

Corporate National Pension System (corporate NPS)

1. Objective:

Objective of this policy is to provide employees the facility to contribute towards National Pension System (NPS) Under Corporate Module.

2. Eligibility:

- This policy is applicable to all On Roll employees of Swiggy (Bundl Technologies Private Limited).
- This policy is applicable to citizens of India and NRI's
- This policy is not applicable to contractors/consultants/Inbound international Assignees/OCI/PIO card holders/Expatriates/ Non-Indian Citizens

3. NPS – Corporate sector Model

- National Pension System (NPS) is voluntary defined contribution-based pension scheme launched by Government of India to provide retirement security and pension to citizens of India. NPS is regulated by Pension Fund regulatory and development Authority (PFRDA)
- The government has also extended the benefits of NPS to employees of corporate entities. This module is titled “NPS – Corporate sector model”. Under this model, employees may opt to contribute a percentage of their annual basic salary towards NPS for retirement savings and avail tax benefits as per applicable IT rules.
- On Joining NPS, every individual employee will be issued a unique 12 digit permanent retirement Account Number (PRAN). Employee will also receive a PRAN card.
- Record keeping is maintained at an individual level and ensures portability. One can operate the account from anywhere in the country, even on changes in cities or jobs.
- Transaction can be tracked online through National securities depository Limited (NSDL), PFRDA appointed Central Recordkeeping Agency (CRA) using the I-Pin.
- This is an optional benefit. Employee can avail the facility by defining the amount of contribution Up to 10% of their annual basic salary. Please note the amount of contribution chosen by the employee (within the overall limit) would be adjusted from the employee's Total fixed CTC and contributed towards NPS. Please refer to the table below for current tax treatment on NPS contributions as per existing IT rules.

3.1 Tax benefits for Employees

- Under NPS corporate model employee can deposit contribution directly or he / she can route the contribution through the employer he / she is working with. Both the contributions are eligible for tax deduction as shown below

Type of Contribution	Tax Benefit	Tax Treatment on Withdrawal
Contribution deposited by Employee	1. Investment up to Rs.50,000 is deductible from taxable income u/s 80CCD (1B) of Income Tax Act, 1961	1. Up to 60% of Corpus withdrawn in lump sum is exempt from tax
Contribution routed through the Employer (Adjusted through Fixed CTC)	Investment up to 10% of Salary (Basic + Dearness Allowance) is deductible from taxable income u/s 80CCD (2) of Income Tax Act, 1961. There is no cap in terms of absolute value.	2. Balance amount invested in Annuity is also fully exempt from tax 3. Pension received out of investment in Annuity is treated as income and will be taxed appropriately

- Tax benefit u/s 80CCD (1B) and 80CCD (2) are over and above 1.5 lakhs limit u/s 80C.

Tax Saving Illustration			
Income Head	Current	Suggested	
Basic Salary	6,00,000	6,00,000	
House Rent Allowance	3,00,000	3,00,000	
Special allowance	5,02,020	4,42,020	→ Reduce this taxable part of the salary
Leave Travel Allowance	49,980	49,980	
Food coupons	26,400	26,400	
Employer's contribution to provident fund	21,600	21,600	
Contribution to NPS under sec 80 CCD (2D)	0	60,000	→ Up to 10% of the basic salary can be invested in NPS
Total Fixed CTC	15,00,000	15,00,000	

Tax Saving Illustration contd...			
Tax Saving Head	Current	Suggested	
Provident Fund	21,600	21,600	
PPF	1,28,400	1,28,400	
NPS under sec. 80CCD (1B)	0	50,000	→ Individual Contribution
Contribution to NPS under sec 80 CCD (2D)	0	60,000	→ Employer contribution up to 10% of the basic salary
Total Deduction under 80 C	150000	260000	

- Swiggy (Bundl Technologies) partnered with ICICI bank for NPS management. ICICI Bank will serve as the POP (Point of Presence) for all request of employee’s requests/ queries would be served by them.

3.2 Investment option

- Depending on the expertise on taking call on right asset mix, Subscribers have 2 investment options under NPS

What are the investment choice available under NPS?	
Active Choice	Auto Choice
<ul style="list-style-type: none"> • Subscriber decides fund allocation between Equity(E), Corp. bonds (C) and Govt. Securities(G) 	<ul style="list-style-type: none"> • 3 investment options are available; Aggressive (LC 75), Moderate (LC 50) & Conservative (LC 25)
<ul style="list-style-type: none"> • Up to 75% can be invested in Equity and 5% in alternate assets 	<ul style="list-style-type: none"> • Asset allocation between Equity(E), Corporate bonds (C), Govt. Securities(G) at entry & thereafter depends on age of subscriber
<ul style="list-style-type: none"> • Allocation can be changed once in a FY 	

- Active Choice – Under this option, subscriber can select the asset allocation among Equity, Corporate Bonds, Government Securities and Alternate assets as per his / her choice.
- Auto Choice – Under this option, fraction of funds invested across three asset classes is determined by a pre – defined portfolio which will be based on the age of the Subscriber and the life cycle chosen. This is also known as Life Cycle Fund option

3.3 Withdrawal from Tier I NPS account

- NPS offers exit when the subscriber reaches the age of 60 (superannuation), before 60 years (pre – exit). Subscribers have the option of partial withdrawal as well

3.4 Withdrawal before the age 60 years

- Up to 20% of Corpus can be withdrawn in lump sum.
- Minimum 80% of the Corpus needs to be invested in Annuity.
- If the corpus is less than or equal to 2 Lac then full withdrawal is permitted.
- Subscribers needs to be in the system for 10 years before he / she can exit

3.5 Withdrawal on attaining the age 60 years

- Up to 60% of Corpus can be withdrawn in lump sum.
- Minimum 40% of the Corpus needs to be invested in Annuity.

Deferment options (applicable only for exit from NPS at age 60 years)

- Subscriber can defer the lump sum withdrawal for up to 10 years.
- Subscriber can defer the annuity purchase for up to 3 years

3.6 Death Benefit

- On death of the Subscriber, Nominee / Legal heir can claim the entire Corpus.

3.7 Partial Withdrawal

- Subscriber can now withdraw 3 times from their NPS corpus after completing 3 years in the system.
- Subscriber can withdraw 25% of contribution made by them; excluding contribution made by employer & interest generated.
- Withdrawal is permitted for the below reasons
 1. Education
 2. Marriage
 3. Due to critical illness
 4. Construction / purchase of residential property
 5. For starting a business

3.8 Annuity Service Providers

On exit from NPS, certain portion of amount has to be invested in Annuity. At present, below mentioned 7 life insurance companies are registered with PFRDA to offer annuity plans to NPS Subscribers:

- ICICI Prudential Life Insurance Company Limited.
- HDFC Life Insurance Company Limited.
- Bajaj Allianz Life Insurance Company Limited.
- Reliance Life Insurance Company Limited.
- SBI Life Insurance Company Limited.
- Star Union Dai-ichi Life Insurance Company Limited.
- Life Insurance Corporation of India Limited

3.9 Annuity Schemes

Depending on the need, Subscriber can select any of the below mentioned annuity plan offered by Annuity Service Providers registered with PFRDA. Annuity options offered by ICICI Prudential are given below

Link to annuity brochure :

<https://www.icicprulife.com/content/dam/icicpru/brochures/ICICI%20Pru%20Immediate%20Annuity.pdf>

- Annuity payable for life at a uniform rate to the annuitant only
- Annuity for life with return of purchase price on death of the annuitant (Policyholder)
- Life annuity with return of 50% / 75% purchase price
- Life annuity with return of balance purchase price
- Joint life annuity without return of purchase price
- Joint life annuity with return of purchase price
- Joint life annuity with return of purchase price in parts
- Annuity payable for 5, 10 or 15 years certain and thereafter as long as you are alive
- Annuity payable for life increasing at a simple rate of 5% p.a
- NPS family option
- Life Annuity with return of Purchase Price on Critical illness (CI) or Permanent Disability due to accident (PD) or Death

4. NPS in Swiggy (Bundl Technologies)

- This is an optional benefit and employee can avail the facility by defining the amount of contribution up to 10% of their annual basic salary. Please note that the amount chosen by employee would be adjusted from the employee total Fixed CTC and contributed towards NPS.
- In case of increase in annual basic salary. The NPS contribution will be updated automatically as per the new basic salary.
- Employee on Leave without pay (LWP) need to liaise with the POP directly to deposit their individual contribution, if they wish to. Such contribution will not get covered under corporate model tax benefit.
- In case where the employee is on leave without pay. No contribution would be there towards NPS for the LWP period. However, the employee should make sure the annual contribution should be minimum INR Rs.1000.
- All charges pertaining to opening and operation of the NPS account would be borne by the employee. Employee needs to contact the POP for more details on various charges.

5. Procedural Guidelines

- Having an NPS account Permanent Retirement Account Number (PRAN) in corporate model beforehand is mandatory for NPS contributions
- Swiggy will partner with ICICI Bank and ICICI Prudential Pension Funds Management Company Ltd for rollout and management of NPS for interested employees. As the chosen Point of Presence (POP) intermediary. ICICI bank and ICICI pension will be the first point of interaction between employees. Swiggy and NPS architecture.
- Corpus collected by ICICI Bank will be remitted to the Trustee bank appointed by the NPS trust (shall mean - Bank appointed under NPS shall facilitate fund transfers across various PRAN) for future investment in different asset classes chosen by the employee.
- ICICI Team would be responsible for the following.

1. Opening NPS account of employees under corporate NPS or shifting existing NPS account of employees under Swiggy corporate code.
 2. Processing NPS contributions
 3. Coordinating with NSDL (CRA)
 4. Grievance handled/servicing.
- As a part of the roll out process, ICICI team will organise the helpdesk at SWIGGY premises. Regional HRBPs will inform the concern employees about the location, date and time. ICICI representative will be available to answer the queries and help interested employees subscribe to NPS.
 - Documents required for joining NPS (Opening new NPS account).
 1. Dully filled NPS application form
 2. Colour photograph-passport size
 3. Self-attested copy of PAN card
 4. Self-attested copy of Address Proof
 - Documents required for shifting the existing NPS account.
 1. Dully filled inter-sector shifting form (ISS-1 Form)
 2. Copy of PRAN card
 3. Self-attested copy of PAN card
 4. Self-attested copy of address proof
 - Employees can submit the form and required documents to the regional HR team for the HR authorisation.
 - ICICI team will collect the form and documents from the regional HR Team to process the PRAN generation/shifting existing PRAN to corporate code of SWIGGY
 - Employee should ensure the following while filling the CSRF-1 and ISS-1 Form. Please seek the HR help if required
 1. Date of Joining the organisation and date of retirement should be mentioned correctly.
 2. Collect SWIGGY corporate code (CHO number)
 - ICICI representative will obtain the NPS Application form with complete documents duly signed for generating.
 - Employees will receive PRAN card in 7-10 working days post PRAN generation
 - Employees will get the online access to their account statements through NSDL.
 - **Employees are responsible for:**
 1. Declaring their NPS contribution in the Google Link shared by the central HR Team.
 2. Coordinating with the chosen NPS partner for maintaining their account and operation of the NPS account.
 3. Providing necessary information and documentation to the NPS partner towards enrolment including specifying the choice of investment-active or auto choice
 4. Obtaining the PRAN and updating in google sheet so that we can start the NPS contribution. You have to select the percentage of Contribution 1% to 10%.

NPS Contribution Form :

<https://docs.google.com/forms/d/e/1FAIpQLSdesWsfTrdpHQuEdKyJxgCJvqGAZ03vkq-J83T7xX0Gglu0RA/viewform>

6. Disclaimer and Risk:

- The ownership of NPS account maintenance shall always rest with the employee. SWIGGY would NOT be responsible for any account related issues OR return on investments.
- Please note that NPS is a defined contribution plan and the benefit would depend upon the amount of contribution invested and the investment growth up to point of exit from NPS
- NPS returns are subject to market risk and there is no assured guaranteed return on the investment.
- The Policy would be governed by applicable income tax rule as framed from time to time. Tax rule may change affecting the return on investment (ROI).