Ministry of Finance

PFRDA Releases Consultation Paper on 'Enhancing the National Pension System' for Public Feedback

Posted On: 01 OCT 2025 1:23PM by PIB Delhi

The Pension Fund Regulatory and Development Authority (PFRDA) has released a comprehensive Consultation Paper titled **"Enhancing the National Pension System: Proposals for Flexible, Assured and Predictable Pension Schemes."** It serves as a key initiative to advance the National Pension System (NPS) by introducing enhanced options designed to provide greater certainty and predictability in post-retirement income for subscribers.

The Consultation Paper, dated September 30, 2025, proposes three distinct schemes under the NPS framework, each catering to different subscriber needs for assured and flexible pension payouts:

- Pension Scheme-1 (Non-Assured, Flexible Decumulation): This scheme focuses on maximizing pension wealth through a mix of a Step-up Systematic Withdrawal Plan (SWP) and an Annuity.
- Pension Scheme-2 (Assured Benefit): An assured benefit scheme designed to provide a Target Pension with periodic inflation adjustments based on the Consumer Price Index for Industrial Workers (CPI-IW).
- Pension Scheme-3 (Assured through Pension Credits): Introduces the innovative concept of "Pension Credits," where each credit assures a fixed monthly pension payout, enhancing predictability and subscriber engagement through a goal-based framework.

Invitation for Stakeholder Comments

The consultation paper is available on PFRDA website under the tab Research and Publication.

(Link: https://pfrda.org.in/en/web/pfrda/w/consultation-paper)

PFRDA is seeking feedback from all stakeholders, including NPS participants, prospective subscribers, pension funds, industry experts, academia and the general public. The Authority encourages thorough review and constructive inputs on the proposals to ensure the successful development and implementation of these schemes.

Stakeholders are requested to submit their comments, inputs and feedback using the Feedback Template provided within the consultation paper by 31st October 2025.

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(Release ID: 2173502)