

GOVERNMENT OF INDIA (BHARAT SARKAR)  
MINISTRY OF RAILWAYS (RAIL MANTRALAYA)  
(RAILWAY BOARD)

No 2012/F(E)III/1(1)/4

Dated: 07.04.2016

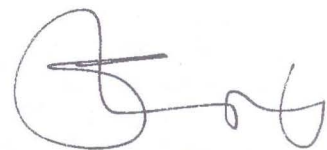
The GMs/FA&CAOs,  
All Indian Railways/Production Units/RDSO.  
(As per mailing list)

**Subject:** Tax benefit available under National Pension System (NPS)

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A copy of Pension Fund Regulatory & Development Authority (PFRDA)'s letter No.PFRDA/23/CORP/20/5 dated 25.02.2016 on the above subject is enclosed for information and compliance. The contents of the letter regarding opening of e-NPS account shall apply mutatis mutandis on the Railways also.

2. Please acknowledge receipt.



(Sanjay Prashar)  
Deputy Director Finance, (Estt.)III,  
Railway Board.

D.A.: One



पेंशन निधि विनियामक और  
विकास प्राधिकरण

बी-14/ए, छत्रपति शिवाजी भवन,  
कुतुब इंस्टिट्यूशनल एरिया,  
कटवारिया सराय, नई दिल्ली-110016  
दूरभाष : 011-26517503  
फैक्स : 011-26517507  
वेबसाइट : www.pfrda.org.in

PENSION FUND REGULATORY  
AND DEVELOPMENT AUTHORITY  
B-14/A, Chhatrapati Shivaji Bhawan  
Qutab Institutional Area,  
Katwaria Sarai, New Delhi-110016  
Phone : 011-26517503  
Fax : 011-26517507  
Website : www.pfrda.org.in

PFRDA/23/CORP/20/5

25<sup>th</sup> February, 2016

Dear Sir,

**Subject: Tax benefit available under National Pension System (NPS)**

You would be aware that under the National Pension System (NPS), the subscribers can avail of tax benefit under Sec 80CC D(1), up to 10% of their salary (basic+DA) which is capped at Rs 1.50 lakhs under section 80CCE. From FY 2015-16, an additional tax deduction over and above the Rs 1.5 Lakhs, is available only to subscribers of NPS if they invest upto Rs 50,000 in NPS under Sec 80CCD(IB) of the Income Tax Act. Any citizen of India including persons covered under old defined benefit Pension Scheme can open NPS account on voluntary basis and avail of the tax benefits u/s 80CCD (IB) by contributing additionally Rs.50,000/- to NPS.

2. This additional tax benefit on investment upto Rs. 50000/- provides an opportunity not only to those employees who are mandatorily covered under NPS, but also to all other employees who may be covered under old pension scheme/provident fund/ superannuation fund, as well as to any other Indian citizen between 18 to 60 years of age. to avail of this tax benefit by opening an NPS account on voluntary basis and by investing the required amount.

3. PFRDA has provided an easy and convenient way to subscribe to NPS by recently introducing eNPS, which any individual can make use of to join NPS. A new subscriber can adopt the following eNPS methods for joining NPS:

- (a) Using Aadhaar card issued by UIDAI which is authenticated through OTP received from UIDAI on the registered mobile of the applicant. In this case, the subscriber can instantly get himself/herself registered. He/she has to simply visit the eNPS module in NPS Trust website at [www.npst.org.in](http://www.npst.org.in).

(b) Using PAN and net banking of the selected bank chosen by the subscriber. In this case KYC verification is done by the Bank. The NPS account gets activated only after KYC verification by Bank. He/she has to go to eNPS module in NPS Trust website at [www.npstrust.org.in](http://www.npstrust.org.in)

4. A new subscriber can also open an account physically through any of the Points-of-Presence- Service Provider (POP-SP). The list is available on [www.pfrda.org.in](http://www.pfrda.org.in).
5. Therefore, your employees who are not NPS members can open their NPS account, and make contributions using any of the three options mentioned above. Existing NPS subscribers can also make additional contributions to avail of the tax benefit by using any of the options as stated above.
6. Contribution upto Rs 50,000 in NPS for the additional tax benefit in the current year has to be made by 31-03-2016 and it is important that this message be conveyed to all your staff members and employees right upto the level of DDOs /DTOs , at the earliest. This will definitely help in their tax planning.
7. We request you to disseminate the above information to all concerned .

With regards,

Yours sincerely,

  
(Mamta Rohit)

Chief General Manager

Shri S. Mookerjee  
Financial Commissioner  
M/o Railways  
Room No.232, Rail Bhavan,  
New Delhi -110001