

SHODH SAMAGAM

ISSN : 2581-6918 (Online), 2582-1792 (PRINT)



AN Analytical Study of Investment Behavior and Tax Applicability in New Pension Fund

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ORIGINAL ARTICLE



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Received on : 28/10/2020

Revised on : ----

Accepted on : 04/11/2020

Plagiarism : 06% on 28/10/2020



Plagiarism Checker X Originality Report

Similarity Found: 6%

Date: Wednesday, October 28, 2020

Statistics: 232 words Plagiarized / 3835 Total words

Remarks: Low Plagiarism Detected - Your Document needs Optional Improvement.

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Abstract

Social security and economic independence with systematic investment planning is one the key element of retirement scheme opted by an individual with systematic tax management on retirement schemes. For purpose of systematic appreciation in value of retirement oriented scheme after retirement government has introduced new pension scheme with equal contribution of employer and employee in fund known as new pension scheme. Study in research is an object of return on various modes of investment in pension funds in with special references to Tier I account and applicable tax provision on contribution, return, withdraw and maturity after specific time period. Study shows that there are significant growth in number of subscribers and assets under control of management companies study has also shown that NPS has return about 12% percentage on CAGR basis form last ten financial year. Study also reveals that NPS has greater return than optional provident fund for period long term period and it has greater tax efficiency and liquidity than other form of retirement financial product.

Key words

New pension fund, Return on investment, Tax planning, Pension fund development regulatory authority, Optional provident fund scheme.

Introduction

Social security and economic independence is one of the major goal of an individual at the time of retirement, accumulated amount received

from corpus of retirement schemes computed and un-computed pension is one of the major part. Pension is transformation of present income for future benefit subject to systematic risk and reward of future life expectancy with respect to socio and economical security of person with financial independence at time of retirement of person. Pension has mainly two major components, firstly amount of contribution with systematic tax planning and appropriate accumulation in corpus of fund with systematic periodical appropriation in contributed amount and corpus at end of retirement age, secondly achievement of financial goal with amount of considering risk adjustment factors and lump sum amount received of fund with considering annuity received after retirement also know as un-computed pension. In year of 2004 government has introduced new pension scheme for employees having contribution in future worth of fund corpus in double side benefit know as contribution made by employee and employer in equal proportion of amount, which is invested in diversified project of economy in very specialized and rational manner by highly skilled professionals in appropriate combination of equity, debt, corporate bond and government bearded financial instruments with subject systematic risk and reward of fund by highly regulated legal environment in rational manner subject to planning of direct tax. Object of study is focused on return of various modes of pension fund and applicable income tax provisions on new pension fund at the time of contribution withdraw maturity etc.

Technical terminologies applicable in research area

1. **Contribution:** An equal amount deducted from salary of employee towards transfer of fund as percentage of basic pay and dearness allowances at particular period of time.
2. **Corpus of fund:** Total market value of contribution at the time of retirement, voluntary retirement and redemption as case may be.
3. **Annuity value:** Total amount of fund invested for un-computed amount, monthly amount of pension at predefined rate of return.
4. **NPS trust:** Organization in which amount of contribution money vested by different NPS entities at predefined norms of trust deed.
5. **Record keeping agencies:** Entities registered with PFRDA for recording of fund transactions and other related issues of fund.
6. **Assets management companies:** Central, State Government body corporate citizen group registered with PFRDA for appropriate mix of portfolio.
7. **Auto and active choice of fund:** Choice available with subscribers for pattern of invests of contributed sum in NPS.
8. **NAV and units of funds:** Market value on notified date and total amount in part of contribution in various schemes of fund in assets mix.
9. **Notional gain:** Difference between market value and amount contributed by subscribers as on notified date.
10. **Rate of return on investment:** Profit on NPS at particular time period based on compounded annual growth rate say for 5 or 10 year of time.
11. **Tier I and Tier II account:** Tier I account is fixed contribution and long term retirement based focus account having very limited withdraw option. Tier II account is more flexible than tier I in respect to contribution and withdraws of fund.
12. **Point of presence (POP):** Authorised branches registered with NPS for collection and withdraw services of claim by NPS subscribers.
13. **Pension fund regulatory development authority (PFRDA):** It is statutory body constituted by central government of India to manage and control entire NPS system.

14. **Applicability of tax laws:** income tax act 1961 and relevant provisions with respect to contribution and withdraw of fund by subscribers.

Objective of study

1. To study about trend and pattern analysis of rate of return on various funds registered as NPS scheme in (tier I) segment with PFRDA at different time period horizon.
2. To study about holding pattern of assets by AMC, numbers of subscribers and contribution money held by registered AMC with PFRDA at different time period.
3. To study about impact of relevant income tax provisions applicable at time of contribution and withdraw of NPS fund.

Statement of problem

Prior to introduction of NPS there were optional pension fund were governed by employer with assurance of an appropriate amount calculated as pension at the time of retirement. subscribers of NPS about corpus amount, rate of return, performance, annuity value, number of annuity received after retirement, lump sum amount received after retirement and taxability related issue of fund as compared to traditional approach of OPS. This research paper is an attempt of filling knowledge lacuna of subscribers in NPS with regard to contribution money, fund management, worth of retirement benefit, withdraw policy and tax applicability with respect to NPS.

Limitation of study

Research study is based on pattern of rate of return on registered NPS with PFRDA in tier I category account, assets held and amount of contribution managed by various fund management entities and applicable income tax law. Changes in social, economic, legal, individual expectations tax laws in country, inflation rate, market deviation, pandemic effect in country at relevant point of time, growth CTC package, stock market violation, fund management, diversifications of portfolio, insolvency risk of entity. Technical and grievances related issues have not been incorporated in paper.

Importance of study

Pension is one of the crucial factor of an employee for financial and social independence under NPS an equal amount are contributed by employer and employee in notified scheme of fund subject to return and reward at the time of retirement with applicable provision of direct tax law. There are huge growth is number of NPS subscribers and amount of contribution made by them in notified fund for long-term financial planning of an individual so it is an important to study pattern of return on NPS and tax benefit avail at the time of contribution, withdraw and retirement.

Review of literature

1. (2017) Eronimus.A, A study of NPS in India with special references to pension subscribers in tamilnadu: study shown various scheme of NPS applicable in district of tamilnadu effect of NPS on subscribers at the time of retirement.
2. (2017) Dr.Kamath Vani,Dr. Patil Rupali, cost benefit analysis on national pension fund in India: study is based on benefit of NPS and cost associated with NPS.
3. (2016) Anath. S.K., Balanga Gurunathan, performance of NPS in India: study shown that role of NPS after retirement and impact of NPS scheme on financial and socio economic life of subscribers.

Research Methodology

For systematic analysis and appropriate conclusion of study research methodology has been constituted in following manner.

Data collection:

Data are collected from secondary sources which includes data from various governments, non government, public, private investments and tax sites and annual report of various entities.

Pattern of data collection:

Fund management companies registered with PFDRRA authority have been considers for research which includes government and non-government PF funds.

Period of data collection:

Last five financial year beginning from 2015-2016 to 2019-2020 have been taken for research purpose.

Area of research:

Rate of return on various funds at different period of time 1 year, 2 years, 5 years 10 years and date of inception, growth in subscribers and assets under management of PF fund with different entities have been considered.

Statistical tools:

For appropriate analysis and measurement percentage growth method in year to year and base year method have been considered mean , median , standard deviation have skewness have been calculated for systematic conclusion.

Soft ware based calculator:

For purpose of various terminology in PDRFA calculation of total corpus lump sum amount annuity value have been calculated from software of NPS trust.

Selection of pension fund:

Total seven pension funds registered with PFDRRA have been selected for pattern analysis towards rate of return on NPS.

Selection of mode of investments; equity, corporate, government Tier I pension fund have been selected for research study.

Hypothesis of research study

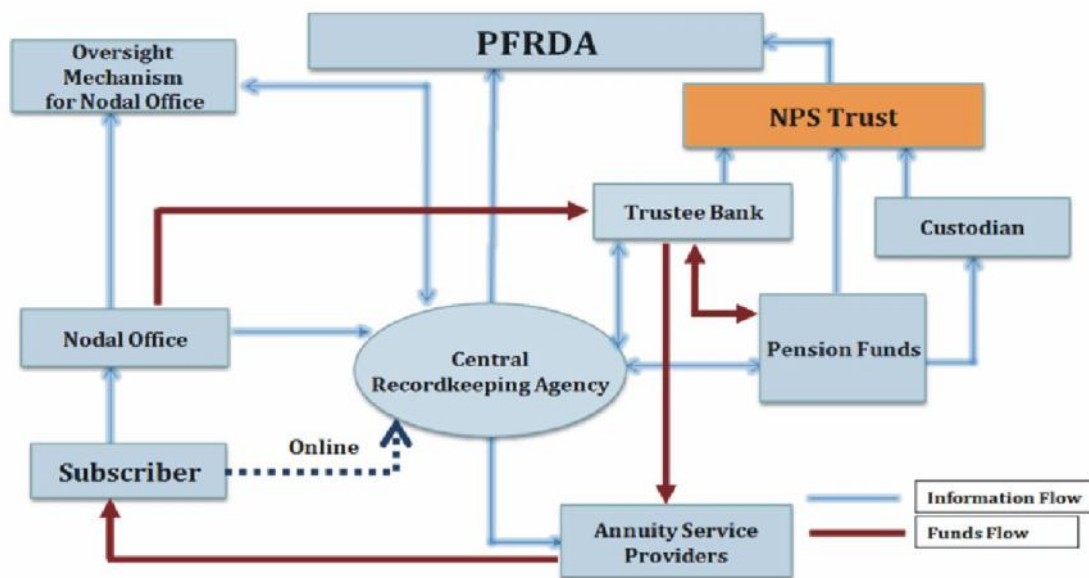
For appropriate conclusion of work null hypothesis have applied for research it means there is no difference between actual and resulted variables of study.

H₍₀₎₁: There are no significant differences between variables in rate of return on various pension funds.

H₍₀₎₂: There is no significant difference between variables of optional provident fund and new pension fund.

H₍₀₎₃: There are no significant differences among length of service, amount of contribution, total fund corpus and annuity value of fund received after age of retirement.

Diagram 01: Mechanism of new pension fund with various stakeholders



Tax treatment of National Pension Provident Fund: Tax treatment on NPS can be summarised in four categories at the time of contribution, at the time of retirement, at the time of partial withdraw and return on investment. NPS taxability is based on EEE exempt, exempt, exempt policy it means contribution, income on investment of corpus and amount received on maturity is exempt from

Section 80CCD, 80CCD (1A) 80CCD (1B), 80CCD (2), 80CCC of income tax Act 1961

Tax at the time of contribution to NPS fund: Contribution towards NPS during period of subscription in Tier I and Tier II account is deductible from gross total income of person subject to maximum of rupees 1,50,000 an additional deduction also deductible up to rupees 50,000 from gross total income for contribution to NPS. Overall limit of contribution to NPS with respect to employee shall be maximum of 10% of basic salary and applicable dearness allowances for employee in case other than employee it should not be exceeds by 10% of GTI contribution to of cannot be exceeds by 15,00,00 rupees for tax purpose along with other investment applicable in income tax act. Deduction from GTI for Tier II account is available only for government employee.

Tax treatment at the time of retirement and withdraw: Amount of total corpus in NPS is exempted from tax if 60% of total corpus received in form of lump sum form and 40% of corpus converted in to annuity hence entire amount of corpus is exempt from tax. If person has contributed Tier II NPS account then entire amount will be exempt subject to lock in period of minimum three years. Whatever amount converted into form of annuity shall be taxable as un-computed pension at time of receiving pension monthly income as per slab of applicable tax law.

Tax treatment at the time of partial withdraws from NPS: Withdraw from NPS is permitted for specific purpose of employee for maximum of three times in tenure of fund situation of withdraw may be as:

1. Partial withdraw from NPS account is not taxable if amount of total withdraw is not more than 25% of total accumulated amount during life time of subscribers maximum limit of 25% may be one time or part thereof such as 10%,5% ,10% in different year of services at least five continuous year is required for non taxability. Amount exceeds by 25% during entire life time of fund shall be taxable and it is available only three times of total life cycle of fund corpus.
2. Withdraw of NPS from Tier II account having lock period at least three years shall be exempt from tax. If subscribers withdraw prior to three year of time period then amount of withdrawn

from total subscription prior to three year time period in percentage to withdrawn shall be taxable as per tax slab of employee.

Return from NPS: Return from NPS is totally exempted from tax in other words difference between corpus of fund and total amount accumulated amount of subscription is exempt from tax for Tier I account. There no notification till now for Tier II accounts but no TDS will make on return.

Table 01 : Various analogies in new pension fund

Age of employee at the time of joining services	21	25	30	35	40	45
Monthly contribution	15000	15000	15000	15000	15000	15000
Year of service for contribution	39	35	30	25	20	15
Expected rate of return on fund	10	10	10	10	10	10
Annual return on annuity	6	6	6	6	6	6
Total corpus of fund at year of retirement 60 years	86413071	57424151	34189880	20068356	11485454	6268864
Annuity amount 40% at retirement	34565229	22969660	13675952	8027342	4594182	2507546
Lumpsum amount 60% at time of retirement	51847843	34454491	20513928	12041014	6891272	3761318
Monthly pension amount received	172826	114848	68380	40137	22971	12538

Sources: calculated by software of www.nps.trust.org.in

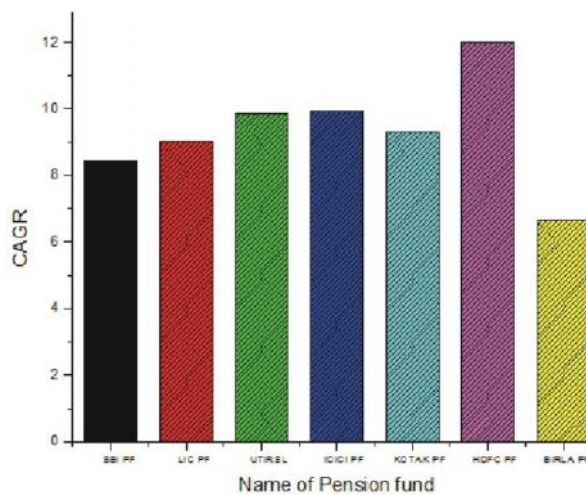
Notes

1. Table is based on tax benefit of 40% of total corpus invested in annuity for tax planning.
2. It is assuming effective rate of return on fund and annuity is 10% and 6% respectively.
3. Increment factor of annual salary have been ignored.
4. There is positive relation between service length of employee and monthly pension.

Table 02 : Rate of return on equity fund (Tier- I) account as on 31/08/2020

Name of pension fund	Rate of return on pension fund in percentage						Date of inception
	1 year	2 year	3 year	5 year	7 year	10 year	
SBI PF	3.02	- 2.03	4.30	7.76	11.70	8.65	8.45
LIC PF	1.59	-3.27	2.42	6.27	9.14	NA	9.01
UTIRSL	2.65	-2.75	3.87	7.70	11.67	8.44	9.85
ICICI PF	3.05	-1.97	4.25	7.46	9.78	9.91	9.94
KOTAK PF	4.38	-0.24	3.84	7.95	11.90	8.85	9.30
HDFC PF	5.25	-0.71	5.16	8.82	12.47	NA	12.00
BIRLA PF	5.15	-1.02	5.04	NA	NA	NA	6.64
AVERAGE	3.58	-1.71	4.12	7.66	11.11	8.96	9.31

Sources: data compiled by author

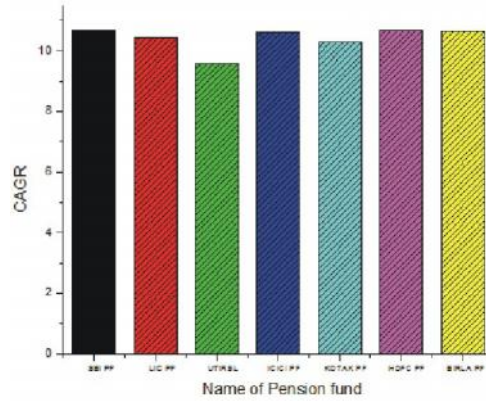


Graph 01: Rate of return on equity fund

Table 03: Rate of return on corporate bonds (Tier- I) as on 31/08/2020

Name of pension fund	Rate of return on pension fund in percentage						Date of inception
	1 year	2 year	3 year	5 year	7 year	10 year	
SBI PF	11.16	12.46	08.90	9.74	10.73	10.36	10.68
LIC PF	10.96	12.46	08.56	9.49	10.38	NA	10.44
UTIRSL	12.09	11.86	08.41	9.43	10.42	09.95	09.60
ICICI PF	10.16	12.09	08.76	9.74	10.88	10.68	10.62
KOTAK PF	9.46	10.50	07.63	9.11	10.32	10.02	10.28
HDFC PF	11.66	12.79	09.12	9.92	10.70	NA	10.68
BIRLA PF	11.72	12.86	10.00	NA	NA	NA	10.65
Average	11.03	12.14	08.77	9.57	10.57	10.25	10.42

Sources: data compiled by author

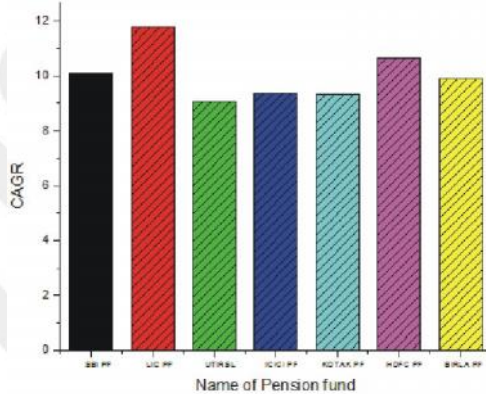


Graph 02: Rate of return on corporate bonds

Table 04 : Rate of return on government bond (Tier –I) account as on 31/08/2020

Name of pension fund	Rate of return on pension fund in percentage						Date of inception
	1 year	2 year	3 year	5 year	7 year	10 year	
SBI PF	10.62	14.96	9.37	10.37	11.43	9.94	10.12
LIC PF	10.51	16.34	10.33	11.27	11.96	NA	11.78
UTIRSL	10.39	14.64	8.95	9.86	10.96	9.41	9.06
ICICIPF	10.27	14.69	9.23	10.18	11.18	9.82	9.36
KOTAK PF	10.29	15.09	9.18	10.36	11.13	9.83	9.31
HDFC PF	11.11	15.32	9.55	10.33	11.08	NA	10.67
BIRLA PF	10.45	14.82	9.01	NA	NA	NA	9.90
AVERAGE	10.52	15.12	9.37	10.39	11.29	9.75	10.02

Sources: data compiled by author

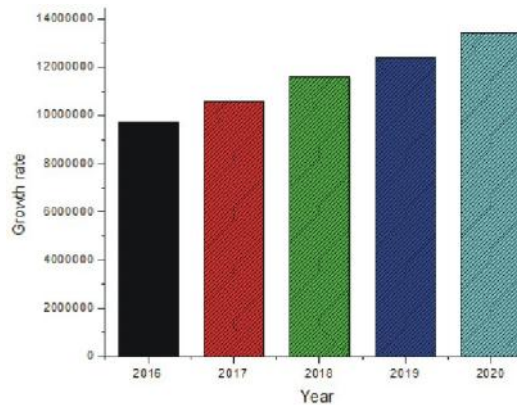


Graph 03: Rate of return on government bond

Table 05 : Number of subscribers in schemes of NPS

Name of sector	Year ended 31 st march of financial year				
	2020	2019	2018	2017	2016
Central government	21,01,972	19,84,564	19,21,673	17,88,699	16,57,623
State government	47,53,870	43,21,325	38,67,544	33,32,526	29,23,882
Corporate sector	9,73,560	8,03,015	6,95,831	5,85,595	4,73,515
All citizen	12,51,574	9,29,931	6,91,570	4,37,076	2,15,372
NPS swalamban	43,31,664	43,62,538	43,95,323	44,29,342	44,80,014
Total	1,34,12,640	12,401,373	1,15,71,941	1,05,73,238	97,50,406
Growth rate in percentage YOY	8.15	7.16	9.45	8.44	NA
Growth rate 2016 as base	37.53	27.17	18.82	8.44	Base year

Sources: www.npsorg.in



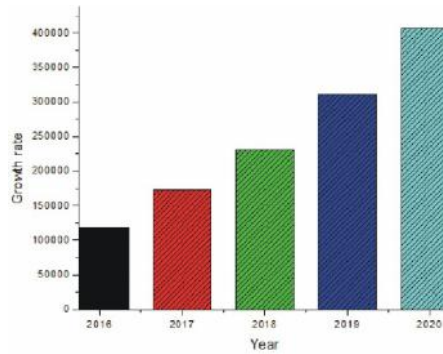
Graph 04: Number of subscribers under NPS

Table 06 : Assets under management of pension fund

(Figures in crore rupees)

Name of sector	Year ended 31 st march of financial year				
	2020	2019	2018	2017	2016
Central government	1,38,046.28	1,09,009.55	84,954.39	67,040.20	48,135.03
State government	2,11,022.52	1,58,491.37	1,15,679.08	84,917.29	57,498.27
Corporate sector	41,231.12	30,874.79	21,378.09	14,953.22	9,290.05
All citizen	12,924.30	9,568.50	5,743.64	3,123.13	1,272.88
NPS swalamban	3,728.40	3,409.23	3,005.82	2,639.21	2,107.55
Total	4,06,952.62	3,11,353.44	2,30,761.02	1,72,673.05	1,18,303.78
Growth rate in percentage YOY	30.73	34.37	33.66	45.90	NA
Growth rate 2016 as base	243.95	163.14	48.72	45.90	Base year

Sources: www.npsorg.in



Graph 05: Assets under management of pension fund

Table 07 : Pattern of investment in various modes of NPS

Age of person in years	Aggressive			Conservative			Moderate		
	E	C	G	E	C	G	E	C	G
Up to 35	75%	10%	15%	25%	45%	30%	50%	30%	20%
40	55%	15%	30%	20%	35%	45%	40%	25%	35%
45	35%	20%	45%	15%	25%	60%	30%	20%	50%
50	20%	20%	60%	10%	15%	75%	20%	15%	65%
55	15%	10%	75%	5%	5%	90%	10%	10%	80%

Abbreviation: E – Equity, C- corporate bond, G- government bond

Source: www.Paisabazaar.com

Table 08 : Allocation of equity in NPS at different age scale of NPS subscribers

Age of NPS holder	51	52	53	54	55	56	57	58	59	60	61
Maximum equity allocation in %	75	72.50	70	68.50	65	62.50	60	57.50	55	52.50	50

Sources: www.nps trust org.in

Table 09 : Rate of return on optimal provident fund for last ten years

Particulars	Year ended of 31 st march									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Rate of interest on EPF CAGR	8.50	8.65	8.55	8.65	8.80	8.75	8.50	8.25	9.50	8.50
3 year (0.20)										
5 year (1.15)										
7 year 000										
10 year 000										
Average interest rate in %										
for 3 years 8.56										
for 5 years 8.63										
for 7 years 8.62										
for 10 years 8.66										

Sources: data compiled by author

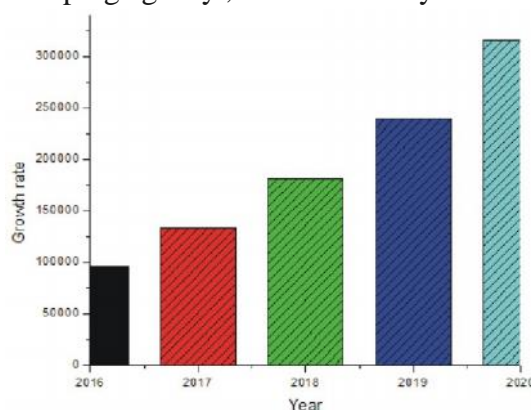
Table 10 : Contribution in NPS with NCRA and KCRA

(Figures in crore rupees)

Name of sector	Year ended 31 st march of financial year				
	2020	2019	2018	2017	2016
Central government	99,739.87	78,379.20	62,350.74	48,451.73	36,329.43
State government	1,65,189.88	1,24,190.66	92,808.52	67,099.32	48,006.60
Corporate sector	32,828.57	24,436.77	17,704.07	12,472.71	8,348.75
All citizen	15,011.86	9,685.54	5,823.66	3,022.09	1,218.85
NPS swalamban	2,700.51	2,555.18	2,378.48	2,118.54	1,792.48
Total	3,15,470.69	2,39,247.35	1,81,065.47	1,33,164.39	95,696.11
Growth rate in percentage YOY	46.90	32.26	35.98	39.22	NA
Growth rate 2016 as base	229.91	150.20	89.33	39.22	Base year

Sources: www.npsorg.in

NCRA: National record keeping agency , KCRA: Karvy record keeping agency



Graph 06: Contribution in NPS with NCRA and KCRA

Table 11 : Descriptive Statistical value of equity pension funds

Statistical values	Name of pension funds							
	SBI	LIC	UTI	ICICI	KOTAK	HDFC	BIRALA	AVERAGE
Mean	10.57	10.38	10.25	10.41	9.61	10.81	11.30	10.39
Standard error of mean	0.422	0.54	0.51	0.39	0.38	0.52	0.62	0.403
Median	10.68	10.41	9.95	10.62	10.02	10.69	11.18	10.42
Mode	8.90	8.56	8.41	8.76	7.63	9.12	10.00	8.77
Standard deviation	1.11	1.32	1.32	1.03	1.08	1.28	1.25	1.066
Variance	1.247	1.754	1.763	1.066	1.018	1.664	1.574	1.137
Skewness	0.267	0.312	0.327	-0.21	-1.498	0.391	0.4360	0.147
Coefficient of standard deviation	10.50	12.71	12.80	9.89	11.22	11.84	11.06	10.20

Sources: data compiled by author

Table 12 : Descriptive statistical value of corporate bond pension funds

Statistical values	Name of pension funds							
	SBI	LIC	UTI	ICICI	KOTAK	HDFC	BIRALA	AVERAGE
Mean	10.97	12.03	10.47	10.68	10.74	11.34	11.00	10.93
Standard error of mean	0.706	.0902	0.746	0.712	0.7673	0.8293	1.29	0.736
Median	10.37	11.52	9.86	10.18	10.29	10.87	10.17	10.39
Mode	9.37	10.33	8.95	9.23	9.18	9.55	9.01	9.37
Standard deviation	1.87	2.21	1.97	1.88	2.03	2.031	2.58	1.95
Variance	3.49	4.88	3.90	3.55	4.12	4.12	6.86	3.80
Skewness	2.051	1.975	1.968	2.043	2.083	1.99	1.68	2.13
Coefficient of standard deviation	17	18.37	18.81	17.60	18.90	17.90	23.45	17.80

Sources: data compiled by author

Table 13 : Descriptive statistical value of government pension funds

Statistical values	Name of pension funds							
	SBI	LIC	UTI	ICICI	KOTAK	HDFC	BIRALA	AVERAGE
Mean	5.98	4.10	5.91	6.06	6.56	7.16	3.95	6.15
Standard error of mean	1.72	1.97	1.87	1.70	1.55	2.032	1.69	1.67
Median	7.70	4.35	7.70	7.46	7.95	7.035	5.09	7.66
Mode	-2.03	-3.27	-2.75	-1.97	-0.24	-0.71	-1.02	-1.71
Standard deviation	4.56	4.84	4.96	4.51	4.11	4.97	3.39	4.42
Variance	20.68	23.52	24.682	20.41	16.93	24.80	11.50	19.54
Skewness	-0.78	-0.519	-0.803	-0.964	-0.536	-0.575	-1.71	0.893
Coefficient of standard deviation	76.25	118.80	83.92	74.40	62.65	69.42	85.82	72.22

Sources: data compiled by author

Data analysis and Interpretations

From data of various tables points mentioned bellowed can we conclude as:

1. There is significant relationship between tenure of services and it is horizontally co- related with corpus of fund annuity amount and pension amount received after retirement.
2. For period in 5 to 10 years tenure CAGR on equity fund is near about 9.30 percentages which is slightly more than return on OPF. But in short term tenure return on equity fund is not beneficial than OPF.
3. For period in 5 to 10 years tenure CAGR on corporate pension fund is near about 10.50% which is significantly more than average return on OPF
4. For period in 5 to 10 years tenure CAGR on government fund is near about 10.20% which is more than average return on OPF.
5. An overall CAGR from three selected fund modes by seven pension fund companies in Tier I account is near about 11% to 12% which is significantly more than average return on OPF for last ten years.
6. For equity fund HDFC has highest return in corporate bond ICICI has highest return and in government bond LIC has highest return on investment based on CAGR since date of inception.

7. There are significant increases in pattern of assets and number of subscribers in last five financial years in various entities of pension fund sector.
8. Rate of return on OPF is approximately moderate for last ten financial years hence it is safest way of investment for common subscribers.

Pros of NPS

1. NPS is more efficient instrument of retirement having large tenure of service person having contribution in NPS corpus for period around 30 to 35 years.
2. NPS is more liquid and tax efficient instrument rather than other retirement instrument because amount in Tier II can be withdraw after 3 years and return is exempt from tax without TDS.
3. NPS is more risk diversified instrument than other financial instruments because amount of subscription is invested by highly qualified professionals as per appropriate portfolio mix and financial goal set by person.
4. NPS is diversified market based financial product hence person having more risk capacity can earn more reward on its investment.
5. NPS having systematic combination of equity, debt, corporate bonds government bonds and alternative schemes of investment hence risk can be minimized and diversified as per financial goal of subscribers.

Cons of NPS

1. There is no assured rate of return guaranteed by pension fund management entities as compared to traditional instruments of retirement so there is no guaranteed minimum return assurance on NPS.
2. There is no minimum monthly pension guarantee provided by pension management companies at the time of retirement age hence pension is entirely based on annuity conversion and corpus of funds.
3. Subscribers of NPS are belongs to variety of field hence they do not having sufficient financial literacy and choice of investment in NPS.
4. There is deviation between actual return and actual risk adjusted inflation rate of return on investment in NPS.
5. Length of service of an employee and tenure of contribution is not large than it is not beneficial.

Findings

1. Minimum assured return should be provided by pension fund management companies for corresponding financial year like traditional retirement instrument as OPF, GPF, and PPF etc.
2. Assured minimum guaranteed pension as percentage of last dawn salary should be provided by pension fund authority for person having length of service 10 to 15 years if there is any deficit between annuity calculation and assured sum calculated then in proportion to investment held by NPS management companies and government have to bear it.
3. An appropriate debt equity mix should be provided by fund managers as per financial goal of subscriber's contribution and low percentage of equity mix with high percentage of debt and government bonds should be covered.
4. Return and contribution on TIER II account NPS should be more tax attractive such as inclusion of subscribers in non government corporate sector and lock in period may be five years instant of three years and return should be totally exempt from tax after five years.

5. Partial withdraws and voluntary retirement rules of NPS should be more convenient and tax efficient as compared to other retirement alternatives. Further as per financial requirement of Subscriber allocation should be pre determined between annuity and lump sum received and it should also be exempt from tax.

Testing of hypothesis

- H₀1:** There is significant differences between variables of rate of return on various funds hence hypothesis rejected.
- H₀2:** There is significant difference between rate of return on investment in optional provident fund and rate of return on investment in new pension funds schemes hence hypothesis is rejected.
- H₀3:** There is significant difference among various variables of length of services, amount of annuity value and corpus of fund received after retirement hence hypothesis is rejected.

Conclusion

So in concluded manner we can reveal from study NPS TIER I account has dual aspect of investment portfolio firstly it has tax saving in both part as contribution from employers as well as employees side secondly it has component of systematic appreciation in value of investment corpus as per financial goal of subscribers as far as time will pass on NPS will emerged as one the significant retirement instrument for under age subscribers as tax saving and value oriented financial product.

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