**Circular**

**Circular No. PFRDA/2026/02/NPS-Vatsalya/01** 07th January, 2026

**To,**

**All Stakeholders under NPS**

**Subject: NPS Vatsalya Scheme Guidelines 2025**

"NPS Vatsalya" Scheme was launched by the Hon'ble Finance Minister in the Union Budget of FY 2024-25 as a plan for contribution by parents and guardians for minors, marking a significant advancement in financial planning and setting a new standard for prudent financial management from a young age. Aligned with the goal of '*Vikasit Bharat 2047'*, NPS Vatsalya aims not only to secure the future of its young subscribers but also to underscore the importance of nurturing a culture of savings from an early age.

2. In pursuance of the announcement, PFRDA issued NPS Vatsalya Scheme Details vide circular no. PFRDA/2024/16/PDES/01 dated 18th September, 2024.

3. NPS Vatsalya Scheme is defined as a Specific Purpose Scheme as per Regulation 4A of PFRDA (Exit and Withdrawals under NPS) Regulations, 2015, which shall be governed by the guidelines issued by the Authority in respect of such scheme.

4. Therefore, PFRDA, in supersession of circular no. PFRDA/2024/16/PDES/01 dated 18th September, 2024, hereby issues "**NPS Vatsalya Scheme Guidelines 2025**". The Guidelines shall come into effect from the date notified by the Authority after building the necessary system capabilities.

5. This circular is being issued in exercise of the powers conferred under Section 14 of the Pension Fund Regulatory and Development Authority Act, 2013.

Yours sincerely,

KAVITA SINGAM XAVIER
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# PENSION FUND REGULATORY AND

# DEVELOPMENT AUTHORITY

# NPS VATSALYA SCHEME GUIDELINES – 2025

## 1. Background - NPS Vatsalya

i. In the Union Budget Speech for FY 2024-25, the Hon'ble Union Minister for Finance and Corporate Affairs mentioned-

*"107. NPS-Vatsalya, a plan for contribution by parents and guardians for minors will be started. On attaining the age of majority, the plan can be converted seamlessly into a normal NPS account."*

ii. In the PFRDA 120th Board Meeting, the Authority approved the implementation of Budget Proposal - Introduction of NPS Scheme for Minors - NPS Vatsalya.

iii. The Hon'ble Union Minister for Finance and Corporate Affairs, Smt. Nirmala Sitharaman launched the National Pension System Vatsalya (NPS Vatsalya) scheme on 18th September, 2024.

iv. PFRDA has issued guidelines on NPS Vatsalya on 18th September, 2024, and it was decided to amend the PFRDA (Exit and Withdrawals under NPS) Regulations, 2015 to provide for the modalities of exit and withdrawals pertaining to NPS Vatsalya.

v. The amendments to PFRDA (Exit and Withdrawals under NPS) Regulations, 2015 have been carried out and notified on 12th December, 2025. Reference is drawn to Regulation 4A of the referred regulations and which states as following:

*"4A. Exit and withdrawal in case of specific purpose scheme under the National Pension System. - Notwithstanding anything contained in these regulations, an individual subscribing to any specific purpose scheme under the National Pension System shall be governed by the guidelines issued by the Authority in respect of such scheme. Such guidelines shall include the scheme features, the terms of exit and withdrawal and such other stipulations in respect of each of such scheme."*

vi. For NPS Vatsalya, being a specific purpose scheme for minors and in terms of the above-referred Regulation 4A of the PFRDA (Exit and Withdrawals under NPS) Regulations, 2015, these guidelines are hereby issued covering the scheme features, the terms of exit and withdrawals and other related provisions. The primary objective of these guidelines is to bring clarity and provide comprehensive information on the NPS Vatsalya scheme to all stakeholders and subscribers.

## 2. Objectives - NPS Vatsalya

i. NPS Vatsalya scheme is designed specifically for minors to nurture the culture of saving from an early age, introduce minors to financial literacy and financial planning, strengthen the concept of long-term financial security and prudent financial management.

ii. NPS Vatsalya objective is to secure the future of its young subscribers by creating wealth from an early age so as to empower the young subscribers, to create a pensioned society, emanating from the vision of "Viksit Bharat@2047" while at the same time providing for partial withdrawals to meet contingency requirements till the attainment of age of 18 years.

## 3. Preliminary

### 3.1 Short Title and Commencement

a. These guidelines shall be called the '**NPS Vatsalya Scheme Guidelines 2025**'.

b. These guidelines incorporate, consolidate and update the guidelines, instructions and circulars and relevant regulations issued by the Authority on the subject.

c. These guidelines shall come into effect from the date notified by the Authority after building the necessary system capabilities.

## 4. Applicability

i. The "NPS Vatsalya" (hereinafter called "the scheme") was launched on 18th September, 2024 and is covered under section 12(1)(a) and section 20 of the Pension Fund Regulatory and Development Authority Act, 2013.

ii. The scheme is regulated by Pension Fund Regulatory and Development Authority (PFRDA) in accordance with the provisions of PFRDA Act, 2013, regulations and guidelines issued from time to time.

iii. It is a contributory saving cum long-term financial security scheme designed exclusively for minors for the purposes of enhancing financial literacy and financial planning with an objective to encourage empowerment of children, and to create a pensioned society, aligned with the vision of "Viksit Bharat@2047".

## 5. Definitions

**5.1** In these guidelines, unless the context states otherwise, the terms herein shall bear the meanings assigned to them as below:

i. The “Account” shall mean an individual pension account of a minor opened through a guardian under the “NPS Vatsalya” scheme.

ii. The “Subscriber” for the purpose of this scheme shall mean a minor for whom the account has been opened under the scheme.

iii. The “Guardian” shall mean either the parent of a minor or a legal guardian.

iv. The “Minor” shall mean a person who has not reached the age of eighteen years.

## 6. Eligibility for Joining and allied conditions

i. The scheme is available to all Indian citizens who are aged below the age of 18.

ii. Non-Resident Indians (NRIs) and Overseas Citizens of India (OCIs) under 18 years of age can join the scheme.

iii. Parents or legal guardians can open and manage the NPS Vatsalya account on behalf of the minor.

iv. The Nominees for the account will be either the parent or a guardian, ensuring that they are the point-of-contact for all account related concerns until the child turns 18.

v. While the parents or guardians manage the account, the child is the sole beneficiary of the NPS Vatsalya account. All contributions, returns and benefits accrued from the scheme will be for the child’s future financial security.

vi. The management rights will only be transferred after the completion of the required KYC process to the subscriber, post completion of 18 years as beneficiary.

vii. Upon transitioning, the features, benefits, and exit norms of the NPS-Tier I for All Citizen Model of NPS will apply.

## 7. Operational Framework of the Scheme

i. The account shall be opened under the scheme by the guardian in the name of the minor, who shall be the sole beneficiary.

ii. The account shall be operated by the guardian for the exclusive benefit of the minor until the attainment of the age of majority (18 years).

iii. Upon the attainment of the age of 18 years, the subscriber shall be required to complete the fresh KYC, furnish nominee(s) details and conform to such other requirements as may be stipulated by the PFRDA. Until such details are furnished and verified in the system, no subsequent transactions shall be allowed till the subscriber attains the age of 21 years, post which the account shall become dormant.

iv. Know Your Customer (KYC) norms to be applicable to the guardian and subscriber aged 18 and above shall be in accordance with the KYC norms stipulated by the PFRDA from time to time. In case of court appointed legal guardian, a copy of the court order in respect of the appointment of the Legal Guardian shall be submitted along with the KYC documents.

v. The details of a minor's bank account or a joint bank account with a minor may also be provided on an optional basis for Indian residents. In case of an NRI/OCI subscriber, the bank account details shall be provided mandatorily.

vi. At the time of partial withdrawal or exit on attainment of the age of 18 years, the minor's bank account or a joint bank account with a minor shall be required.

vii. A unique Permanent Retirement Account Number (PRAN) in the name of the subscriber will be issued by the CRA upon opening of the account.

viii. PFRDA may come out with simplified subscriber onboarding procedure with evolving technology and market dynamics from time to time.

## 8. Documents needed to open NPS Vatsalya Account

**8.1** The following documents are necessary to open an NPS Vatsalya account:

i. **Proof of date of birth of the minor**: This can be fulfilled through a Birth Certificate, School Leaving Certificate, Matriculation Certificate, Permanent Account Number (PAN), or Passport.

ii. **KYC of the guardian**: The guardian shall provide proof of identity and address, such as Aadhaar, Driving License, Passport, Voter ID card, National Rural Employment Guarantee Act (NREGA) Job Card, or National Population Register documents.

iii. PAN of the guardian or Form 60 declaration, as per Rule 114B.

iv. The minor's sole or joint NRE/NRO bank account, if the guardian is an OCI or NRI.

## 9. Contributions to the Account and Choices that need to be exercised

i. Contributions under the scheme can be made by the guardian or the subscriber through various modes of contribution as stipulated by PFRDA from time to time.

ii. The minimum contribution for account opening and annual contribution shall be Rupees Two Hundred and Fifty (₹250/-). However, as the objective of the scheme is to obtain a compounding effect for the long-term savings, it is advisable to contribute as much as possible, depending on the capacity to pay or contribute.

iii. In addition to Parents/guardians, relatives and friends may also gift contributions to subscriber by remitting the contributions to the NPS Vatsalya account.

iv. Parents, guardians, relatives and friends may contribute through any of the following modes:

   a. Physical mode: By visiting any registered service provider (PoP) and depositing a cheque/cash along with the NPS contribution slip.
   b. Online facility provided by PoPs
   c. eNPS platform of NPS Trust
   d. Any other electronic mode approved by PFRDA

v. The parent or guardian needs to exercise the following choices at the time of opening of the account

   a. **Choice of CRA (Central Recordkeeping Agency):** From the registered CRAs with PFRDA.
   b. **Choice of Pension Fund (PF):** From the registered PFs with PFRDA.

## 10. Charges and Fees

The charges and fees to be levied on the account at any time shall be same as the charges under NPS-All Citizen Model as stipulated by PFRDA from time to time. The charges as stipulated by PFRDA for the following intermediaries for performing their duties and functions in relation to the scheme are as follows:

- Point of Presence (POP)
- Central Recordkeeping Agency (CRA)
- Pension Fund or Fund Management Fee
- NPS Trust charges
- Custodian charges

- Any other charge approved and stipulated by PFRDA

## 11. Incentive for promotion of NPS Vatsalya scheme

i. NPS Vatsalya requires focused and targeted outreach, particularly at the grassroots level, especially in semi-urban and rural areas, in order to reach out to the citizens in rural and hinterland areas

ii. Anganwadi and ASHA workers, Bank Sakhis and other community workers recognised by the Government represent a trusted and well-established community network with direct engagement with parents and guardians of young children. Their regular interaction with families positions them uniquely to act as effective awareness-builders and facilitators for NPS Vatsalya enrolment.

iii. With an objective to accelerate enrolment under NPS Vatsalya, a targeted Incentivisation Framework is introduced where an incentive of up to Rs. 100/- shall be payable to Anganwadi, ASHA, Bank Sakhis and any such community level workers recognised by the Government for procurement or facilitating onboarding of subscribers to the NPS-Vatsalya scheme.

iv. In order to cater to the requirement and provide the necessary infrastructure to these community workers for onboarding the subscribers, it is being proposed to source and route these accounts through M/s CSC eGovernance Ltd (POP registered with PFRDA) due to its wider reach/access and through any other POP as decided by PFRDA.

| **Parameter** | **Details** |
|---|---|
| Role & Eligibility | Anganwadi, ASHA, Bank Sakhis or any such community workers for subscriber enrollment under NPS Vatsalya |
| Incentive Structure | Incentive up to ₹100 per account, linked to number of NPS Vatsalya accounts enrolled. |
| Funding Source | Incentives to be met from ‘Other Expenditure’ of PFRDA. |

v. The operative framework governing eligibility, disbursement, monitoring, and reporting of the above-referred incentives, including the structure, will be issued separately. It is proposed to review the incentive structure one year after the date of implementation.

## 12. Investment of Contributions-Scheme details

i. To manage investments, guardians can choose any one from several pension funds that are registered with the Pension Fund Regulatory and Development Authority (PFRDA).

ii. The investment of the contributions by the Pension Funds shall be as follows:

| **Permitted Asset Classes** | **Indicative Limits** |
|---|---|
| Government Securities & related investments | 15 - 20% |
| Debt Instruments & related investments | 10 - 30% |
| Short-term debt instruments & related investments (Money Market)* | Up to 10% |
| Equity & related investments | 50 – 75% |

**The money market limit will apply once the scheme corpus exceeds ₹5 crore.*

iii. The investment framework will align with the NPS Master Circular No. PFRDA/Master Circular/2025/03/PF-02 dated 28th March 2025, as amended from time to time.
(The choice of asset allocation will be different between Pension Funds within the range provided below so as to differentiate their performance, or PF may decide their own asset allocation for the funds of NPS Vatasalya (as in the case of MSF) managed by them, by following the investment guidelines specified for Non-Government Schemes.)

iv. Existing NPS Vatsalya subscribers shall be migrated to the new structured scheme under their current Pension Fund with due prior intimation. Guardians retain the option to change Pension Fund under existing rules.

## 13. Withdrawal and Exit Rules

### 13.1 Conditions for Partial Withdrawal

i. Partial withdrawal is permitted under the NPS Vatsalya Scheme to address the contingency or unforeseen situations. The reasons/conditions for partial withdrawal include:

   a. Education of the minor subscriber
   b. Treatment of specified illnesses of the minor subscriber
   c. Disability of more than 75% of the minor subscriber

ii. The following shall be the conditions for such partial withdrawals:

a. The subscriber or guardian, as the case may be, shall be eligible to make a partial withdrawal only after being in the scheme for at least three years from the date of account opening.

b. A maximum amount of up to 25% of contributions (excluding returns generated thereupon) shall be allowed to be withdrawn partially. This facility is available on a declaration basis.

c. The subscriber/guardian shall be eligible to take not more than two partial withdrawals from the account during the period till the subscriber attains the age of eighteen years.

d. Further, upon attainment of eighteen years of age and subject to completion of the prescribed KYC requirements, the subscriber shall also be eligible to make a maximum of two additional partial withdrawals during the period between eighteen and twenty-one years of age.

**13.2 Continuation and Exit options upon attaining majority**

i. Upon attaining the age of eighteen years, the subscriber shall continue under the scheme for a period of up to three years from the date of attaining majority, unless the subscriber opts to exit from the scheme or opts to shift under the All Citizen Model or any other applicable model of NPS.

ii. During the said three-year period, the subscriber shall furnish fresh KYC and nominee(s) details and conform to such other requirements as may be stipulated by the PFRDA. Until such details are furnished and verified in the system, no withdrawal shall be permitted from the account. However, the invested amount shall continue to accrue returns.

iii. Upon completion of KYC requirements, the subscriber may exercise one of the following options:

a. Continue within the National Pension System, upon which the account, with entire accumulated pension wealth, shall be seamlessly shifted to the All Citizen Model or any other applicable model of NPS.

(or)

b. Up to 80% of the accumulated corpus may be taken as a lump sum, and the balance must be reinvested in an annuity plan from an ASP.

(or)

c. The entire accumulated corpus in the account can be withdrawn as a lump sum if the total corpus is less than Rs. 8 lakh.

iv. If no option is exercised within the period starting from the attainment of the age of 18 years till the age of 21 years, the account, after expiry of such period, shall be deemed to be shifted to the high-risk variant (higher equity exposure) under the Multiple Schemes Framework (MSF) of the same Pension Fund. Upon such shifting, the options available under NPS Vatsalya for withdrawal or exit shall cease to apply, and the account shall thereafter be governed by the PFRDA (Exits and Withdrawals under the NPS) Regulations, 2015, amended from time to time. Any subsequent withdrawals thereafter shall be allowed only after completion and verification of KYC, and fulfilling other requirements, if any.

### 13.3 Provisions Relating to death of the subscriber and Guardianship

i. In the event of unfortunate death of the subscriber, the entire accumulated pension wealth in the individual pension account shall be payable to the guardian or nominee(s) or legal heir(s), as the case may be. The recipient shall also have the option to transfer the proceeds to their individual pension account under NPS.

ii. Where any guardian predeceases a subscriber, another guardian shall have to be registered by submitting the necessary KYC documents.

iii. In case of death of both parents, the legally appointed guardian may continue the account with or without making further contributions. Upon the subscriber attaining the age of eighteen years, the subscriber shall have the option to either continue under the scheme or to exit therefrom in accordance with the applicable provisions.

## 14. How to Join or Open an Account

**14.1**The NPS Vatsalya account can be opened through:

i. Physical mode: Points of Presence (POPs) registered with PFRDA (Banks, India Post and Pension Funds etc), either online or in physical mode, directly or through Retirement Advisors/Pension Agents.

ii. Online facility provided by PoPs. or

iii. eNPS platform of NPS Trust

iv. Any other electronic mode approved by PFRDA.

## 15. Facilities available to an account holder

**15.1** The performance of your NPS investments is available in the Statement of Transactions (SoT), which can be accessed online through the subscriber web login or mobile app. Periodic statements are sent by the CRA to the registered email ID of the subscriber, and a physical statement for the financial year is sent to the correspondence address of the subscriber.

**15.2** Subscribers can access their NPS Vatsalya Account through:

- Physical mode: By visiting their service provider (PoP).
- Online mode: Using the login credentials provided by CRA.
- Through mobile app provided by the CRA

## 16. Grievance Management

**16.1** If a subscriber or the parent or guardian of the subscriber has a grievance, he can approach the following:

i. For resolving subscriber grievances, the Authority has notified the PFRDA (Redressal of Subscriber Grievance) Regulations, 2015 and an online platform 'Central Grievance Management System (CGMS)' has been hosted for subscriber to lodge grievance online by logging to his/her NPS account.

ii. A complaint/grievance has to be resolved by the intermediary concerned as early as possible within a maximum period of 30 days of the receipt of the complaint.

iii. If a subscriber is not satisfied with the resolution provided, he/she can escalate his grievance to the next higher level for resolution.

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