



पेंशन निधि विनियामक और विकास प्राधिकरण
PENSION FUND REGULATORY AND DEVELOPMENT AUTHORITY



CIRCULAR

Circular No: PFRDA/2025/20/PDES/03

Date: 7th Nov 2025

To

All Stakeholder under NPS

Sir/Madam,

Subject: Corporate Model NPS: Revision in the provisions for exercising choices of Pension Funds and Investment Choices

This circular is being issued in partial modification to the Circular no PFRDA/2025/07/PDES/01 issued dated 12th Sept, 2025.

2. There have been certain apprehensions among few corporate sector employers on selection of Pension Fund and Asset Allocation for investment for their employees especially under joint contribution structure, where both employers and employee are co-contributing or where only the employer is contributing under the NPS. All employers under the corporate sector shall now be guided by the following:

1. In a joint contribution structure, where both employers and employee are co-contributing or where employer is contributing higher amounts or where only the employer is contributing, the following decisions involving choice of pension fund or choice of schemes that are available for employees to invest the total funds, shall be decided in a formal and mutual agreement between the management and the employees in whatever manner that is accepted between the two parties.

2. Decision of Pension Fund made initially shall be reviewed by the employer on an annual basis and based on the pre-determined conditions of the mutual agreement the decision of change of Pension Fund shall be taken. While considering the performance of the Pension Fund and the conditions that are agreed upon for making a change in the Pension Fund, the mutual agreement shall consider the long-term nature of the Pension saving and the historic performance of the asset classes over periods of 20 to 30 years. Decisions that have an impact on wealth generating products of long-term nature, when related to returns on investment, are not usually driven by impulses that are connected to short term savings and investments. The consultation and financial education process with their employees, shall therefore be a hallmark of this mutual agreement.

3. Apart from the arrangement of investment made under the co-contribution scheme, if the employees of the Corporate are desirous of making contribution to Common Schemes or those offered under Multiple Scheme Framework (MSF)

1

within the NPS, they can do it as a voluntary investment.

4. The mutual agreement shall permit sufficient choice of schemes within a Pension Fund such that the risk appetite of different employees is suitably accommodated.

5. The first level of grievance shall be lodged by an employee with the HR department of the corporate and can only escalate the grievance upon proof of inaction by the HR department, being attached alongside the complaint.

6. Employers may at any time decide that the decision of investment in a Scheme or with a Pension Fund, may be taken fully by the employee without reference to any mutual agreement.

7. Corporates shall engage with the Point of Presence (PoPs) for its employees for providing services under NPS as per the duties and responsibilities prescribed for PoPs under Regulation 15 of the PFRDA (Points of Presence) Regulations, 2018.

8. PoPs are advised to communicate these choices under the mutual agreement, if any, to the CRAs in a written manner using the established protocols and in particular for employees of Public Sector entities, they may only communicate the same after issuance of internal circulars by respective organizations.

9. CRAs shall not undertake any changes in the system without the instructions issued by the Employer with respect to the said matter.

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

Mamta Rohit



Executive Director