

PROCEEDINGS OF THE GOVERNMENT OF KARNATAKA

Sub : Partial withdrawal of NPS amount by the NPS employee.

Ref : 1.G.O.No:FD(Spl) 04 PET 2005, Bangalore, Dated : 31.03.2006.
2.G.O.No:FD(Spl) 28 PEN 2009, Bangalore, Dated : 29.03.2010.
3.G.O.No:FD(Spl) 01 PEN 2010, Bangalore, Dated:20.10.2010.
4.G.O.No:FD(Spl) 203 PEN 2012(P), Bengaluru, Dated:18.5.2016.
5.Letter No:DOT/NPS/01/29/2016-17, Dated:01.09.2016, 7.3.2018
and 18.6.2018.

PREAMBLE :

Government of Karnataka has introduced New Defined Contribution Pension System for its employees who have joined/join Government Service on or after 01.04.2006 vide G.O. read at (1) above and it was operationalised as per G.O. read at (2) above. NPS is made applicable to the members of the All India Services Officers (Karnataka Cadre) joining the All India Services on or after 01.01.2004 in G.O. read at (3) above.

Government has issued the G.O read at (4) above, for withdrawal of accumulated NPS amount in Permanent Retirement Account of government employees at the time of superannuation/resignation/death while in service, for employees who have joined/ join the government service on or after 01.04.2006 and officers who have joined/join All India Services on or after 01.01.2004 borne on Karnataka Cadre.

As per the notification of PFRDA (Exit and withdrawal under NPS) Regulations 2015 which was issued on 11th May 2015, there is a provision for Partial withdrawal of Employee portion of accumulated NPS contribution amount for some important purposes. Hence in the letter read at (5) above, the Director of Treasuries, Bengaluru has sent a proposal for issue of Government Order for partial withdrawal of NPS amount by the NPS employee.

The proposal has been examined. Hence this Order:

GOVERNMENT ORDER NO: FD(Spl) 69 PEN 2016, BENGALURU,
DATED:26.06.2018

Government is pleased to allow partial withdrawal of accumulated pension wealth of the NPS employee not exceeding twenty – five per cent of the contributions made by the NPS Employee and excluding contribution made by employer, if any, at any time before exit from National Pension Scheme shall be allowed subject to the terms and conditions, purpose, frequency and limits specified below:-

I. PURPOSE:

A NPS Employee on the date of submission of the withdrawal form, shall be permitted to withdraw not exceeding twenty – five percent of the contributions made by such NPS employee to his/her individual pension account, for any of the following purposes only:-

- a) For higher education of his or her children including a legally adopted child;
- b) For the marriage of his or her children, including a legally adopted child;
- c) For the purchase or construction of a residential house or flat in his or her own name or in joint name with his or her legally wedded spouse. In case, the NPS Employee already owns either individually or in the joint name a residential house or flat, other than ancestral property, no withdrawal under these regulations shall be permitted;
- d) For treatment of specified illnesses of the NPS Employee, his legally wedded spouse, children, including a legally adopted child or dependent parent-suffering from any specified illness, which shall comprise of hospitalization and treatment in respect of the following diseases.
 - i. Cancer;
 - ii. Kidney Failure (End Stage Renal Failure);

- ii. Primary Pulmonary Arterial Hypertension;
 - iii. Multiple Sclerosis;
 - iv. Major Organ Transplant;
 - v. Coronary Artery Bypass Graft;
 - vi. Aorta Graft Surgery;
 - vii. Heart Valve Surgery;
 - viii. Stroke;
 - ix. Myocardial Infarction
 - x. Coma;
 - xi. Total Blindness;
 - xii. Paralysis;
 - xiii. Accident of serious/life threatening nature;
 - xiv. Any other critical illness of a life threatening nature as stipulated in the circulars, guidelines or notifications issued by PFRDA from time to time.
- e) Partial withdrawal “Towards meeting the expenses by subscriber for Skill Development/Re-Skilling or for any other Self-Developments activities”.
- i) **Definition:**

“Self-Development / Skill-Development / Re-Skilling” of an employee defines the value addition to the employee in terms of knowledge and acquiring new skills related to job & personality development. Value addition in the skills of the employee not only add value for the organization but also for own development of the employee to increase the opportunity for his/her professional career by gaining higher education/professional qualifications /technical courses etc. It also enables the employee to undergo, in or out of India, for a special course consisting of higher studies or specialized training in a professional or a technical subject and having a direct & close connection with the sphere or his duty.

ii) Coverage:

- a) Skill development/Re-skilling of employee/self-development activities (on request of employee) sponsored by employer for employee shall not be covered for eligible class for partial withdrawal because in such programmes employer bears all the expenses.
- b) Skill Development/Re-skilling of employee/self-development activities (on request of employee) wherein employee-employer relationship is established, following will be eligible for partial withdrawal.**

Course/degree/diploma/certificate for Self-development activities /Skill Development/Re-skilling of an employee which are not sponsored by employer will be eligible for partial withdrawal on the request of the employee, provided following conditions are fulfilled:

1. A "No objection Certificate" should be provided by employer if the employee-employer service rules/regulations/guidelines provide for the same.
2. In respect of identification of the course/degree.diploma/certificate for higher education/professional qualifications/skill development programs etc."The duration of the same should be 3 months or more.
3. The course should be recognised by University/approved organisation /recognised institutes /registered centres such as AICTE/UGC/NISM/NIBM/ICAI/IIM/other accredited bodies.
4. The course should be either a regular program or a distance education program or a skill development program.
5. Documents should be verified by the processing nodal office/PoPs/Aggregators before authorising partial withdrawal.
6. Amount which can be releases under this clause shall be subject to the actual fee of the course /training, subject to the maximum ceiling of 25% of employee's own contributions, without considering the returns thereon.

II. LIMITS :

The permitted withdrawal shall be allowed only if the following eligibility criteria and limit for availing the benefit are complied with by the NPS Employee:-

- (a) The NPS Employee shall have been in the National Pension System at least for a period of three years from the date of his or her joining. In case the Employee is mandatorily covered under NPS the period of three years for partial withdrawal will be considered from the date of applicability of NPS for such NPS Employee. However, in case of inter-sector/intra-sector shifting of NPS Employee previous tenure in NPS will also be considered.
- (b) The NPS Employee shall be permitted to withdraw accumulations not exceeding twenty-five per cent of the contributions made by him or her and standing to his or her credit in his or her individual pension account, as on the date of application for withdrawal;

III. FREQUENCY:

The NPS Employee shall be allowed to withdraw not exceeding twenty-five percent of his contributions only, a maximum of three times during the entire tenure of subscription under the National Pension System. For subsequent withdrawal only the incremental contributions made by the NPS Employee after the date of first/next subsequent withdrawal as the case may be will be allowed. The request for withdrawal shall be submitted by the NPS Employee, along with relevant documents to the Central Recordkeeping Agency or the National Pension System Trust, as may be specified, for processing of such withdrawal claim through their Nodal Office (Concerned Treasury). Provided that where a NPS Employee is suffering from any illness, specified in Clause(I), Sub-clause (d), the request for withdrawal may be submitted, through any family member of such NPS Employee.

At the time of superannuation/pre-mature/death the amount withdrawn under partial withdrawal till date will be adjusted against the payment of lump sum amount and balance if any will be paid to NPS Employee.

The procedure to be followed for partial withdrawal is detailed in the Annexure to this Government Order.

By Order and in the name of the
Governor of Karnataka.

 26.6.
(PRAKASH.Y.K.)

Joint Secretary to Government,
Finance Department (Pension).

To:

1. The Principal Accountant General (A&E), Karnataka, Bengaluru.
2. All Principal Secretaries/ Secretaries to Government.
3. Secretary, State Legislature, Bengaluru.
4. Secretary, Karnataka Public Service Commission, Bengaluru.
5. Controller, State Accounts Department, T.T.M.C Building, 3rd Floor, B.M.T.C Shanthinagara, Bengaluru-560 027.
6. Registrar, Karnataka Lokayukta, Bengaluru.
7. Registrar, High Court of Karnataka, Bengaluru.
8. Registrar, Karnataka Administrative Tribunal, Bengaluru.
9. All Heads of Departments & DDOs.
10. All Deputy Commissioners of Districts.
11. All Divisional Commissioners.
12. All Chief Executive Officers of Zilla Panchayats.
13. Director of Treasuries, Bengaluru & District Treasury Officers & Sub-Treasury Officers.
14. Weekly Gazette.
15. All sections of Karnataka Government Secretariat, Bengaluru.
16. President, Karnataka Government Employees Union, Cubbon Park.
17. President, Karnataka State Govt. NPS Employees Association, B'loru.
18. Karnataka Government Secretariat Library/Legislature Library.
19. Section Guard File/Spare copies.

Visit, the Official Website of Finance Department, GOK:

www.finance.kar.nic.in

Annexure to the G.O.

Partial Withdrawal request is required to be submitted by NPS Employee to Nodal Officer (Treasury officer) through his/her DDO. The DDO should satisfy himself/herself about the **genuineness of the requirement** for partial withdrawal by the NPS Employee and after recording his/her Satisfactory Certificate forward the withdrawal application to the Nodal Officer (Treasury Officer concerned). The Treasury Officer after verifying the withdrawal application has to forward the same to CRA for release of funds. On receipt of Partial Withdrawal request, CRA will process the withdrawal request in the CRA system. Following are the steps which will be followed by NPS Employee and Nodal Officer (Treasury officer) for submitting the 'Partial Withdrawal' request:

Role of the NPS Employee:

1. If the NPS Employee has completed 3 years under NPS, NPS Employee will fill up the 'Partial Withdrawal' Form – PW – 601 and submit the same to his/her mapped Nodal Officer (Treasury officer) for processing through his / her DDO.
2. NPS Employee will provide the following details in the Form:
 - a. Percentage of Partial Withdrawal (maximum 25%)
 - b. Purpose of withdrawal along with the proof duly attested by the DDO.
 - c. Bank details along with the bank proof (cancelled cheque/copy of bank passbook/bank certificate). Before submitting the withdrawal form, NPS Employee shall ensure that the bank account details are correct.
3. NPS Employee will affix his/her signature/Thumb impression on the Form at the designated place and submit the same to his/her mapped Nodal Officer (Treasury officer) through his/her DDO.

4. Documents required to claim partial withdrawal for self development activities is as under:
 - a. Admission/sanctions letter from university in India/abroad with fee details.
 - b. For distance learning programs, copy/s of invoice/s which confirm the payment of required fee for desired course.
 - c. For other skill development programmes, copy of invoices confirming payment of fee for the desired course.
 - d. Study leave sanction letter/NOC provided by the organisation/department/ministry, if required in terms of the employee's service conditions.

Role of the Nodal Officer (Treasury officer):

- I. The concerned Nodal Officer (Treasury officer) will check the request submitted by the NPS Employee with respect to completeness;
- II. The Nodal Officer (Treasury officer) must also verify the **veracity** of the claim with respect to purpose of the partial withdrawal along with supporting documents;
- III. The Nodal Officer (Treasury officer) must verify the **details** of the bank account of NPS Employee;
- IV. If request is complete in all respect, he/she will authorize the request and will send the same to CRA for processing;
- V. Where the claim of partial withdrawal is submitted by the authorized representative of the NPS Employee (in case the NPS Employee is unable to submit such claim) Nodal Officer (Treasury officer) must satisfy themselves about the genuineness of such claim and ensure that the bank account provided is that of the NPS Employee.
- VI. The Nodal Officer (Treasury officer) should process the **partial** claims within **three working days** of receipt of the claim **excepting** in cases where the partial withdrawal claim has been requested because of medical reasons in which case the claim would have to **be** processed on the **same day** of receipt of the claim.

- VII. The Nodal officer (Treasury officer) should capture the withdrawal request in CRA system by clicking sub menu "Initiate Conditional Withdrawal" under "transactions".
- VIII. The Nodal officer (Treasury Officer) is required to authorise the request in CRA system by using another user ID.
- IX. Once the online partial withdrawal request is authorised by the Nodal officer (Treasury officer), the withdrawal request will be executed in CRA system. Nodal officer is required to submit the physical withdrawal documents to CRA for record purpose.

Role of CRA:

- 1. Once CRA receives the request, it will process the request submitted by the Nodal Officer (Treasury officer).
- 2. As per stipulated process, funds will be transferred to NPS Employee's bank account through electronic mode in T+3 days. T – Being the date of receipt of the verified and approved claim in CRA System.
- 3. Physical withdrawal request will be stored by CRA.