NPS Swasthya Pension Scheme (NSPS)

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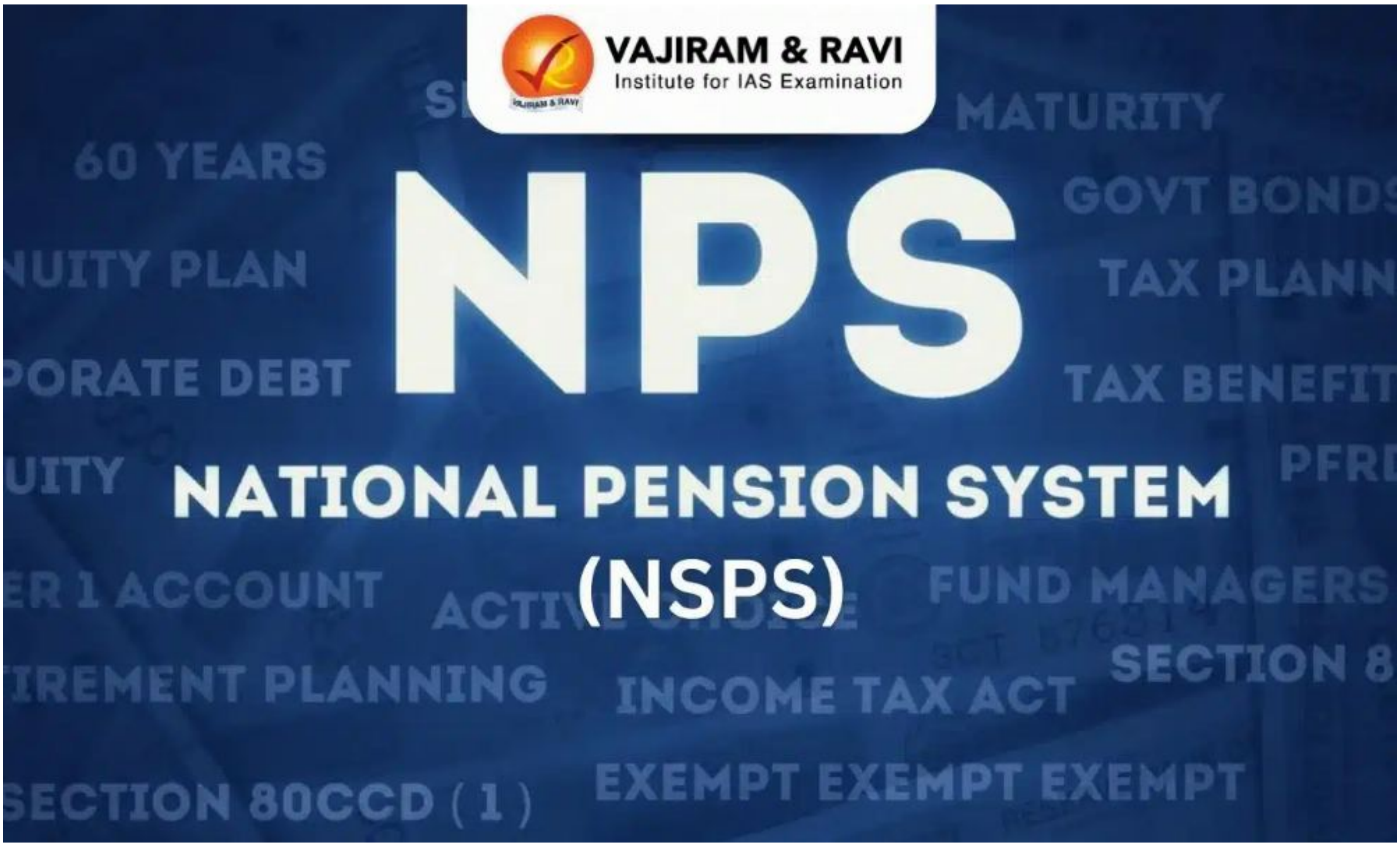

NPS Swasthya Pension Scheme (NSPS) Latest News

The Pension Fund Regulatory and Development Authority (PFRDA) recently rolled out the NPS Swasthya Pension Scheme (NSPS) on a pilot basis.

About NPS Swasthya Pension Scheme (NSPS)

- It is a new initiative launched by the **Pension Fund Regulatory and Development Authority (PFRDA) as a Proof of Concept (PoC) under its Regulatory Sandbox Framework.**
- The initiative aims to **integrate health-related financial benefits with** the **existing National Pension System (NPS) framework.**
- The scheme, **launched for a limited and controlled period,** is designed to provide **financial support for out-patient and in-patient medical expenses.**
- The scheme will function as a **sector-specific contributory pension scheme within the Multiple Scheme Framework (MSF) of NPS** and will be **offered to Indian citizens on a voluntary basis.**
- It will be **launched by Pension Funds** after obtaining prior approval from PFRDA.

- As it is being implemented as a pilot project, only a restricted number of subscribers will be enrolled during the PoC phase.
- To facilitate the pilot, certain provisions of the PFRDA (Exits and Withdrawals under NPS) Regulations, 2015, have been relaxed.
- **Pension Funds may also collaborate with FinTech firms** and **health service administrators to implement** the scheme.

NPS Swasthya Pension Scheme (NSPS) Features

- **Any Indian citizen is eligible** to join the scheme, **but a Common Scheme Account under NPS is mandatory.**
- Subscribers **can contribute any amount**, in line with existing NPS guidelines applicable to the non-government sector.
- **Subscribers aged above 40 years** (excluding government sector subscribers) **may transfer up to 30% of their contributions from the Common Scheme Account to the Swasthya Pension Scheme.**
- **Partial withdrawals are permitted for medical expenses up to 25%** of the subscriber's own **contributions**, with **no limit on the number of withdrawals**, **subject to a minimum accumulated corpus of ₹50,000.**
- In cases of critical inpatient treatment, where **medical expenses exceed 70% of the available corpus, subscribers may opt for 100% premature withdrawal** solely to meet such medical costs.
- **Claim Settlement and Safeguards:**
  - **Amounts withdrawn** under the scheme will be **paid directly to the Health Benefit Administrator (HBA), Third Party Administrator (TPA), or hospital**, based on valid claims and supporting bills.
  - **Any surplus remaining** after settlement of medical expenses will be **transferred back** to the s**ubscriber's Common Scheme Account.**

Source: BS
