



Press Release

PFRDA Introduces Policy Reforms to Promote Sustainable Growth of NPS

1. Scheduled Commercial Banks can also become Sponsors of PFs

PFRDA 's Board has approved, in principle, a framework to permit Scheduled Commercial Banks (SCBs) to independently set up Pension Funds to manage NPS, with the objective of strengthening the pension ecosystem, enhancing competition and safeguarding subscriber interests. The proposed framework seeks to address existing regulatory constraints that had limited bank participation till now, while introducing clearly defined eligibility criteria based on net worth, market capitalisation and prudential soundness in line with RBI norms, to ensure that only well-capitalised and systemically robust banks are permitted to sponsor Pension Funds. The detailed criteria will be notified separately and will apply to both new and existing Pension Funds.

2. Appointment of Chairman of the Board of NPS Trust and Trustees

PFRDA has appointed three new Trustees on the Board of the NPS Trust, pursuant to the selection process initiated by PFRDA. The following are the new Trustees to the Board of PFRDA

1. Shri Dinesh Kumar Khara, Former Chairman, State Bank of India
2. Ms. Swati Anil Kulkarni, Former Executive Vice President, UTI AMC - Trustee
3. Dr. Arvind Gupta, Co-Founder and Head, Digital India Foundation and Member of the National Venture Capital Investment Committee under the Fund of Funds Scheme managed by SIDBI.

Shri Dinesh Kumar Khara has also been designated as the Chairperson of the NPS Trust Board.

3. Review of Investment Management Fee for PFs and Augmenting Financial Sources Association Of NPS Intermediaries (ANI) to perform NPS Outreach

In order to align with evolving realities, aspirations of Indian Citizens, International benchmarks and the objective of expanding coverage across corporate, retail and gig-economy segments while safeguarding subscriber interests, PFRDA has revised the Investment Management Fee (IMF) structure for Pension Funds with effect from 1 April 2026. The revised slab-based IMF introduces differentiated rates for Government and Non-Government sector subscribers and shall also apply to schemes under the Multiple Scheme Framework (MSF), with MSF corpus being counted separately. The IMF for Government Sector employees under Composite Scheme or those opting for Auto Choices and Active Choice G 100s remain same. Under Non-Government Sector, the following shall be the structure for IMF:

Slabs of AUM (in Rs. Crores)	IMF rates for Non-Government Sector subscribers (NGS)
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Up to 25,000	0.12%
Above 25,000 & Up to 50,000	0.08%
Above 50,000 & Up to 1,50,000	0.06%
Above 1,50,000	0.04%

The Annual Regulatory Fee (ARF) of 0.015 per cent payable by Pension Funds to PFRDA remains unchanged; Out of which, 0.0025 per cent of AUM will be passed on to the Association of NPS Intermediaries (ANI) to support coordinated awareness, outreach and financial-literacy initiatives under PFRDA's overall guidance.

As formalization in the Financial, and Pension sectors of the Nation continue to grow and influence the financial aspirations of every Indian citizen, PFRDA expects these policy reforms shall help the Subscribers and Stakeholders to access a more competitive, well-governed and resilient NPS ecosystem, leading to improved long-term retirement outcomes and enhanced old-age income security.