

Processing of Premature Exit Requests under Atal Pension Yojana

Background:

As per Atal Pension Yojana (APY) guidelines, Subscriber can exit from APY upon completion of 60 years and avail the pension. In addition, there are certain scenarios where exit from APY may happen before the Subscriber attains 60 years. The scenarios are given below:

1. Exit in case of death of the Subscriber:

In case, the Subscriber dies before the age of 60 years, there are two options:

- a) **Closure of APY account** - In case, spouse wishes to exit from the scheme and close the account, the corpus will be settled in the name of spouse. If spouse is not present (where Subscriber is not married, divorced, legally separated or spouse has expired), then the corpus will be settled in the name of the nominee.
- b) **Continuation of APY account (only for Spouse)** - The spouse would have an option to continue contributing to APY accounts of the Subscriber, which can be maintained in the spouse's name, for the remaining vesting period, till the original Subscriber would have attained the age of 60 years. The spouse of the Subscriber shall be entitled to receive the same pension amount as that of the Subscriber until the death of the spouse.

2. Premature Exit before the age of 60 years:

In case of exit before 60 years, there are two options:

- a) **Exit due to specified illness** - Exit before 60 years of age may be permitted only in exceptional circumstances such as due to specified illness of the Subscriber and the accumulated corpus (Subscriber contribution, Government Contribution and the returns thereon) in the Subscriber's account will be returned to the Subscriber.
- b) **Voluntary exit** - In case a Subscriber chooses to voluntarily exit from APY before attaining 60 years of age, he/she will be refunded only the contributions made by him/her to APY alongwith the returns thereon after

deducting the account maintenance, investment management etc. charges. The Government co-contribution, if any and the accrued income earned on the Government co-contribution will not be given to such Subscribers.

All the above mentioned types of exit requests will be processed by APY-SPs through APY module by generating the exit request file. The file formats were already shared by CRA. Till such time the APY exit module is made operational by CRA, an interim process (as given below) would be followed by AYP-SPs for processing the exit requests under APY. However, once CRA makes the module available, APY-SPs shall be required to upload the relevant file with necessary information in the CRA system.

Interim Process

I. Receipt and Verification of Forms:

1. The branches of APY-SP shall collect the APY Account Closure Form from the Subscriber/spouse/nominee/claimant as per the format stipulated by Pension Fund Regulatory and Development Authority (PFRDA).
2. In case of voluntary exit by the Subscriber i.e. exit before 60 years of age,
 - a) The Branch Official of APY-SP shall ensure that the Subscriber has filled up the correct Account Closure Form (for Voluntary Exit).
 - b) Branch Official shall check that the complete details are provided alongwith the reason for closure.
 - c) Branch Official shall verify that the Subscriber has selected the correct option for premature exit i.e., exit due to Specified illness or Voluntary exit. In case of exit due to specified illness as mentioned in the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015, Branch Official shall collect the relevant documents from the Subscriber as stipulated by PFRDA. The list of specified diseases as describer in exit guidelines of PFRDA is provided at Annexure A. Branch Official shall also verify that the signature/thumb impression of the Subscriber is as per the details available under Core Banking System (CBS).
3. In case of death of the Subscriber before 60 years of age,
 - a) The Branch Official of APY-SP shall ensure that the spouse/nominee has filled up the correct form i.e. Account Closure Form for Death.
 - b) In case of married Subscriber, the Branch Official will identify the spouse (as registered in the APY system of CRA) and shall ensure that the form is filled

up only by the spouse who is default nominee under APY. In case, the spouse is not present (where Subscriber is not married, divorced, legally separated or spouse has expired), the Branch Official will identify the nominee (as registered in the APY system of CRA) and shall ensure that the form is filled up by the correct nominee.

- c) If the form is submitted by spouse, Branch Official shall check that spouse has provided the correct option in the form i.e., whether APY account to be closed or to be continued by spouse.
 - d) The branch officials have to check that the spouse/nominee has provided the complete and correct details in the form including the Bank Account Number alongwith the IFS Code.
 - e) In case of continuation of APY account by Spouse, Bank Official shall collect separate form for continuation under APY.
 - f) The Branch Official shall also collect the relevant documents for closure of account as per existing Banking norms / stipulated by PFRDA.
 - g) In case the exit request is submitted by any other claimant (other than the spouse/nominee registered in the APY system of CRA) Branch Official shall also collect a legal heir certificate OR a certified copy of family member's certificate issued by Executive Magistrate indicating the relationship of the Claimant with the subscriber.
4. It will be responsibility of the Branch Official to check the veracity of the exit request and of the documents submitted alongwith the request.
 5. The Branch Official shall check that the Bank Account provided in the closure form is active (if it is of the same bank), else shall confirm the same with spouse/nominee.

II. Acceptance and Issuance of Acknowledgment:

If the exit form alongwith the complete details and documents (as required) is correct, the Branch Official shall accept the exit request. The Branch Official shall issue an acknowledgment to the Subscriber/spouse/claimant (as per the request) mentioning the Bank Account details to which the APY corpus of the Subscriber would be credited.

III. Submission of Requests to CRA:

- The APY-SPs shall forward all the exit requests to CRA for processing alongwith the covering letter.

A scanned image of the request (along with the IFSC code) may also be forwarded to 'APY Claimassist' on (apyclaimassist@nsdl.co.in) to initiate the process. As an alternative, the requests shall be forwarded to CRA in the following address

APY Claim Processing Cell, 1st Floor, Times Tower, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

- The letter should be signed by the Authorised Signatory or the Compliance Officer/Branch Head of the APY-SP.
- In case of voluntary exit by Subscriber, Branch Official shall select the relevant remark in the form for transfer of Govt. co-contribution i.e., Credited, not credited, returned. If Branch Official has provided the remarks as "**Credited**", the amount equivalent to Govt co-contribution alongwith return will be deducted from the corpus of the subscriber and balance amount will be transferred to Subscriber.

IV. Processing of requests at CRA:

- CRA will handle the physical exit requests administratively.
- CRA will only check for the Claimant's name in the exit request received (received from the APY-SP) for death of the Subscriber. In case there is a mismatch in the Spouse / Nominee Name available in APY database and the Spouse / Nominee name in exit request form), the request will be kept on hold and the APY-SP will be informed to provide for clarification.
- Once the exit request is processed, the redeemed amount based on the units available in APY account will be transferred electronically to Subscriber/Spouse/Nominee Bank Account as provided in APY Closure Form.
- On transfer of funds, APY Claim Processing Cell will send a confirmation to APY-SP about execution of exit request.
- In case of voluntary exit, if the Subscriber has already availed the Govt. Co-contribution, the equivalent amount alongwith return will be deducted from the corpus of the Subscriber and balance amount will be transferred to Subscriber.

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Annexure A - List of specified illness as describer in Pension Fund Regulatory and Development Authority (Exits and Withdrawals Under the National Pension System) Regulations 2015

- (i) Cancer;
- (ii) Kidney Failure (End Stage Renal Failure);
- (iii) Primary Pulmonary Arterial Hypertension; (iv) Multiple Sclerosis;
- (v) Major Organ Transplant;
- (vi) Coronary Artery Bypass Graft;
- (vii) Aorta Graft Surgery;
- (viii) Heart Valve Surgery;
- (ix) Stroke;
- (x) Myocardial Infarction
- (xi) Coma;
- (xii) Total blindness;
- (xiii) Paralysis;
- (xiv) Accident of serious/ life threatening nature.
- (xv) any other critical illness of a life threatening nature as stipulated in the circulars, guidelines or notifications issued by the Authority from time to time.

ATAL PENSION YOJANA (APY) – ACCOUNT CLOSURE FORM (VOLUNTARY EXIT)

To,
The Branch Manager,
_____ Bank
_____ Branch

Dear Sir/Madam,

I hereby request that my account opened under Atal Pension Yojana may be closed. The details are as follows:

a) Voluntary Exit *

b) Terminal Illness **

PRAN :

Name of PRAN Holder : _____

Saving Bank Account for credit of Corpus (Pension Wealth)* :

IFS Code

Reason for Closure (Please select – only for Voluntary exit):

Not able to pay contributions Require Funds urgently

Others (specify : _____)

* In case a subscriber, who has availed Government co-contribution under APY, chooses to voluntarily exit APY before the age 60, he/she shall only be refunded the contributions made by him/her to APY, along with the net actual income earned on his/her contributions (after deducting the account maintenance, assets management etc. charges), whereas, the Government co-contribution, and the income earned on the Government co-contribution, shall not be returned to such subscribers.

** The terminal illness as mentioned in the Pension Fund Regulatory and Development Authority (Exits and Withdrawals under the National Pension System) Regulations, 2015.

Date:
Place:

Signature/Thumb Impression* of Subscriber
(* LTI in case of male and RTI in case of female)

ACKNOWLEDGEMENT – ACCOUNT CLOSURE FOR ATAL PENSION YOJANA (APY) (To be filled by the Bank)

Name of the Subscriber: _____

PRAN:

Government co-contribution: Credited Not Credited Returned

Corpus (Pension Wealth) would be credited in the savings Bank Account No:

Name of the Bank:		Stamp and Signature of the Bank
Bank Branch:		
Receiving Officer's Name:		
Date of Receipt		

In case of exit due to Terminal Illness documents to be obtained from the Subscriber as stipulated by PFRDA.

ATAL PENSION YOJANA (APY) – ACCOUNT CLOSURE FORM (Death)

To,

The Branch Manager,

_____ Bank

_____ Branch

Dear Sir/Madam,

I/We _____ being a spouse/nominee(s) of the deceased subscriber hereby request that account opened under Atal Pension Yojana of Shri / Smt. _____

a) to be closed

b) to be continued by spouse

(as per PFRDA Circular dated May 2, 2016. Please submit separate form for continuation of APY account)

The PRAN details are as follows:

c) PRAN

d) Name of the deceased Subscriber _____

e) Name of the Spouse _____

f) Bank details of Spouse _____

g) Saving Bank Account Number of Spouse

h) IFS Code

i) Name of the Nominee _____
(where subscriber is not married, divorced, legally separated or spouse has expired)

j) Name of the Nominee's Bank : _____

k) Nominee's Saving Account Number:

l) IFS Code of nominee's bank

Date :

Place:

Signature / Thumb Impression of the Spouse/Nominee (*LTI in case of male and RTI in case of female)
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ACKNOWLEDGEMENT – ACCOUNT CLOSURE FOR ATAL PENSION YOJANA (APY)-Death Case

A/c to be closed

Name of the Spouse _____
Name of the Nominee _____

PRAN _____

Corpus (pension wealth) would be credited in the saving Bank account No.: _____

A/c to be continued by Spouse

Name of the Bank:		Stamp and Signature of the Bank
Bank Branch:		
Receiving Officers Name:		
Date of Receipt		

List of documents to be obtained from the spouse or the nominee.

1. Original death certificate of the subscriber.
2. KYC of spouse or nominee.
3. Proof of bank details for spouse or nominee.
4. Relationship proof of claimant with subscriber/ A legal heir certificate OR a certified copy of family member's certificate issued by Executive Magistrate indicating the relationship of the Claimant with the subscriber, in case the exit request is submitted by any other claimant (other than the spouse/nominee registered in the APY system of CRA)

Note: As per APY Scheme, in case of death of the subscriber before 60 years, the corpus will be settled in the name of the spouse who is the default nominee. In other cases it will be settled in the name of the nominee.