



# National Pension System and Atal Pension Yojana

## Why in News

Recently, the [Pension Fund Regulatory and Development Authority \(PFRDA\)](#) announced that **Assets Under Management (AUM)** under the **National Pension System (NPS)** and **Atal Pension Yojana (APY)**, crossed the **milestone of Rs. 6 trillion**.

- **AUM** is the **total market value of the investments** that a person or entity handles on behalf of investors.

## Key Points

### ▪ National Pension System:

#### ◦ About:

- The Central Government has introduced the National Pension System (NPS) with effect from **January 2004** (except for armed forces).
- In 2018 to **streamline the NPS and make it more attractive**, the Union Cabinet approved [changes in the scheme](#) to benefit central government employees covered under NPS.
- NPS is being **implemented and regulated by PFRDA** in the country.
- **National Pension System Trust (NPST)** established by PFRDA is the registered owner of all assets under NPS.

#### ◦ Structure: NPS is structured into **two tiers**:

##### • Tier-I account:

- This is the **non-withdrawable permanent retirement account** into which the accumulations are deposited and invested as per the option of the subscriber.

##### • Tier-II account:

- This is a **voluntary withdrawable account** which is allowed only when there is an active Tier I account in the name of the subscriber.
- The **withdrawals are permitted from this account as per the needs of the subscriber as and when claimed**.

#### ◦ Beneficiaries:

- NPS was made available to **all Citizens of India from May 2009**.
- Any individual citizen of India (both resident and Non-resident) in the **age group of 18-65 years** can join NPS.
- However, [OCI \(Overseas Citizens of India\)](#) and [PIO \(Person of Indian Origin\)](#) card holders and **Hindu Undivided Family (HUFs)** are **not eligible for opening of NPS accounts**.

### ▪ Atal Pension Yojana:

- **About:**

- The scheme was **launched in May, 2015**, with the **objective of creating a universal social security system for all Indians**, especially the poor, the under-privileged and the workers in the unorganised sector.
- The scheme has been **implemented comprehensively across the country covering all states and Union Territories** with **male to female subscription ratio of 57:43**.

- However, only **5% of the eligible population has been covered** under APY till date.

- **Administered By:**

- PFRDA through NPS.

- **Eligibility:**

- **Any citizen of India** can join the APY scheme. The age of the subscriber should be between **18-40 years**.
- The **contribution levels would vary and would be low if a subscriber joins early** and increases if she joins late.

- **Benefits:**

- It provides a **minimum guaranteed pension** ranging from Rs 1000 to Rs 5000 on attaining 60 years of age.
- The **amount of pension is guaranteed for lifetime to the spouse** on death of the subscriber.
- In the event of death of both the subscriber and the spouse, **the entire pension corpus is paid to the nominee**.

## **Pension Fund Regulatory and Development Authority**

- **About:**

- It is the **statutory Authority** established by an enactment of the Parliament, to regulate, promote and ensure orderly growth of the **National Pension System (NPS)**.
- It works under the **Department of Financial Services** under the Ministry of Finance.

- **Functions:**

- It performs the function of **appointing various intermediate agencies like Pension Fund Managers, Central Record Keeping Agency (CRA)** etc.
- It develops, **promotes and regulates the pension industry under the NPS** and also **administers the APY**.

**[Source: PIB](#)**