

National Pension System-NPS

National Pension System is a good option in terms of retirement planning. Because, after retirement, most people worry about their monthly expenses. Like salary, to remain a source of regular income, a better plan is necessary for this. National Pension Scheme was started in January 2004 for government employees. It was opened to all categories of people in 2009.

Investment as early at the age of 21 years

- If you invest at the age of 21
- If you start investing at the age of 21, then the monthly investment will be Rs 4,500.
- You have to invest for 39 years continuously till the age of 60.
- There will be an investment of Rs 54000 annually and Rs 21.06 lakh will be invested in the scheme in 39 years.
- If an average return of 10% is given, then the amount on maturity will be Rs 2.59 crore. That means, on retirement, you will get a pension of Rs 51,848 per month.
- 1.56 crores will be available as soon as retirement.
- There is an option of 40 percent annuity in NPS. In such a situation, after retirement at the annual annuity rate of 6%, a lump sum amount of Rs 1.56 crore is available. The remaining amount of Rs 1.04 crore will go to the annuity. Now from this annuity amount, you will get a pension of Rs 51,848 every month. The higher the annuity amount, the higher will be the pension.

Account can be opened with 1000 rupees

- Two types of accounts are opened under NPS Tier-1 and Tier-2.
- Tier-1 is a retirement account, while Tier-2 is a voluntary account, in which any salaried person can start investing on his own behalf.
- Tier-2 account is opened only after opening of Tier-1 account.
- The annual contribution has already been reduced from Rs 6,000 to Rs 1,000 to keep NPS Tier 1 active.
- You can run this investment till the age of 65 years.
- It is necessary to buy 40 percent annuity on NPS investment.
- 60 percent of the amount can be withdrawn in one lump sum after 60 years.
- If the minimum annual investment is not made, the account is frozen and deactivated.

You can open NPS online

- 1.To open an NPS account, visit enps.nsdl.com/eNPS or Nps.karvy.com.
2. Click on New Registration and fill your details. Mobile number will be verified by OTP. Enter the bank account details.
- 3.Select your portfolio and fund. set name.
4. The bank account whose details are filled, the canceled check of that account will have to be given. Apart from this, photo and signature will have to be uploaded.
5. After making the payment, your Permanent Retirement Account (PRN) number will be generated. You will also get a payment receipt.
6. After making the investment, go to the 'e-sign/print registration form' page. Here you can register with PAN and Netbanking. This will do KYC (Know your customer).

Tax exemption

In NPS, customers also get the facility of tax exemption. Tax exemption is available under sections 80CCD(1), 80CCD(1b) and 80CCD(2) of the Income Tax Act. Apart from section 80C i.e. Rs 1.50 lakh on NPS, you can take a further exemption of Rs 50,000. By investing in NPS, you can avail income tax exemption of Rs 2 lakh.

Portable system

You can also transfer your NPS account. You can also change its location according to your need.

Online access

Subscriber can access his NPS account online through mobile application and system. That is, to take advantage of this scheme, you do not need to go anywhere, all your work will be done sitting at home.