



# **User Manual for NPS Pension Calculator**

Version 1.0

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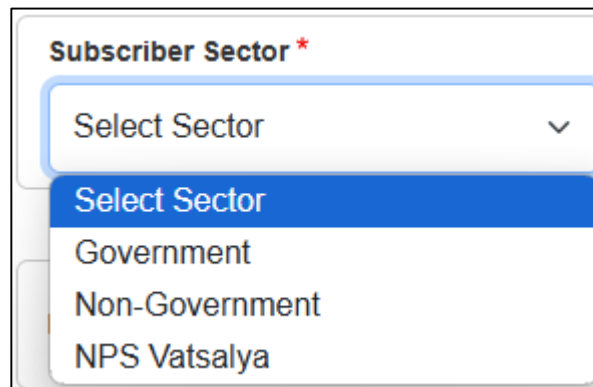
## Pension Calculator Manual

**Step 1:** Enter the following inputs:

### 1. Subscriber Sector *(Mandatory)*

Select your type of subscriber sector from the following category based on your employment status:

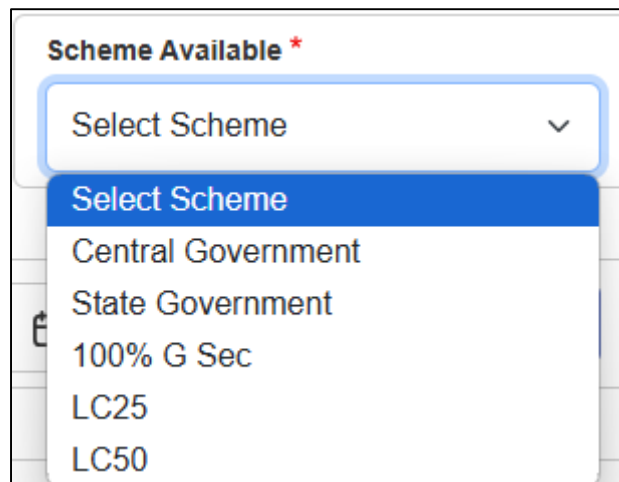
- i. **Government:** Individuals employed with the Central Government and State Government including public servants and employees of public sector companies.
- ii. **Non-Government:** Individuals employed in the private sector, self-employed, or working in other non-government organizations.
- iii. **NPS Vatsalya:** Minor Indian Citizens (under the age of 18) are eligible for the NPS Vatsalya scheme, operated by a parent or guardian on behalf of the minor.



The screenshot shows a dropdown menu titled "Subscriber Sector \*". The menu is open, displaying the following options: "Select Sector", "Government", "Non-Government", and "NPS Vatsalya". The "Select Sector" option is highlighted in blue.

### 2. Scheme Available *(Mandatory)*

Select your Scheme Preference based on your Sector.



The screenshot shows a dropdown menu titled "Scheme Available \*". The menu is open, displaying the following options: "Select Scheme", "Central Government", "State Government", "100% G Sec", "LC25", and "LC50". The "Select Scheme" option is highlighted in blue.

The following schemes are available based on the type of sector chosen:

- i. **Government:** Central Government, State Government, 100% G, LC25, LC50
- ii. **Non-Government:** LC25, LC50, LC75, Active Choice, Corp CG, Balanced Life Cycle
- iii. **NPS Vatsalya:** LC25, LC50, LC75, Active Choice

Description of the schemes available at present:

Scheme	Description
<b>Auto Choice</b>	
Central Government Scheme & State Government Scheme	The contributions are invested in respective scheme portfolios managed by three Pension Fund Managers (PFMs): LIC Pension Fund Limited, SBI Pension Funds Private Limited, and UTI Retirement Solutions Limited. The scheme invests 85% of the funds in fixed income instruments and 15% in equity and equity-related instruments as per PFRDA investment guidelines.
100% G	This scheme can be availed by all government employees, with 100% of the allocation directed towards central and state government bonds.
Corporate CG	The scheme invests 85% of the funds in fixed income instruments and 15% in equity and equity-related instruments as per PFRDA investment guidelines.
LC75	This is an Aggressive Life Cycle Fund, in which the exposure in Equity Investments starts with 75% till 35 years of age and gradually reduces as per the age of the Subscriber. The balance funds are invested in Corporate and Government issued Bonds. (Asset allocation provided in Annexure 1- Table 1)
LC50	This is a Moderate Life Cycle Fund, in which the exposure in Equity Investments starts with 50% till 35 years of age and gradually reduces as per the age of the Subscriber. The balance funds are invested in Corporate and Government issued Bonds. (Asset allocation provided in Annexure 1- Table 2)
LC25	This is a Conservative Life Cycle Fund, in which the exposure in Equity Investments starts with 25% till 35 years of age and gradually reduces as per the age of the Subscriber. The balance funds are invested in Corporate and Government issued Bonds. (Asset allocation provided in Annexure 1- Table 3)
Balanced Life Cycle Fund	The balanced lifecycle fund is placed between the aggressive and the moderate lifecycle funds, in which the exposure in Equity Investments starts with 50% till the age of 45 and gradually reduces as per the age of the Subscriber. The remaining funds are invested in Corporate and Government issued Bonds. (Asset allocation provided in Annexure 1- Table 4)
<b>Active Choice</b>	
<p>In this type of investment choice, the subscriber has the option to actively decide as to how his / her contribution is to be invested in different asset classes.</p> <p>In case the subscriber chooses the <b>Active Choice</b> option, he/she will need to specify the allocation for each asset class, including <b>Equity, Government Securities, Corporate Bonds</b> and <b>Alternate Asset Classes</b>. The total allocation across all asset classes must add up to 100%.</p>	

### 3. Date of Birth: *(Mandatory)*

- i. In case of Government and Non-Government Subscribers, the minimum age of entry is 18 years, and the maximum age is 75 years.
- ii. In case of NPS Vatsalya Subscriber, the maximum age of entry is 18 years. The date of birth of the minor is to be inputted for a NPS Vatsalya Subscriber.

My Date of Birth is: \*   18 Yrs

← Nov 2006 →

Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

### 4. Existing NPS Tier 1 corpus

The existing subscribers can enter the total amount accumulated in his/her NPS Tier 1 account. This will be zero for new subscribers.

You can check your status [here](#).

My Existing NPS Tier 1 Corpus ₹  0

### 5. Current Monthly Contributions


Enter the total monthly contribution to your pension account, which includes your voluntary contribution, your contribution as an employee, and the employer's contribution.

I would like to contribute ₹  per month 0

## 6. Desired Retirement Age

Enter the age at which you plan to retire / superannuate and stop contributing to the NPS account. The minimum retirement age is 60, and the maximum is 75 years. In case no value is provided for the Desired Retirement Age, the calculation will be made using **60 years of age** as desired retirement age.

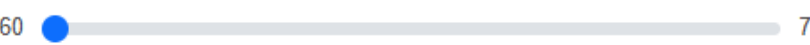
I want to contribute till my retirement age (In Years)

60  75

## 7. Deferment Age

Enter the age at which you wish to begin withdrawing from your pension fund and receiving monthly pension payouts. The deferment age cannot be earlier than the retirement age, and it is assumed that no additional contributions can be made between the retirement age and the deferment age for calculation purposes. The minimum age for withdrawal is 60 years and maximum age of withdrawal is 75 years. In case no value is provided for the Deferment Age, the calculation will be made using **60 years of age**.


After retirement, I want to defer my exit/withdrawal till age (in Years)

60  75

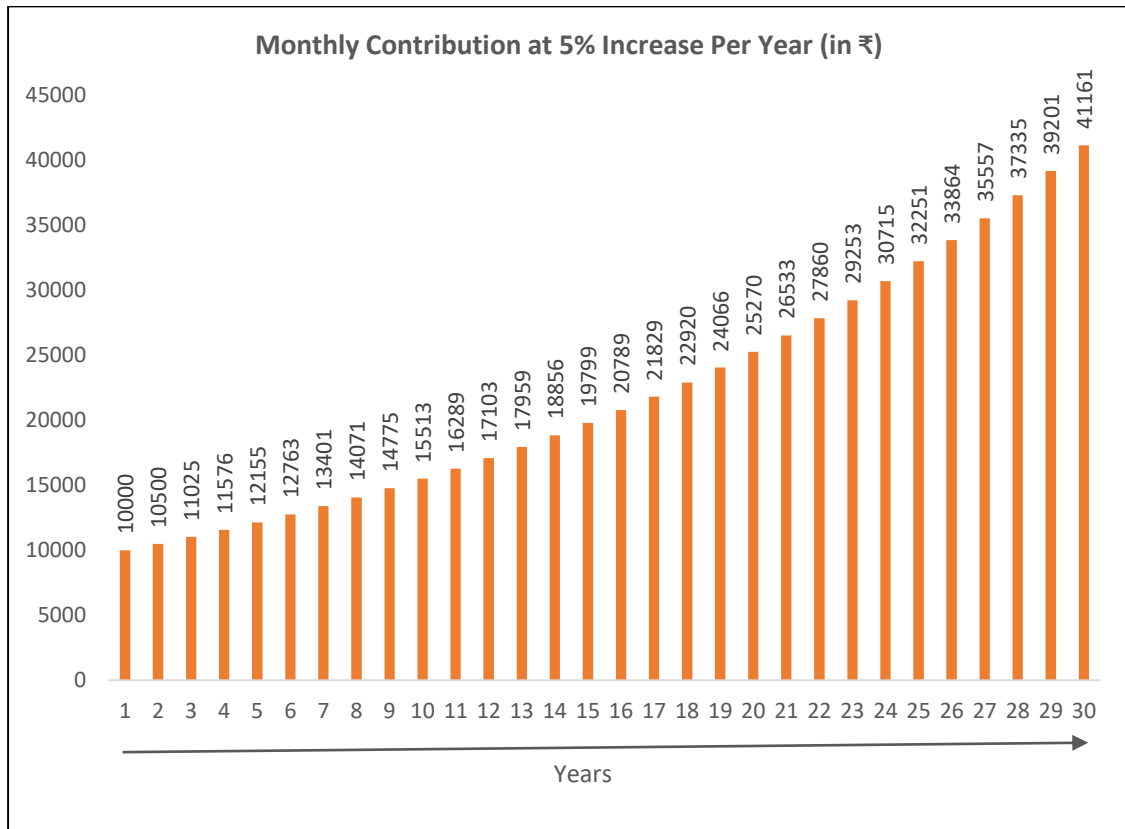
## 8. Annual increase in contribution (%)

Enter the percentage by which you plan to increase your contributions each year (e.g., 5% per year). This increase can be aligned with your expected salary growth or inflation to ensure that your contributions keep pace with rising income and living expenses. If no value is provided for the Annual Increase in Contribution, the calculation will be made using **historical inflation CAGR of past 10 years**.

% Annual Increase in contributions

0  20

The following is a graphical representation of the year-on-year increase in monthly contributions, starting at ₹10,000 today, with an assumed annual increment of 5% for next 30 years:



### 9. Annuity Ratio (%)

Enter the Annuity Ratio you expect to convert your corpus into a monthly pension. In case no value is provided for Annuity Ratio purchase, the calculation will be made using the **40% annuity ratio** as per the Pension Fund Regulatory and Development Authority guidelines which mandate minimum annuity purchase of 40% for individuals retiring after the age of 60.

I would like to purchase Annuity ratio (%)

40  100

As per the Pension Fund Regulatory and Development Authority guidelines:

Retirement Age	Criteria
On attaining 60 years or superannuation (up to 75 years)	Minimum annuity ratio of 40% is mandatory.
Before 60 years or superannuation age	Minimum annuity ratio of 80% is mandatory.

## 10. Annuity Rate

Enter the Annuity Rate you expect to convert your corpus into a monthly pension. In case no rate is provided for annuity rate, the calculation will be made using the going annuity rate offered by existing annuity service providers for a 60 year old subscriber choosing “**Annuity for Life option with Return of Purchase Price (With ROP) – Monthly Frequency**” option.

I am expecting an Annuity rate of (%)

4  10

## 11. Desired Monthly Pension

Enter the amount you wish to receive as a monthly pension after retirement. This should be the amount that aligns with your future lifestyle needs and inflation, helping you maintain or achieve the standard of living you desire post-retirement.

You may also consider different lifestyle levels such as:

- i. **Basic needs:** Prioritising essential expenditures, focusing on necessities like healthcare and core items, while minimizing discretionary spending.
- ii. **Desired Needs:** Allocating resources towards enhancing quality of life, including investments in education, technology, personal development, and other non-essential but enriching items.

Desired Monthly Pension ₹  per month

## 12. Expected Rate on Investment

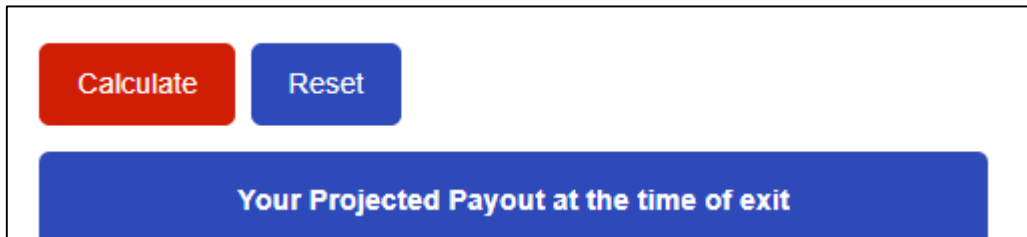
Enter the expected rate of return you expect to earn on your pension corpus based on their own market outlook, risk tolerance, or expectations of future investment performance.

The option to change expected rate on investment is visible after clicking on calculate button. In case no value is provided, the calculation will be made using the **last 10 years Compound Annual Growth Rate (CAGR) of individual asset classes** included in the portfolio.

For Central Government /State Government/ Corporate CG Asset allocation is dynamic in nature, and depends on the Fund Manager, therefore respective scheme Benchmark Returns based on last 10 years CAGR will be considered for calculation.

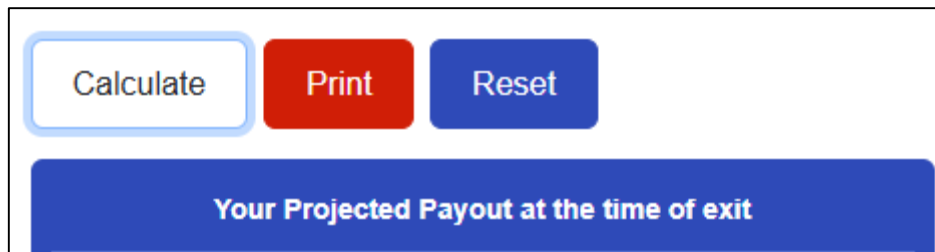
In case any of the above inputs is changed after calculation, the user will have press “Calculate” button again to get expected return on investment.

**Step 2:** Click on “**Calculate**” button to estimate the projected lump sum withdrawal amount and the projected monthly pension.

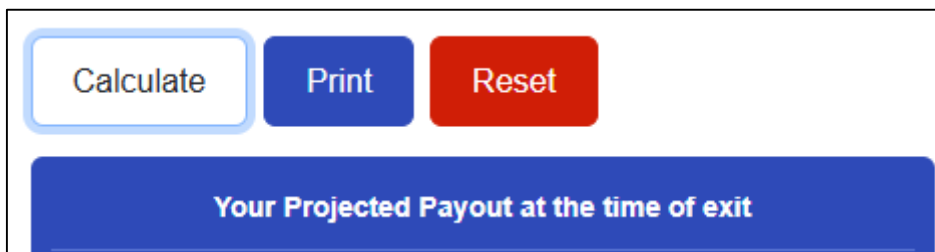


**Step 3:** The Print button will appear once the Projected Payout is calculated. Click on this “**Print**” button to download the detailed report.

If any parameter is changed after calculation, the user will have press “Calculate” button again to get expected return on investment in Print option.



**Step 4:** To reset values, click on the "**Reset**" button to clear all entered details and start a fresh.



**Disclaimer:** *The pension calculator on the NPS Trust’s website is meant for information purposes only and is not intended to create any right, obligation or to constitute any advice or opinion or to substitute any professional advice and should not be used as a basis for any investment decision.*

*Past performance neither guarantees future returns nor assures any pension amount by NPS Trust. Investments under the National Pension System (NPS) are subject to market risks. The annuity plans available are as approved by the Authority and are subject to change without any prior notice.*

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**Annexure 1**

The Asset Allocation under various life-cycle funds are mentioned below:

**Table 1: LC75 - Aggressive Life Cycle Fund**

<b>Scheme LC 75</b>			
<b>Age (Years)</b>	<b>Asset Class E</b>	<b>Asset Class C</b>	<b>Asset Class G</b>
0-35	75%	10%	15%
36	71%	11%	18%
37	67%	12%	21%
38	63%	13%	24%
39	59%	14%	27%
40	55%	15%	30%
41	51%	16%	33%
42	47%	17%	36%
43	43%	18%	39%
44	39%	19%	42%
45	35%	20%	45%
46	32%	20%	48%
47	29%	20%	51%
48	26%	20%	54%
49	23%	20%	57%
50	20%	20%	60%
51	19%	18%	63%
52	18%	16%	66%
53	17%	14%	69%
54	16%	12%	72%
55-75	15%	10%	75%

**Table 2: LC50 - Moderate Life Cycle Fund**

<b>Scheme LC 50</b>			
<b>Age (Years)</b>	<b>Asset Class E</b>	<b>Asset Class C</b>	<b>Asset Class G</b>
0-35	50%	30%	20%
36	48%	29%	23%
37	46%	28%	26%
38	44%	27%	29%
39	42%	26%	32%
40	40%	25%	35%
41	38%	24%	38%
42	36%	23%	41%
43	34%	22%	44%
44	32%	21%	47%
45	30%	20%	50%
46	28%	19%	53%
47	26%	18%	56%
48	24%	17%	59%

49	22%	16%	62%
50	20%	15%	65%
51	18%	14%	68%
52	16%	13%	71%
53	14%	12%	74%
54	12%	11%	77%
55-75	10%	10%	80%

**Table 3: LC25-Conservative Life Cycle Fund**

<b>Scheme LC 25</b>			
<b>Age (Years)</b>	<b>Asset Class E</b>	<b>Asset Class C</b>	<b>Asset Class G</b>
0-35	25%	45%	30%
36	24%	43%	33%
37	23%	41%	36%
38	22%	39%	39%
39	21%	37%	42%
40	20%	35%	45%
41	19%	33%	48%
42	18%	31%	51%
43	17%	29%	54%
44	16%	27%	57%
45	15%	25%	60%
46	14%	23%	63%
47	13%	21%	66%
48	12%	19%	69%
49	11%	17%	72%
50	10%	15%	75%
51	9%	13%	78%
52	8%	11%	81%
53	7%	9%	84%
54	6%	7%	87%
55-75	5%	5%	90%

**Table 4: Balanced Life Cycle Fund (BLC)**

<b>Balanced Life Cycle Fund</b>			
<b>Age (Years)</b>	<b>Asset Class E</b>	<b>Asset Class C</b>	<b>Asset Class G</b>
0-45	50%	30%	20%
46	48%	28%	24%
47	46%	26%	28%
48	44%	24%	32%
49	42%	22%	36%

50	40%	20%	40%
51	39%	18%	43%
52	38%	16%	46%
53	37%	14%	49%
54	36%	12%	52%
55-75	35%	10%	55%