



Key amendments in PFRDA (Exits and Withdrawals under the NPS) Regulations, 2015

Amendments primarily aimed at the non-government sector, also rationalize provisions for government sector

Measures to provide subscribers greater flexibility, choice and autonomy in investment decisions and aid managing accumulated pension wealth

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In furtherance of its mandate to promote old-age income security and protect the interests of subscribers, the Pension Fund Regulatory and Development Authority (PFRDA) has notified amendments to the PFRDA (Exits and Withdrawals under the National Pension System) Regulations, 2015, today.

The amendments are primarily aimed at the non-government sector (All Citizen Model and Corporate Sector), applicable uniformly to both Common Schemes and the Multiple Scheme Framework (MSF), while also rationalizing certain provisions for the government sector. Finalized after extensive stakeholder consultations, these measures aim to provide subscribers greater flexibility, choice and autonomy in investment decisions and managing their accumulated pension wealth, recognizing that non-government NPS participation is voluntary. Clear and well-structured exit provisions are expected to encourage entry and sustain participation by balancing subscriber needs and pension objectives across different stages of their life cycle.

Overall, the amendments reflect evolving subscriber needs and seeks to make the NPS more inclusive, responsive and subscriber-friendly, while safeguarding long-term retirement income security. The key areas that have been revised are outlined below in a comparative tabular format:

Sl.	Earlier stipulation	Revised stipulation
I. Non-Government Sector (All Citizen Model and Corporate Sector)		
Changes applicable uniformly to Common Schemes (CS) & Multiple Scheme Framework (MSF)		
	Lock-in period	

Sl.	Earlier stipulation	Revised stipulation
1	All Citizen Model: Minimum lock-in period to be eligible for premature exit → 5 years	All Citizen Model (CS & MSF): Minimum lock-in period removed
Normal Exit		
2	All Citizen Model: Vesting period → Till 60 years of age to be eligible for normal exit	All Citizen Model (CS & MSF): Vesting period → 15 years or till 60 years of age (whichever is earlier).
3	Corporate Sector: Vesting period → Till age of retirement / superannuation	Corporate Sector (CS and MSF): Vesting period → Till age of retirement / superannuation (Remains same)
4	All Citizen Model & Corporate Sector: Up to 60% lumpsum; At least 40% annuity	All Citizen Model & Corporate Sector (CS & MSF): Up to 80% lumpsum; At least 20% annuity
5	All Citizen Model & Corporate Sector: For corpus $\leq$ ₹5 lakh → 100% lumpsum	All Citizen Model & Corporate Sector (CS & MSF): a) Corpus $\leq$ ₹8 lakh: 100% lumpsum or SLW or SUR (or) Up to 80% lumpsum & At least 20% annuity b) Corpus $>$ ₹8 lakh $\leq$ ₹12 lakh: Up to ₹6 lakh as lumpsum and balance as SUR for min. 6 years or annuity. (or) Up to 80% lumpsum & At least 20% annuity c) Corpus $>$ ₹12 lakh: Up to 80% lumpsum & At least 20% annuity
Premature Exit		

Sl.	Earlier stipulation	Revised stipulation
6	All Citizen Model & Corporate Sector: Up to 20% lumpsum; At least 80% annuity	All Citizen Model & Corporate Sector (CS & MSF): Up to 20% lumpsum; At least 80% annuity (Remains same)
7	All Citizen Model & Corporate Sector: For corpus $\leq$ ₹2.5 lakh $\rightarrow$ 100% lumpsum	All Citizen Model & Corporate Sector (CS & MSF): a) Corpus $\leq$ ₹5 lakh: 100% lumpsum or SLW or SUR (or) Up to 20% lumpsum & At least 80% annuity b) Corpus $>$ ₹5 lakh: Up to 20% lumpsum & At least 80% annuity
Exit due to Death		
8	All Citizen Model & Corporate Sector: 100% lumpsum; Option for annuity, if desired.	All Citizen Model & Corporate Sector (CS & MSF): 100% lumpsum; Option for annuity, if desired. (Remains same) Additionally, option for availing SLW or SUR.
II. Individuals joining NPS after age of 60 years (All Citizen Model)		
	Normal Exit	
9	Vesting period $\rightarrow$ 3 years to be eligible for normal exit	Vesting period removed
10	Up to 60% lumpsum; At least 40% annuity	Up to 80% lumpsum; At least 20% annuity

Sl.	Earlier stipulation	Revised stipulation
11	For corpus $\leq$ ₹5 lakh $\rightarrow$ 100% lumpsum	a) Corpus $\leq$ ₹12 lakh: 100% lumpsum or SLW or SUR. (or) Up to 80% lumpsum & At least 20% annuity b) Corpus $>$ ₹12 lakh: Up to 80% lumpsum & At least 20% annuity
Premature Exit		
12	Up to 20% lumpsum; At least 80% annuity	Not applicable as the vesting period has been removed
Exit due to Death		
13	100% lumpsum permitted; Option for annuity, if desired.	100% lumpsum permitted; Option for annuity, if desired. (Remains same) Additionally, option for availing SLW or SUR.
III. Government Sector		
Normal Exit		
14	Up to 60% lumpsum; At least 40% annuity	Up to 60% lumpsum; At least 40% annuity; (Remains same)

Sl.	Earlier stipulation	Revised stipulation
15	For corpus $\leq$ ₹5 lakh $\rightarrow$ 100% lumpsum	a) Corpus $\leq$ ₹8 lakh: 100% lumpsum or SLW or SUR (or) Up to 60% lumpsum & At least 40% annuity b) Corpus $>$ ₹8 lakh $\leq$ ₹12 lakh: Up to ₹6 lakh as lumpsum and balance as SUR for min. 6 years or annuity. (or) Up to 60% lumpsum & At least 40% annuity c) Corpus $>$ ₹12 lakh: Up to 60% lumpsum & At least 40% annuity
Premature Exit		
16	Up to 20% lumpsum; At least 80% annuity	Up to 20% lumpsum; At least 80% annuity; (Remains same)
17	For corpus $\leq$ ₹2.5 lakh $\rightarrow$ 100% lumpsum	a) Corpus $\leq$ ₹5 lakh: 100% lumpsum or SLW or SUR (or) Up to 20% lumpsum & At least 80% annuity b) Corpus $>$ ₹5 lakh: Up to 20% lumpsum & At least 80% annuity
Exit due to Death		
18	Up to 20% lumpsum; At least 80% annuity	Up to 20% lumpsum; At least 80% annuity; (Remains same)

Sl.	Earlier stipulation	Revised stipulation
19	For corpus $\leq$ ₹5 lakh $\rightarrow$ 100% lumpsum	a) Corpus $\leq$ ₹8 lakh: 100% lumpsum or SLW or SUR (or) Up to 20% lumpsum & At least 80% annuity b) Corpus $>$ ₹8 lakh $\leq$ ₹12 lakh: Up to ₹6 lakh as lumpsum and balance as SUR for min. 6 years or annuity. (or) Up to 20% lumpsum & At least 80% annuity c) Corpus $>$ ₹12 lakh: Up to 20% lumpsum & At least 80% annuity
IV. Other changes		
	Entry and Exit Age	
20	Maximum entry age up to 70 years; exit age up to 75 years.	Entry and exit age increased to 85 years.
	Automatic continuation	
21	Subscriber to intimate 15 days prior to 60 / superannuation for continuation (Govt) or deferment of annuity and/or lumpsum (Govt & Non-Govt).	15-day prior intimation requirement removed across sectors, hence subscribers can automatically continue under NPS.
	Specific Purpose Scheme	
22	-	a. New regulation enabling exit/withdrawal provisions for 'specific purpose schemes' under NPS. b. To be governed by Guidelines issued by the Authority for each such scheme.
	Financial assistance against pension corpus	

Sl.	Earlier stipulation	Revised stipulation
23	Assignment or pledge of NPS benefits void except where permitted by NPS Trust.	a. Subscriber can seek financial assistance from a regulated financial institution and the lender may mark lien or charge on the individual pension account up to 25% of subscriber's own contribution (i.e. within partial withdrawal limits). b. To be governed by Guidelines issued by the Authority.
Frequency of Partial Withdrawal		
24	During the tenure of subscription (i.e. before exit) → a. Frequency: 3 times. b. Interval not stipulated between two withdrawals	i) Before 60 years age / superannuation (whichever is later): a. Frequency: 4 times b. Interval: 4 years between two withdrawals ii) Post 60 years age / superannuation (whichever is later): a. Frequency: NA b. Interval: 3 years between two withdrawals
Purpose of Partial Withdrawal		
25	Purchase or construction of a residential house permitted if subscriber does not already own a house (other than ancestral property).	No change, but additionally clarified it as a one-time withdrawal.
	Treatment of specified illness limited to a comprehensive list of specified critical illnesses (for subscriber / spouse / children / parents).	Broadened to medical treatment/hospitalization without a specified list (for subscriber/spouse/children/parents).
	Skill development, re-skilling, self-development activities (for subscriber).	Removed
	Establishing a start-up or own venture (for subscriber).	Removed
	New purpose	New purpose added: Settlement of a financial obligation of the subscriber taken from a regulated financial institution against lien/charge on NPS account.

Sl.	Earlier stipulation	Revised stipulation
V. NPS-Lite		
	Normal Exit	
26	Up to 60% lumpsum; At least 40% annuity	Up to 60% lumpsum; At least 40% annuity; (Remains same)
27	For corpus $\leq$ ₹1 lakh $\rightarrow$ 100% lumpsum	a) Corpus $\leq$ ₹2 lakh: 100% lumpsum (or) Up to 60% lumpsum & At least 40% annuity b) Corpus $>$ ₹2 lakh: Up to 60% lumpsum & At least 40% annuity
	Premature Exit	
28	Up to 20% lumpsum; At least 80% annuity	Up to 20% lumpsum; At least 80% annuity; (Remains same)
29	For corpus $\leq$ ₹1 lakh $\rightarrow$ 100% lumpsum	a) Corpus $\leq$ ₹2 lakh: 100% lumpsum (or) Up to 20% lumpsum & At least 80% annuity b) Corpus $>$ ₹2 lakh: Up to 20% lumpsum & At least 80% annuity
	Exit due to Death	
30	100% lumpsum permitted; Option for annuity, if desired.	100% lumpsum permitted; Option for annuity, if desired. (Remains same)

Note 1:

1. Normal Exit $\rightarrow$ Exit upon,
 - i. Completing 15 years of subscription or 60 years of age (whichever is earlier) (All citizen model);
 - ii. Superannuation / retirement (Government and Corporate Sector)
2. Vesting period $\rightarrow$ Period of subscription required to become eligible for Normal Exit
3. Premature Exit $\rightarrow$ Exit prior to completion of vesting period
4. Lock-in period $\rightarrow$ Period of subscription required to become eligible for Premature Exit
5. SLW $\rightarrow$ Systematic Lumpsum Withdrawal

Note 2:

The changes tabulated above are some of the broad key amendments (indicative but not exhaustive) effected in the Exit Regulations. For complete detailed changes, PFRDA (Exits and withdrawals under the NPS) (Amendment) Regulations, 2025 may be referred @ <https://www.pfrda.org.in/>

NB/PK

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