



Save **R**ight
Retire **B**right

Tax Savings through National Pension System

- **What are the Tax Benefits available to Government subscribers under NPS?**
Your own contributions in Tier I are eligible for tax deduction of up to 10 % of Salary (Basic + DA) u/s 80 CCD(1) within the overall ceiling of ₹ 1.50 Lakhs u/s 80 CCE of IT Act, 1961. The earlier ceiling limit of ₹ 1.00 lakhs have been removed from the current F.Y. 2015-16.
- **What is the additional Tax benefit made available to the NPS subscribers from the Current F.Y. 2015-16?**
From F.Y. 2015-16, you are allowed additional tax deduction in addition to the deduction of ₹ 1.50 Lakhs allowed under Sec. 80CCD(1), subject to contribution of maximum of ₹ 50,000/- as additional contribution in your NPS account, u/s 80CCD(1B) of IT Act, 1961.
- **If this contribution of ₹50,000/- u/s 80CCD (1B) is done , how much would an NPS subscriber be able to claim as Tax deduction?**
Effectively you can now claim tax deduction up to ₹2.00 Lakhs by contributing under NPS, as against ₹1.50 Lakhs earlier .
- **For a subscriber covered under the defined benefits scheme, old pension scheme, other pension schemes, how can tax benefit be availed ?**
You need to open an NPS account (PRAN– Permanent Retirement Account Number) through any of the registered POP-SPs (Point of Presence-Service Providers) under All Citizens Scheme and by contributing ₹ 50,000/- , you can avail tax deduction available under Sec. 80CCD(1B) of IT Act, 1961.
- **How can I submit this additional voluntary contribution for availing of this Tax benefit ?**
You can visit any POP-SP to register under NPS or to make the additional investment in your existing PRAN. To know about your nearest POP-SP call on 1800-110-708 or visit www.npscra.nsdl.co.in and click “Locate your nearest POP-SP”.