employee is payable in case of the death of the employee before withdrawing of entire NPS accumulated amount and if an employee opts for phased withdrawal, all the outstanding accumulated amount out of



the phased lump sum withdrawal in the account of the subscriber will be paid to the nominees as mentioned in this form and the same would be treated as final discharge of the obligation from selected ASP. For the purpose of nomination, the family means

- i) In case of male employee, his wife, his children whether married or not, his dependent parents and his deceased son's widow and children.
  - ii) In case of female employee, her husband, her children whether married or not, her dependent parents, her husband's dependent parents and her deceased son's widow and children.
3. If the employee is Non IRA compliant he has to submit duly filled Annexure S1. No PRAN card issue activity will be undertaken.
  4. The employee has to submit 'Affidavit' as per Annexure III in case of missing PRAN card.

Forms to be submitted while Exit from service before the age of normal superannuation along with required documents specified above in Para 8.

1. The employee will submit duly filled S1 form to the concerned Treasury Officer through DDO for enabling the complete data capture in CRA system. No PRAN card issue activity will be undertaken (in case of NON IRA compliant subscribers).
2. The subscriber has to submit 'Affidavit' as per Annexure III in case of missing PRAN card.
3. **Form 102-GP** - withdrawal form for claim of Accumulated pension wealth on exit from service before attaining the age of normal superannuation for Government employees.

Forms to be submitted while Exit from service before the age of normal superannuation along with required documents specified above in Para 8.

18. **Form 103-GD** - withdrawal form for claiming of Accumulated pension wealth by the family members at the time of death of an employee while in service.

