Protean eGov Technologies Limited

STANDARD OPERATING PROCEDURE (SOP)

Initiation and Authorization of Pre-Mature Exit request by Nodal Office/Aggregator

Version 1.4

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REVISION HISTORY

Sr. No.	Date of Revision	Version No.	Section Number	Description of Change
1	-	1.0	-	Initial Version
2	25.01.2024	1.1	-	Mandatory Name verification during Penny Drop.
3	20.12.2024	1.2	-	Contents (w.r.t PAN, Online bank details verification, Withdrawal timeline, etc.) reviewed and updated.
4	25.07.2025	1.3	-	Withdrawal Timeline updated and quality monitoring process added.
5	06.01.2026	1.4	-	Changes in Withdrawal eligibility criteria.

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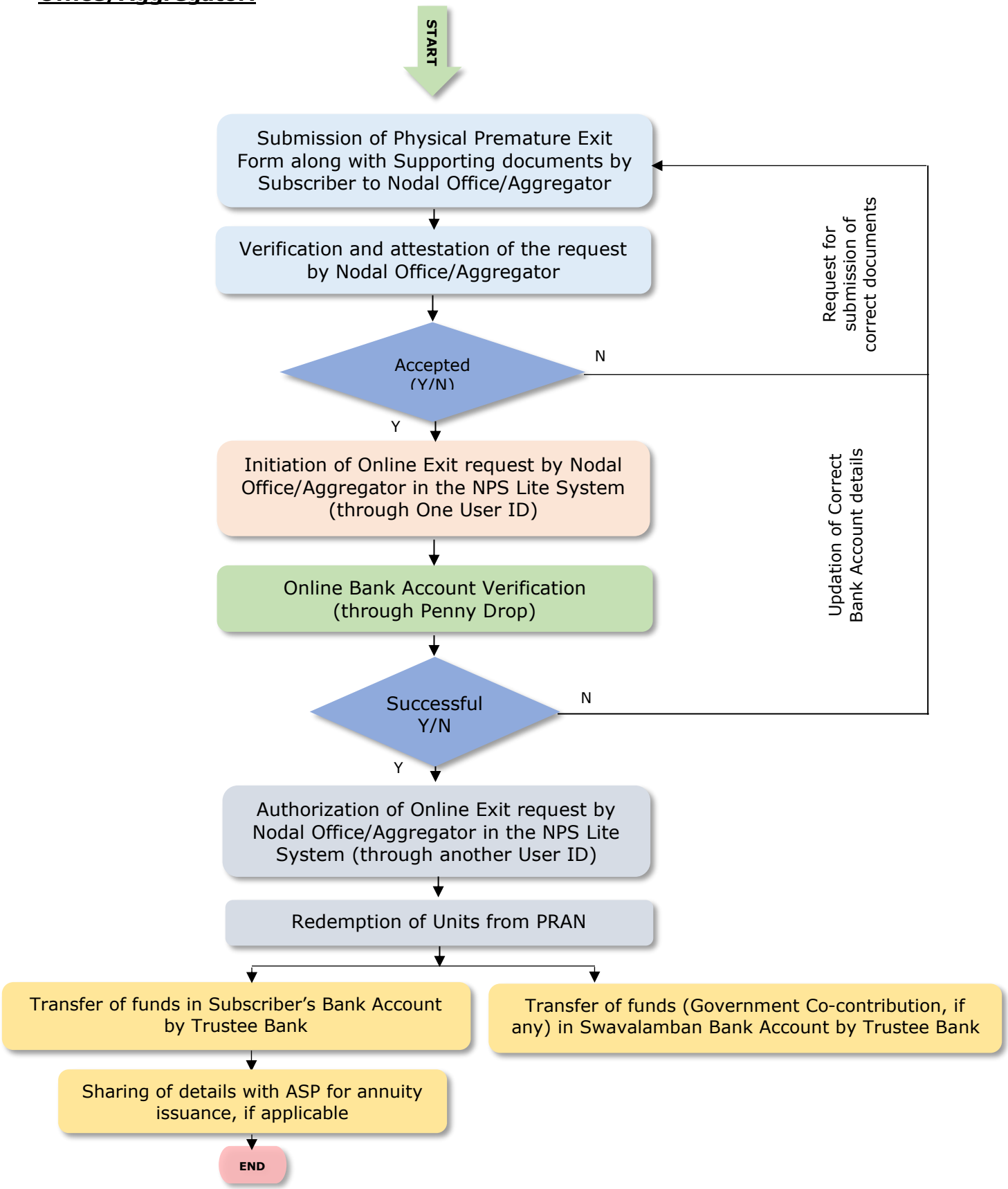
1. Abbreviations:

Abbreviation	Expansion
ASP	Annuity Service Provider
PFRDA	Pension Fund Regulatory & Development Authority
PRAN	Permanent Retirement Account Number
Nodal Office/Aggregator	NLOO/NLAO/NLCC registered under NPS Lite
NPS	National Pension Scheme

2. Process Flow – Processing of Online Premature Exit request by Nodal Office/Aggregator:



3. Preface:

As per Pension Fund Regulatory and Development Authority (PFRDA) Exit Regulations, 2015 & amendments thereto, in case of Premature exit from NPS (exit before attaining the age of Superannuation/retirement), at least 80% of the accumulated pension wealth of the Subscriber needs to be utilized for purchase of an Annuity providing for a regular pension to the Subscriber and the balance pension wealth is paid as a lump sum to the Subscriber. *In case, total corpus in NPS account is less than or equal to Rs. 2 Lakh, the Subscriber can avail the option of complete (100%) Withdrawal.*

Further, in case of NPS Lite Subscribers, where the accumulated pension wealth does not exceed two lakh rupees, the whole pension wealth shall be paid without annuitisation to the subscribers who have not availed any Swavalamban co-contribution, and also to the subscribers who though have availed Swavalamban co-contribution but are not eligible for auto migration to Atal Pension Yojana, after deducting the Government's co-contribution with returns thereon.

Further, Nodal office/Aggregator can raise Online Premature Exit request in NPS Lite System (https://apy.nps-proteantech.in) with Maker and Checker.

You may refer the regulations/guidelines/circulars available on PFRDA website (www.pfrda.org.in) / CRA website (www.npscra.proteantech.in) for more information on exit under NPS.

4. Procedure for Processing Online Premature Exit request of Subscriber:

Pre-requisite for Online Premature Exit request:

- The dully filled Physical Premature Withdrawal Form is submitted by Subscriber along with KYC documents, bank proof and Copy of PRAN card/ePRAN of the Subscriber.
- Bank Account details of the Subscriber are updated in his/her NPS account.

Nodal Office/Aggregator should ensure following before initiating Exit request:

- ✓ NPS account is FATCA compliant – Exit from NPS is not allowed if PRAN is not FATCA-compliant.
- ✓ Physical Premature Withdrawal Form duly filled and signed by Subscriber is provided.
- ✓ PAN is registered in NPS account wherever applicable.
- ✓ Supporting documents like copy of Photo ID proof, copy of Address proof, copy of bank proof, Copy of PRAN card/ePRAN etc. of Subscriber are provided.
- ✓ Name of Subscriber as per CRA record and bank record should match.
- ✓ Bank details should be correct/valid – *During request initiation, Bank Account No., Bank IFS Code and Name of the Subscriber will be verified through online Bank Account Verification (Penny drop facility).* ***If Online Bank Account Verification (Penny drop) fails, request initiation will not be allowed.*** Hence, bank account number and IFS code should be active and operative. Also Name of Subscriber as per CRA and bank record should match.

If required, Subscriber can submit physical request to associated Nodal Office/Aggregator for modification of details (Address, Contact details etc.) in NPS Lite System and then initiate exit request.

Brief Steps – Processing of Online Premature Exit request by Nodal Office / Aggregator:

- Verification & Attestation of Physical Premature Withdrawal Form and supporting documents by Nodal Office / Aggregator. ***Nodal Office/Aggregator, upon receiving the withdrawal request, shall take the necessary steps to identify the Subscriber. It is the responsibility of the Nodal Office/Aggregator to check the veracity of the supporting documents submitted by the Subscriber along with claim and may obtain additional supporting documents if required to ensure that claim amount is given to the Subscriber.***
- Initiation of request by Nodal Office / Aggregator in the NPS Lite System through One User ID.
- During request initiation, Bank Account No., Bank IFS Code and Name of Subscriber will be verified through online Bank Account Verification (Penny drop facility).
- Mandatory Upload of valid and legible Physical Premature Withdrawal Form and supporting documents (i.e. Identity & Address Proof, copy of PRAN card/ ePRAN and Bank Proof). Scanned documents should be appropriate, i.e., scanned images should be legible and all documents to be uploaded in a single file.
- Submission of Withdrawal request in NPS Lite System.
- Authorization of request by Nodal Office / Aggregator in the NPS Lite System through another User ID.

The detailed procedure to be followed by the Nodal Office/Aggregator for processing Online **Premature Exit** requests in the NPS Lite System is provided below:

5. Steps to initiate Online Premature Exit request in NPS Lite System by Nodal Office/Aggregator:

In order to initiate Online Premature Exit request, Nodal office/Aggregator needs to login to NPS Lite system (https://apy.nps-proteantech.in) with one User ID as given below in **Figure 1.**

Figure 1

User needs to click on Menu "**Exit Withdrawal Request**" and select sub menu "**Withdrawal Request**" as given below in **Figure 2.**

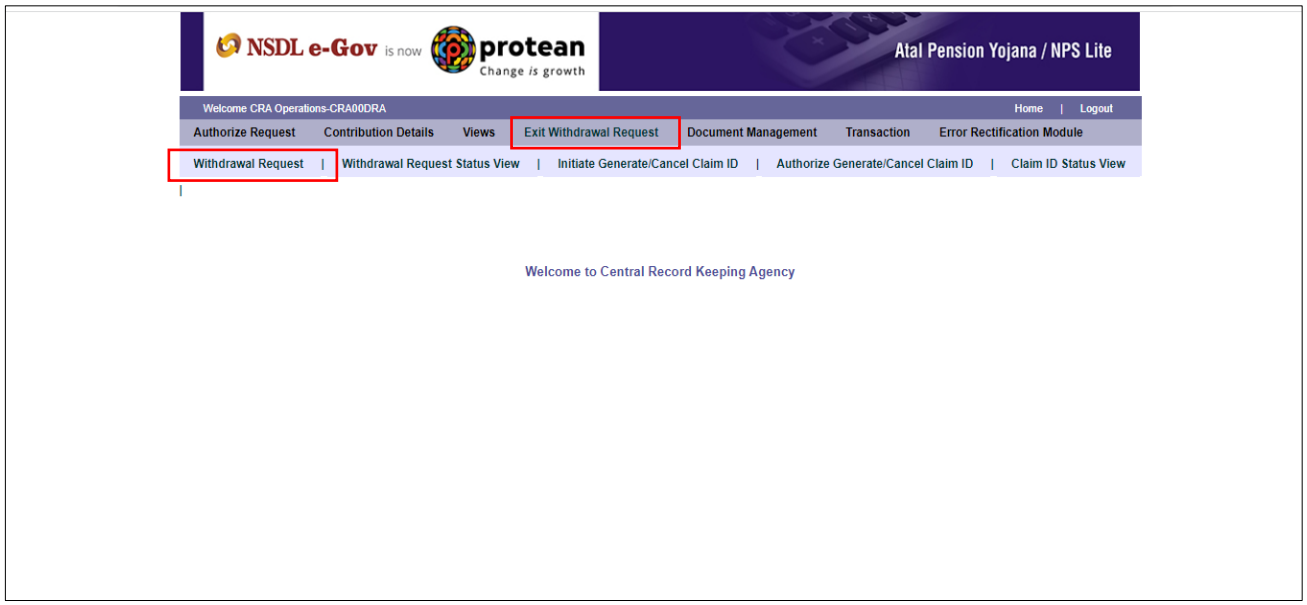


Figure 2

At this stage, User needs to enter PRAN number of subscriber for initiating withdrawal request as shown below in **Figure 3**.

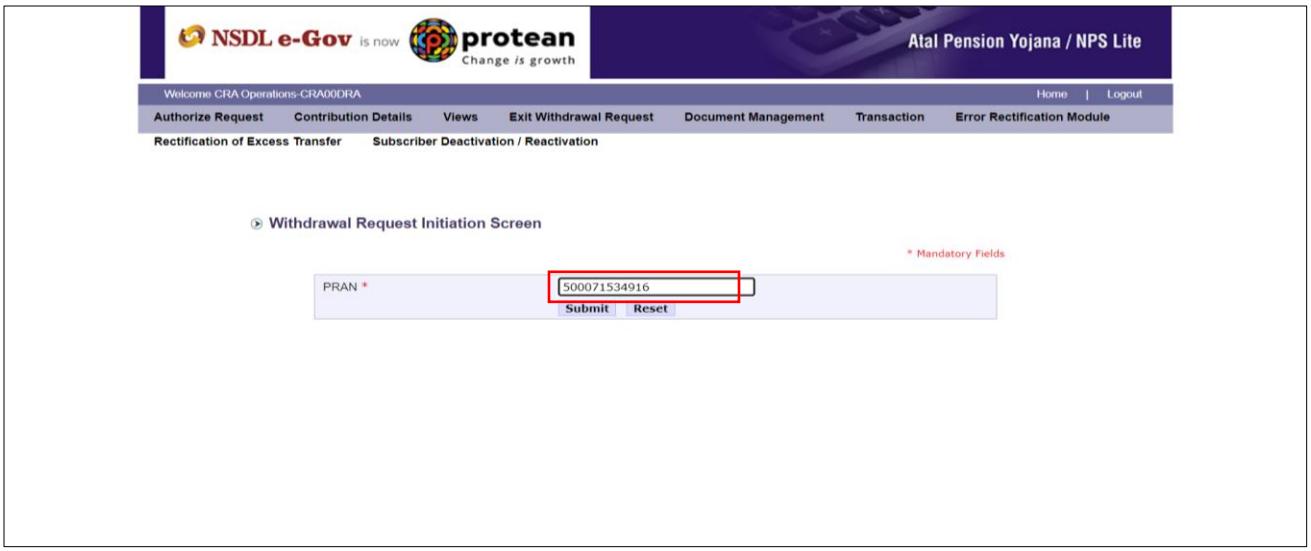


Figure 3

At this stage, User needs to select Withdrawal type as "Premature Exit" from the Drop down menu as shown below in **Figure 4**.

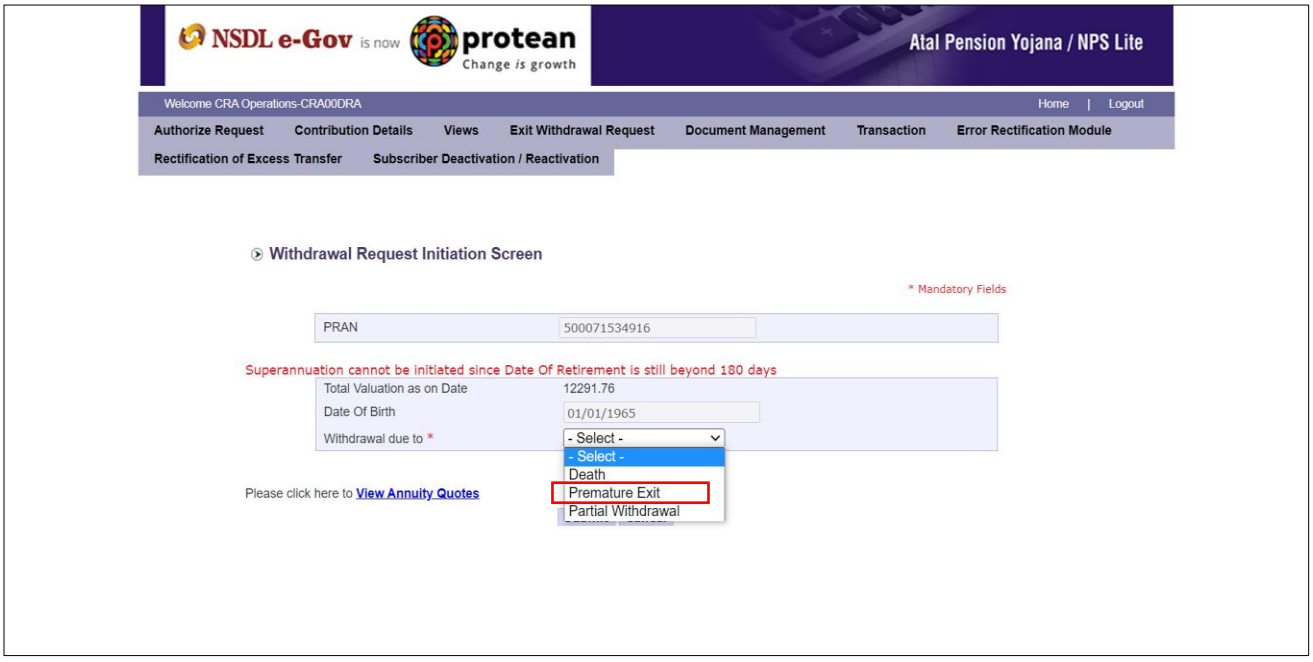


Figure 4

At this stage, corpus of the Subscriber as on date is also displayed at the field "Total Valuation as on Date" which helps User to identify whether eligible for complete withdrawal or not.
User needs to provide withdrawal fund allocation percentage. In case corpus is greater than 2 Lakh, then percentage towards Lump sum is displayed as 20% and percentage towards annuity as 80%. User can also utilize more than 80% pension wealth for annuity, as per his/her choice. In case corpus is less than or equal to Rs. 2 Lakh, then percentage towards Lump sum is displayed as 100% and percentage towards Annuity as 0%.

Please refer to **Figure 5.**

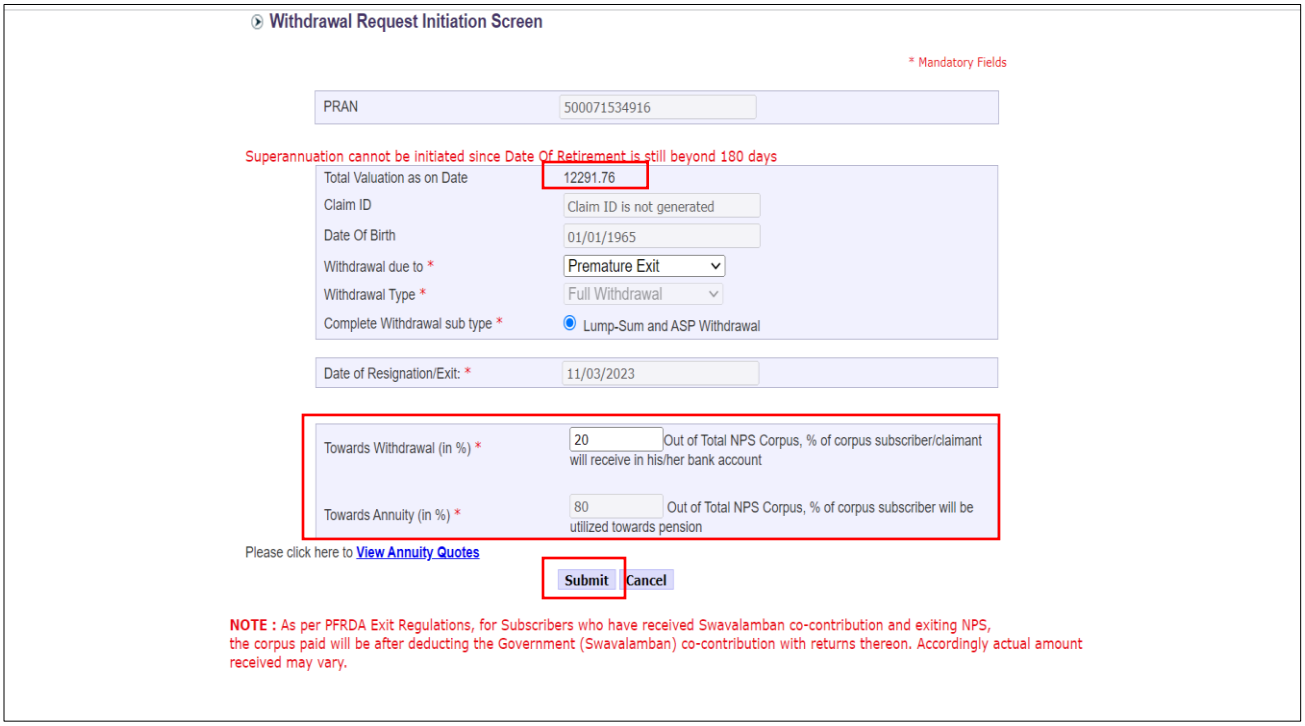


Figure 5

At this stage, User needs to select Marital Status. If Subscriber is Married & Spouse is alive, then User needs to enter Spouse Name, Spouse Gender, Spouse DOB etc. Similarly, the User may also capture other family member's (Mother, father and children) details.

User needs to select Annuity Service Provider from the drop-down list. List of the Annuity Service Providers is displayed on the basis of Age and Corpus of the Subscriber. Further, User needs to select Annuity Scheme. List of Annuity Schemes is displayed on the basis of Marital Status of the Subscriber. User needs to select Annuity Frequency from the drop-down menu. Please refer to **Figure 6**.

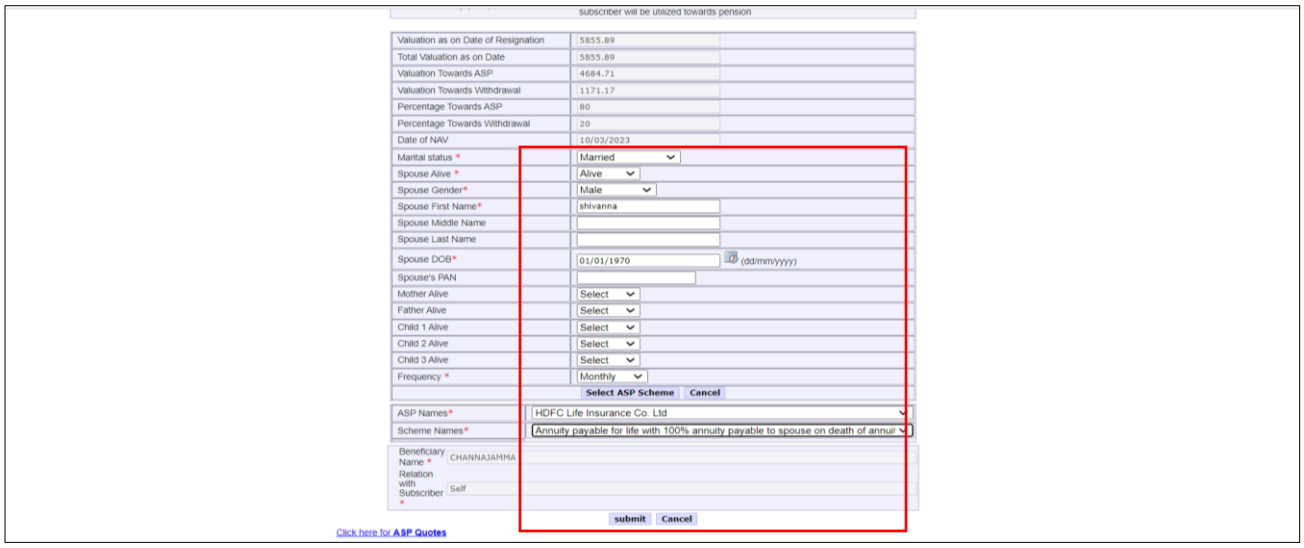


Figure 6

At this stage, various options selected along with existing address are displayed to the User. Also, option is available to the User to provide Maiden Name (only in case of female Subscriber) and CKYC Number. However, these two fields Maiden Name & CKYC Number are non-mandatory. Please refer to **Figure 7**.

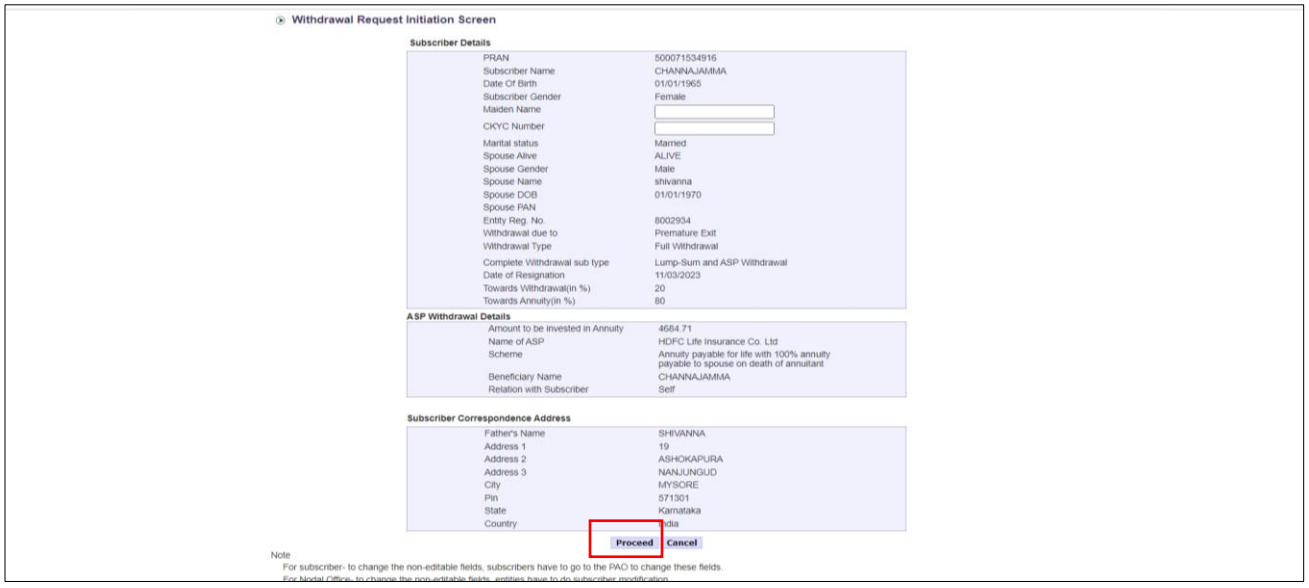


Figure 7

At this stage, existing bank details of the Subscriber along with Mobile number, email ID of the Subscriber are displayed. If existing bank details, contact details are correct, User needs to click on **"Online bank a/c verification**" Tab to proceed further.

Nodal Office/Aggregator can edit some editable fields at the time of initiating Exit request by clicking on "Edit" button. Please refer to **Figure 8A and Figure 8B.**

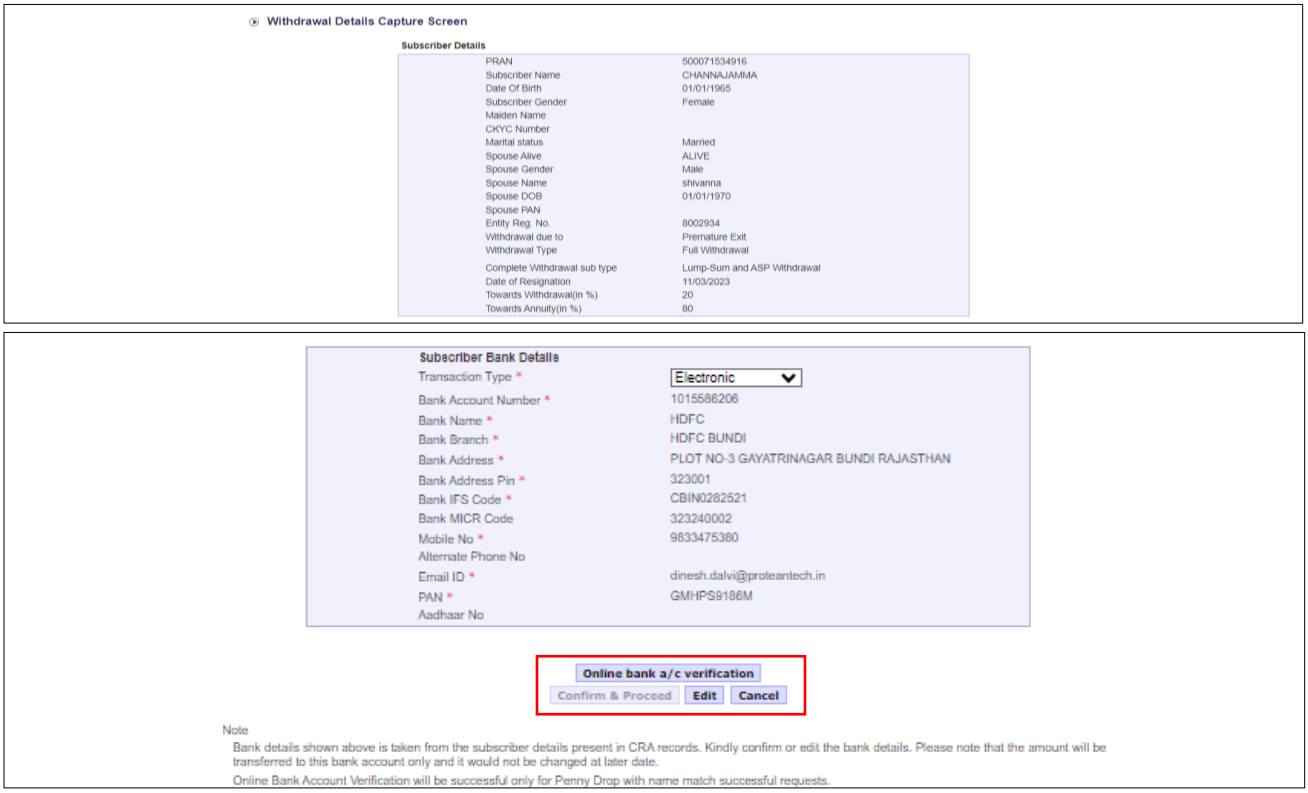


Figure 8A

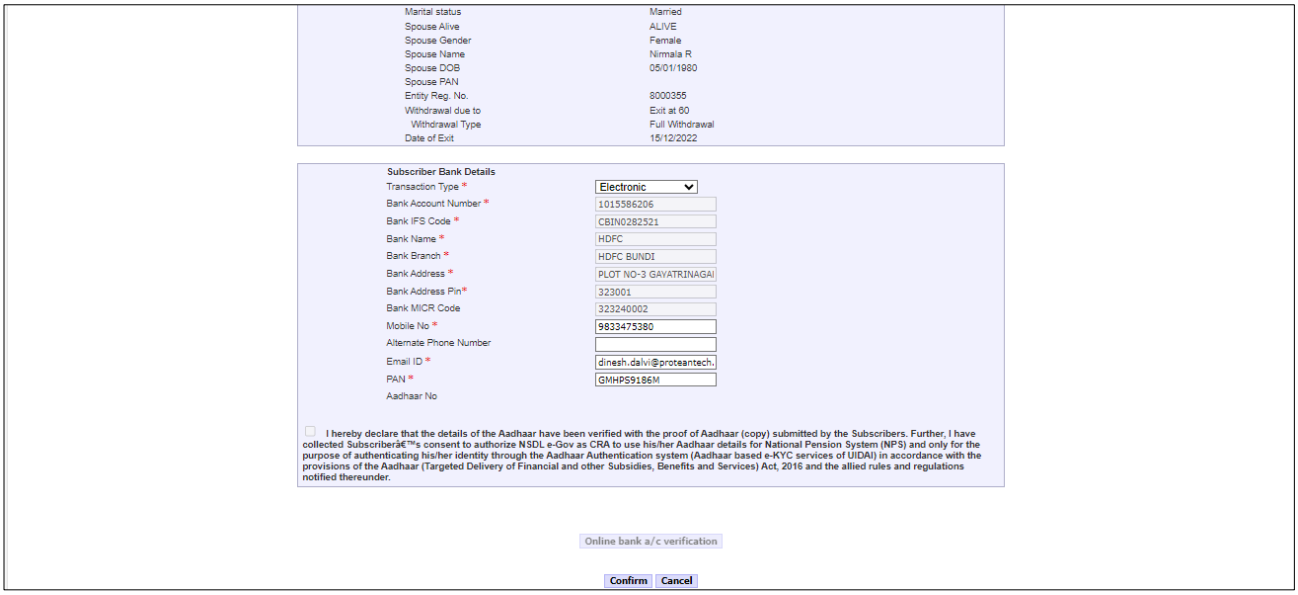


Figure 8B

At this stage, after clicking on **"Online bank a/c Verification**" tab, Bank Account No., Bank IFS Code and Name of the Subscriber (registered in CRA) will be verified through online Bank Account Verification (Penny drop facility). On successful verification, a Pop-up message will display to the User i.e., **"Online bank a/c verification is successful."** User needs to click on "OK" button and then click on "**Confirm & Proceed**" button to proceed further. Please refer to **Figure 9.**

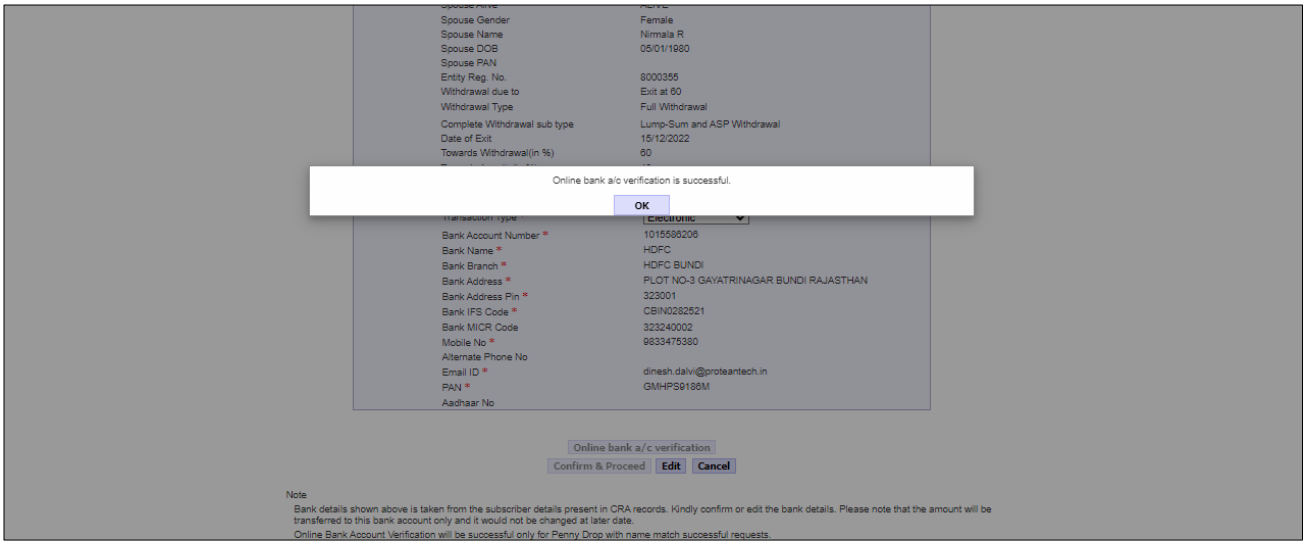


Figure 9

At this stage, existing nomination details of the Subscriber are displayed. **User needs to click on "Edit" button to enter Nominee address.** If required, User can add/update nominee details. Please refer to **Figure 10**.

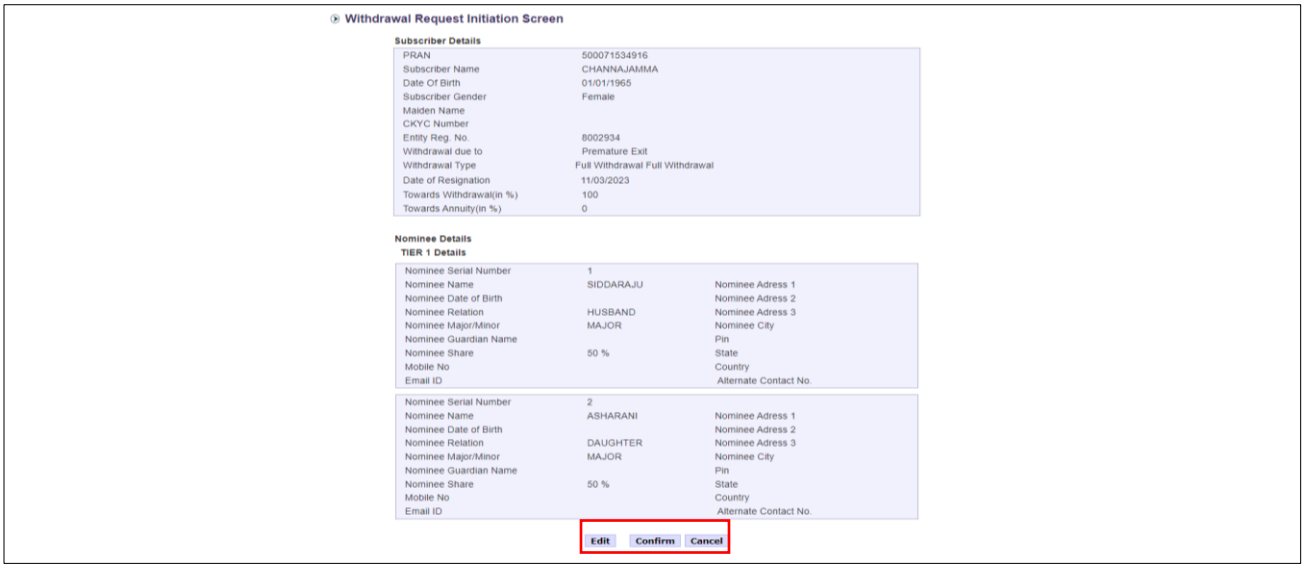


Figure 10

User can enter maximum of three nominees. User needs to click on "Add" button to add more than one nominee. After entering nominee details and/or address details, User needs to click on "Confirm" button to proceed further. Please refer to **Figure 11**.

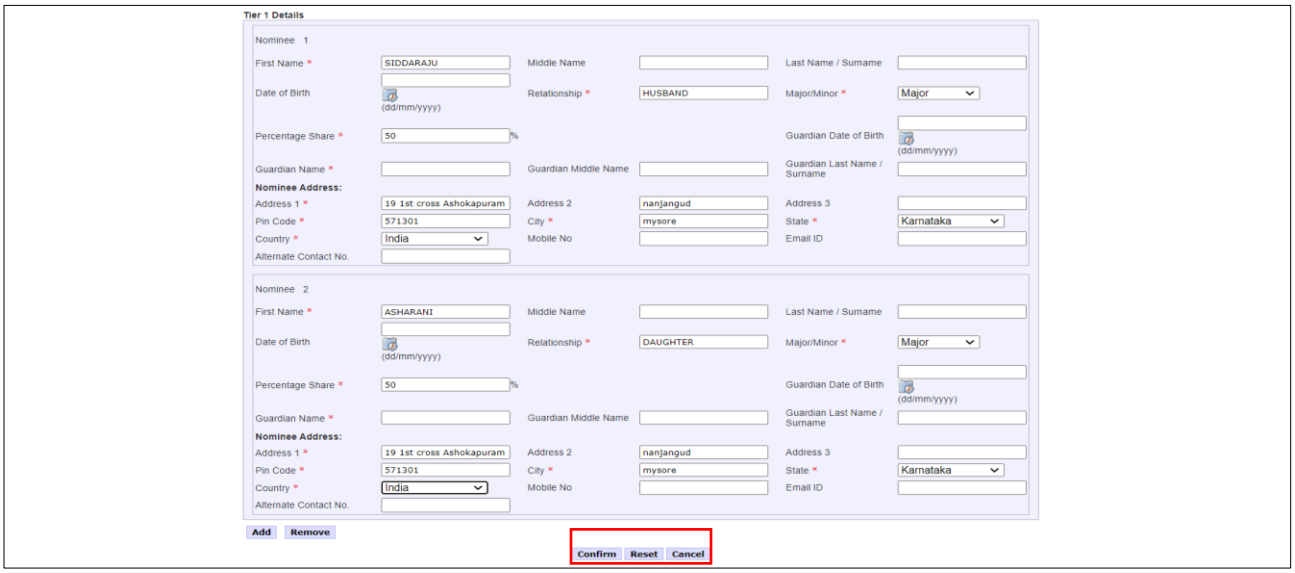


Figure 11

At this stage, Declaration Page is displayed to the User. User needs to select from the drop-down menu whether he is politically exposed person, related to politically exposed person and history of conviction under criminal proceedings.

Further, User needs to select Declaration. After selection of declarations, User needs to click on "Confirm" button. Please refer to **Figure 12.**

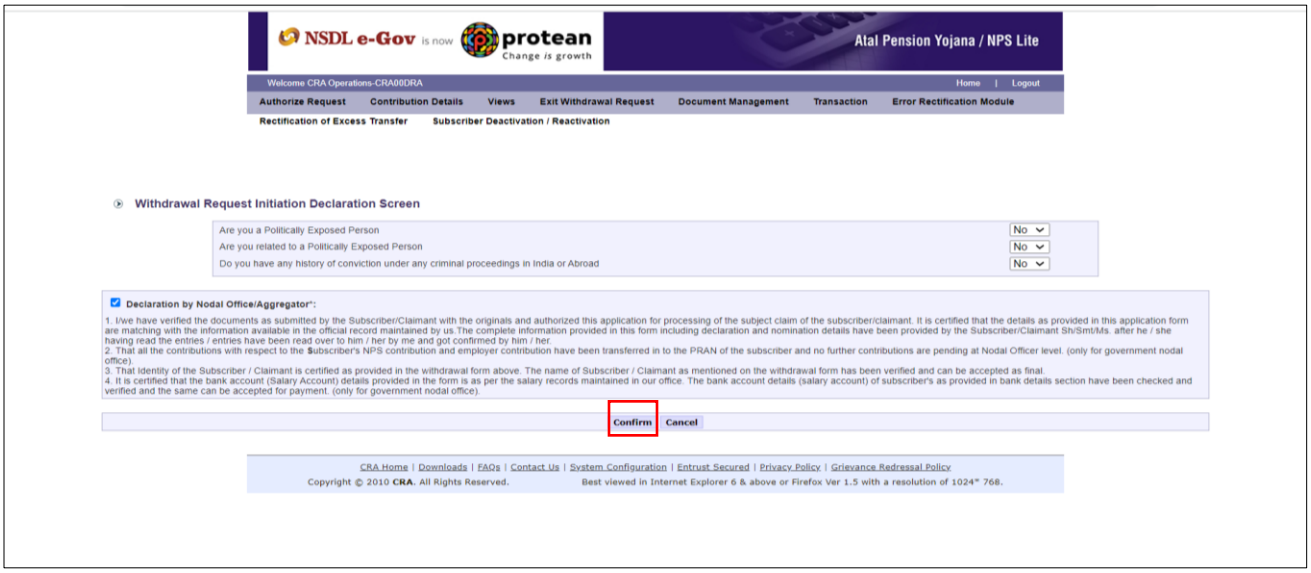


Figure 12

At this stage, document Check List is displayed to the User. After selection of document check list, User needs to click on "**Submit**" button. Please refer to **Figure 13**.

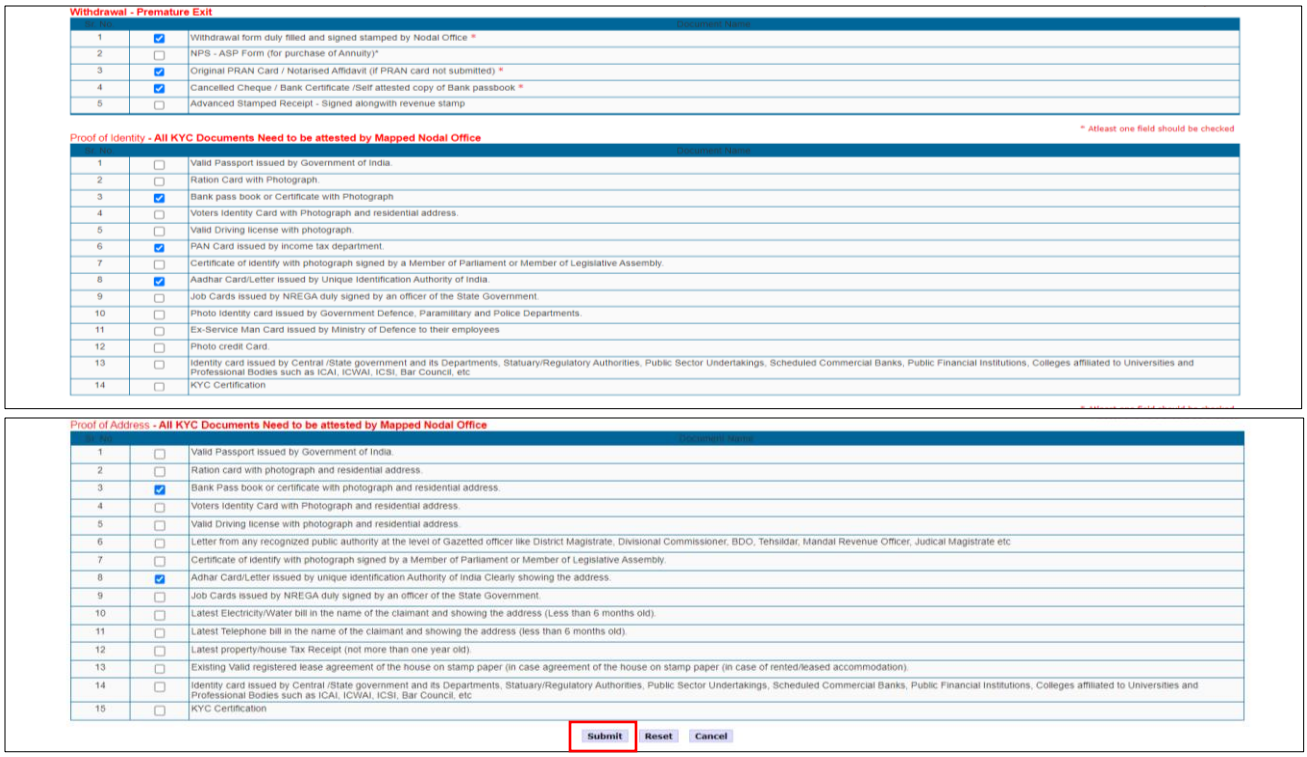
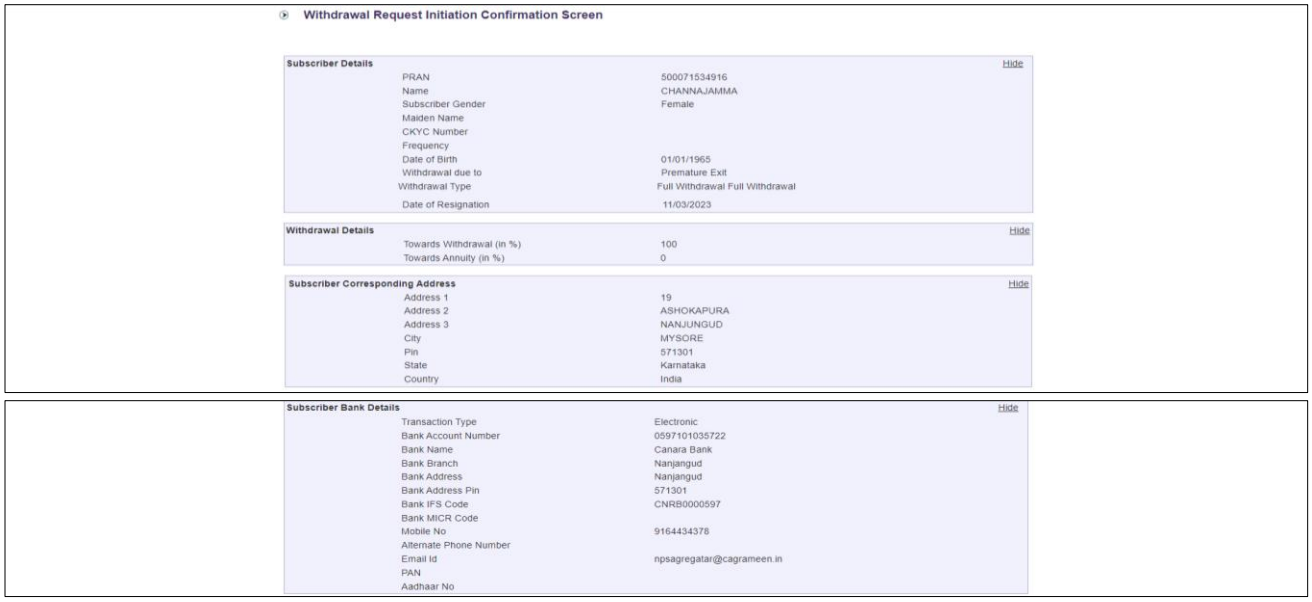


Figure 13

At this stage, details entered by the User are displayed for confirmation. Further, at this stage, it is the responsibility of Nodal Office/Aggregator to mandatorily upload valid, complete and legible documents such as duly signed Premature Withdrawal Form and supporting documents as selected in document checklist for seamless processing. User is required to upload all documents in a single file. User needs to click on "**Confirm**" button to complete initiation process. Please refer to **Figure 14**.



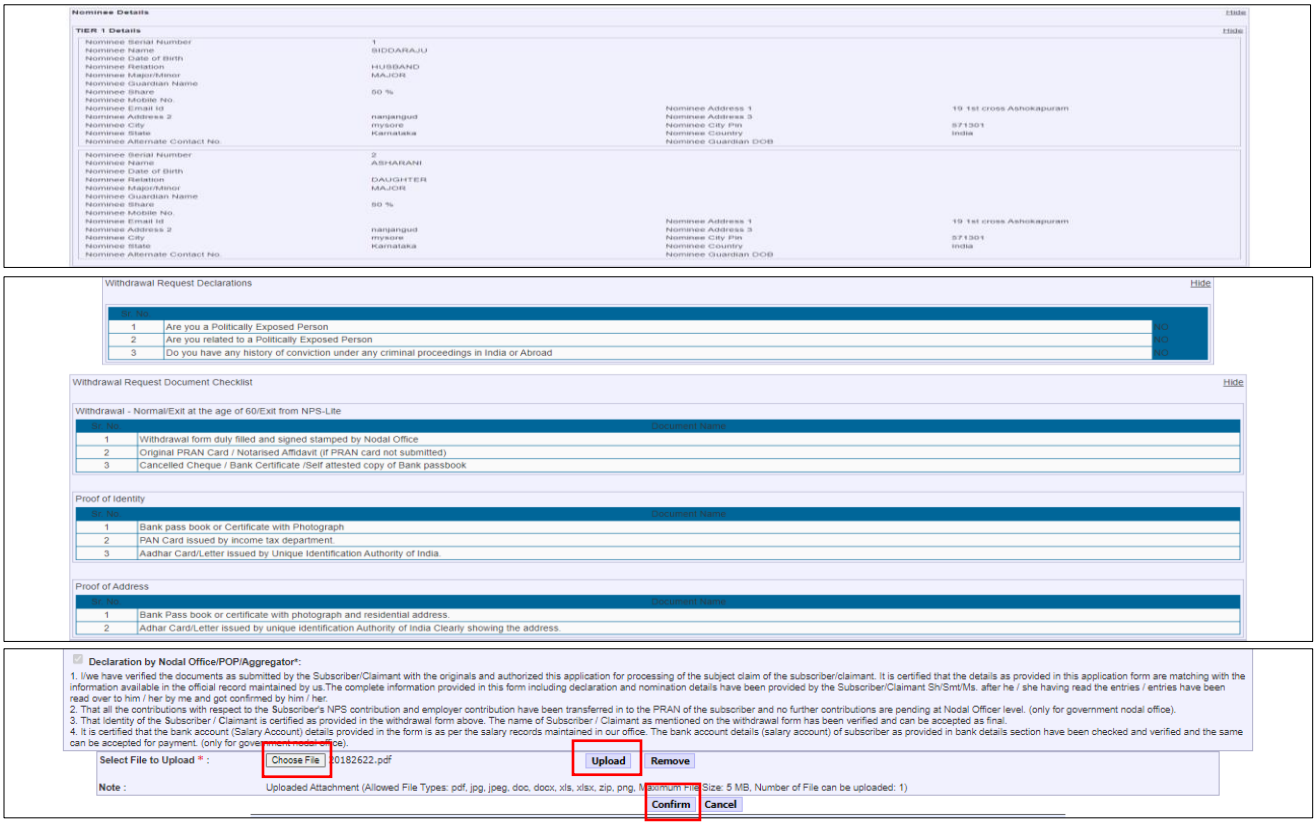


Figure 14

On clicking on "**Confirm**" button, Exit request will get captured in the NPS Lite System and an Acknowledgement Number will get generated.

At this stage, option is provided to User to view & download system generated Withdrawal Form. Further, message regarding successful completion of initiation is also displayed.

Please refer to **Figure 15**.

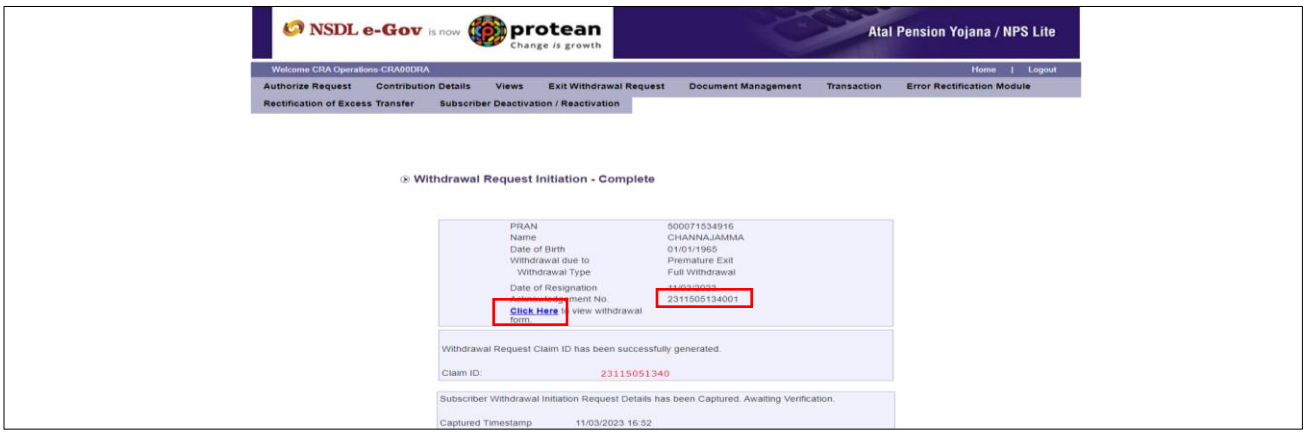


Figure 15

Once Exit request is successfully initiated, Nodal Office / Aggregator needs to authorize the same in NPS Lite system with another User ID.

6. Steps to authorize Online Premature Exit request in NPS Lite System by Nodal Office/Aggregator:

In order to authorize Online Premature Exit request of Subscriber, Nodal office/Aggregator needs to access NPS Lite System (https://apy.nps-proteantech.in) using another User ID as given below in **Figure 16.**

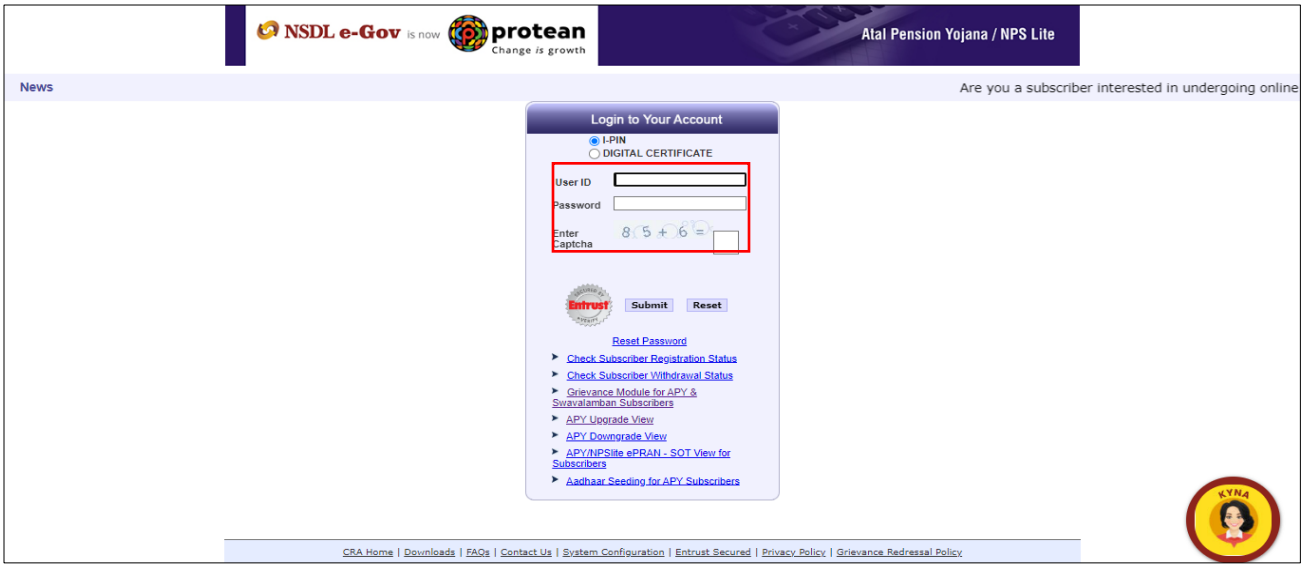


Figure 16

User needs to click on Menu "**Authorize Request**" and select Sub-Menu "**Authorize Transaction**." Please refer to **Figure 17.**

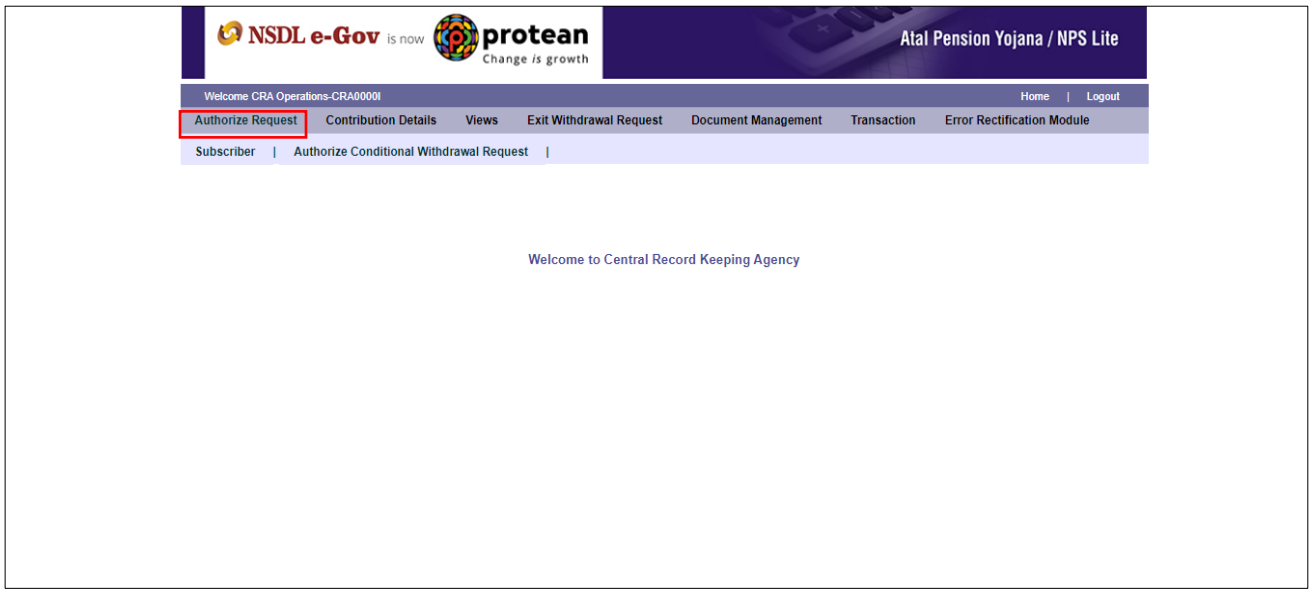


Figure 17

User needs to enter PRAN of the Subscriber and select Complete Withdrawal Sub type as "Lump-Sum and ASP Withdrawal." User needs to click on "**Search**" Button to search request. Please refer to **Figure 18**.

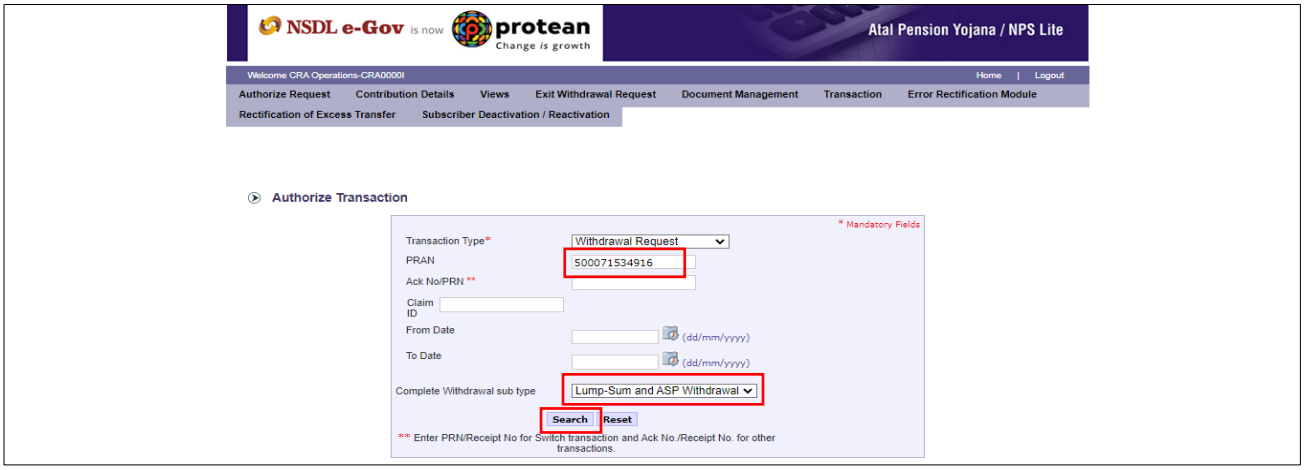


Figure 18

At this stage, a table is displayed to the User containing Acknowledgment Number, PRAN, Request Initiation Date, Request Initiated By and Request type. User needs to click on Hyperlink provided on Acknowledgment Number to view and verify details captured at the time of Initiation of Exit request. Please refer to **Figure 19.**

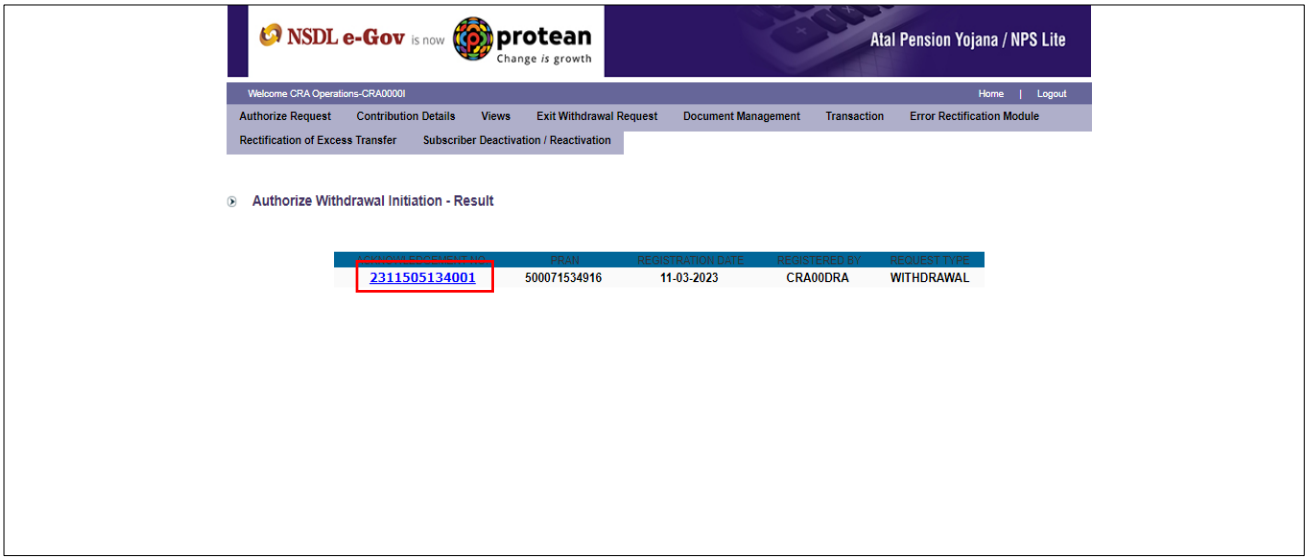


Figure 19

At this stage, if details entered are not correct, User needs to click on "**Reject**" radio button and click on "**Submit**" button. In case of rejection of request, Reason for Rejection is mandatory. If details entered are correct, User needs to click on "**Authorize**" radio button and click on "**Submi**t" button to complete the authorization process. User can also check documents uploaded by clicking on "View" button. Please refer to **Figure 20**.

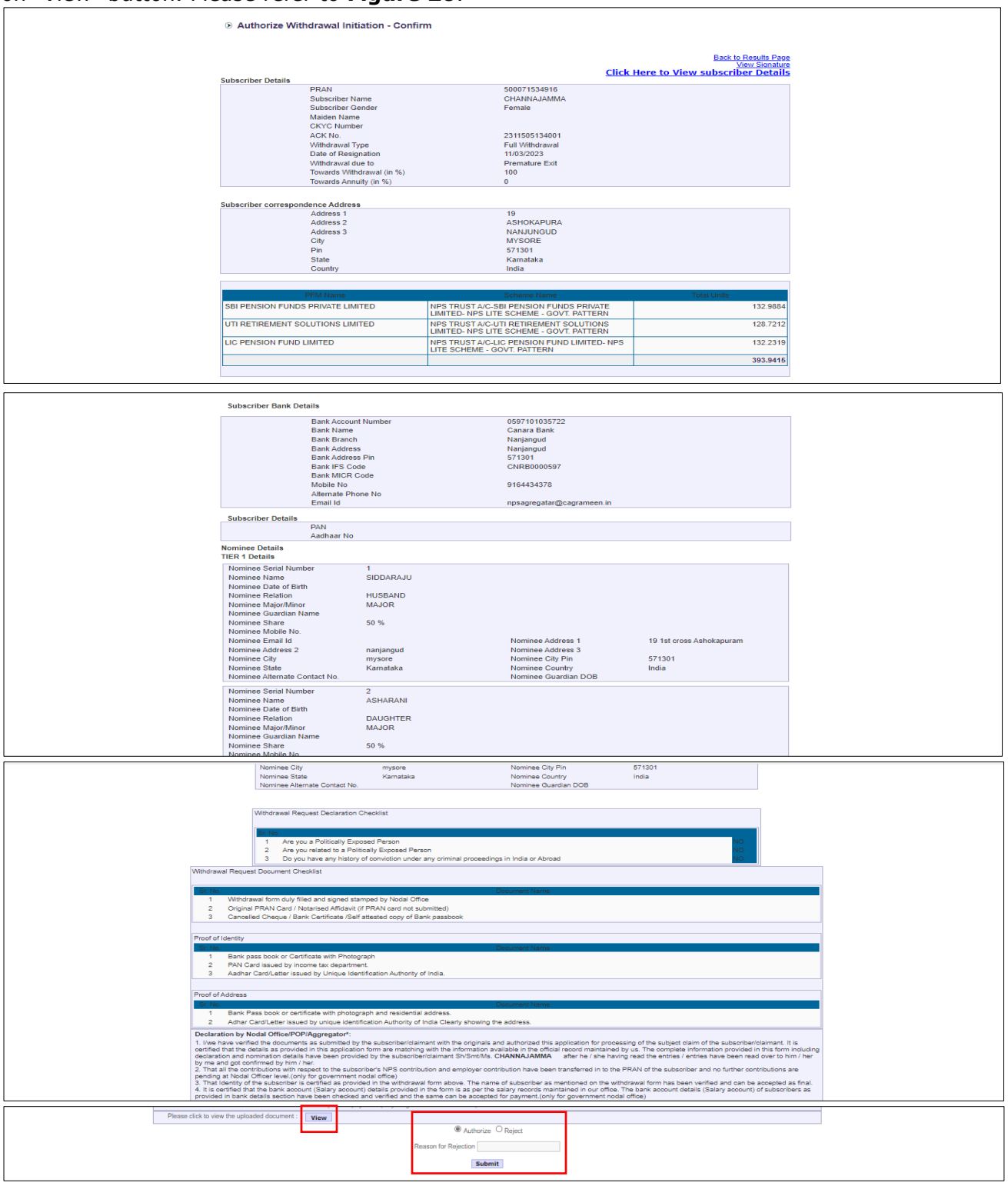


Figure 20

Once User clicks on "**Submit**" button, Exit request will get authorized in the NPS Lite System and confirmation window is displayed to the User as given below in **Figure 21**.

At this stage, option is provided to the User to view & download system generated Withdrawal Form.

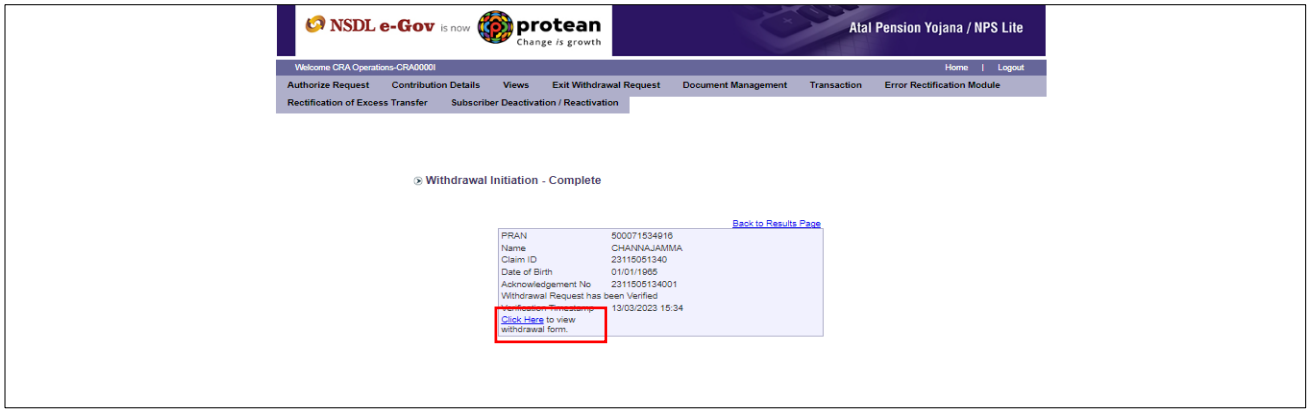


Figure 21

On successful authorization of Exit request by Nodal Office/Aggregator, same will get executed in the NPS Lite system. Accordingly, Lump sum and Annuity share (if applicable) will be transferred to Beneficiary's Bank Account within the stipulated withdrawal timeline mentioned in point 8 below.

If subscriber has received Government co-contribution (Swavalamban Credit) in the PRAN then Government co-contribution including returns thereon will be deducted from available NPS Corpus and remitted to PFRDA's Swavalamban Bank account as subscriber has opted to exit before age of superannuation.

7. Annuity Issuance Process:

On processing of exit request in NPS Lite System, Subscriber details will be shared with Annuity Service Provider (ASP) opted by Subscriber during initiation of exit request, if annuity is applicable. ASP will issue Annuity policy on the basis of details entered by the Subscriber at the time of initiation of exit request.

Subscriber will submit annuity related documents to selected ASP. If documents provided are not sufficient/incorrect or any additional documents required, then ASP may contact Subscriber for completion of annuity formalities. Alternatively, if required, Subscriber may contact ASP. Complete contact details of ASP are available on CRA Website (www.npscra.proteantech.in).

On completion of annuity formalities, ASP will confirm Annuity request of the Subscriber online in the NPS Lite System. Funds (Annuity Corpus) will be transferred to ASP by Trustee Bank (Axis Bank) within stipulated withdrawal timeline as mentioned below point 8 (e).

8. Withdrawal Timeline (Lump sum and Annuity):

Lump sum and Annuity Withdrawal: -

a. The process of Lump sum and Annuity withdrawal involves redemption of applicable units from Subscriber's NPS account and then transfer of lump sum funds in Subscriber's Bank Account & Annuity funds (if applicable) in selected Annuity Service Provider's (ASPs) Bank Account. **Lump sum and annuity withdrawals are processed in two different settlement cycle.**

b. In NPS Lite system, redemption of units happens only on working day (excluding Saturday, Sunday and holidays) which is called a Settlement Day. The settlement cycle runs between 10.30 AM* to 12.30 PM*.

c. Once Nodal Office/Aggregator authorize Withdrawal request, then withdrawal request is considered for processing on next day settlement cycle (T). The redemption of lump sum share units happens on next working day (Day T+1) with NAV of next working day (Day T+1) and then fund transfer happens on Day of redemption + 2 working days. *For example, if request is authorized by Nodal Office/Aggregator on January 2, 2024, the request will get considered for processing on next working day, redemption of lump sum share units will happen on January 3, 2024 with NAV of January 3, 2024 and fund transfer will happen on January 5, 2024.*

d. After completion of settlement cycle of lump sum withdrawal (stated in point C) by 12.30 PM, Subscriber details are made available in the NPS Lite system to selected ASP on the day of settlement of lumpsum after 12.30 PM. Selected ASP can view the Subscriber's details in their ASP login for further processing.

e. On completion of annuity formalities, ASP confirms annuity request in NPS Lite system, and it gets considered in next settlement cycle (Day T). Accordingly, annuity share units get redeem in Day T & funds transfer to ASP's bank account on T +2 days (T being date of settlement) for issuance of annuity. *For example, if annuity request is submitted/authorised by ASP on January 9, 2024, the request will get considered for processing on next working day settlement cycle, redemption of annuity units will happen on January 10, 2024 with NAV of January 10, 2024 and fund transfer will happen on January 12, 2024.*

Annuity policy shall be issued by ASP within T+2 working days of receiving the funds at their end.

Point to Note – Quality Check:

As part of the remittance monitoring process, documents / validations (as per the PFRDA regulations) are checked and if found successful, funds are transferred to the respective beneficiary's bank account as per the settlement process and timelines as stipulated above. If not, funds are kept on hold.

Cases for which funds are kept on hold are shared with respective Nodal Offices/Aggregators for necessary clarification/documents. On receipt of response from the Nodal Office/Aggregator along with valid supporting documents, reverification is carried out and if documents/clarifications are found to be in order, funds will be transferred within 3 working days of receipt of response from the Nodal Offices/Aggregators. If no clarification is received from the Nodal Offices/Aggregators within 30 days, the funds will be reinvested in the PRAN.

Submission of Physical Documents:

Physical Premature Withdrawal Form and supporting documents are not required to be submitted by Nodal Office / Aggregator to Protean-CRA for storage purpose.

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