

# **National Pension System subscribers earn double digit return in 2012-13**

Government's flagship retirement scheme, New Pension Scheme (NPS) has delivered double-digit return for the financial year 2012-13.

For this fiscal, the government has announced 8.7% interest for deposits under Public Provident Fund (PPF), while it has approved 8.5% rate of interest for 2012-13 for Employees Provident Fund (EPF) subscribers. The Pension Fund Regulatory Authority (PFRDA) in a statement claimed that the NPS is not only the cheapest retirement product but also the highest returns generating scheme.

The Private Corporate Debt and Government scheme have generated the highest returns at 14.19% and 13.52%, respectively. The Swavlamban scheme, where in, the government contributes Rs 1,000 annually to each NPS account, has generated average annual return at 13.40%.

The scheme for state government employees has given 13% return, while for central government employees it has given 12.39% return.

At present, NPS has accumulated a corpus of Rs 33,000 crores contributed by 50 lakh subscribers.

The pension regulator in its statement said that it has revised its investment guidelines to improve performance of Pension Fund Managers by direct investment in equity & corporate debt and not through mutual funds. "Further for better risk management prudential sectoral norms have also been introduced," it said in its statement.

In March 2013, the PFRDA had allowed exiting subscribers the option to defer the withdrawal of the amount and stay invested in the scheme till the age of 70. It had, however, clarified that no fresh contributions will be accepted and also no partial withdrawals will be allowed during such a period of deferment.

The National Pension System was introduced by the Central government in January 2004 for government employees and subsequently extended to the private sector in May 2009.

(Economic Times)