

ASTO

PRBS Vs NPS





SI	Criteria	PRBS	NPS	Remarks
1.	Tax Provision – Employer Contribution	Total Employer Contribution up to 7.5 lakhs per year is exempt (CPF + PRBS+EPS) (as explained in Annexure-1)	Total Employer Contribution up to 7.5 lakhs per year is exempt (CPF + PRBS+EPS+NPS). (as explained in Annexure-1)	No difference in taxation on Employer contribution.
2.	Tax Provision – Employee Contribution	Employee own contribution is part of overall ceiling of deduction under section 80C. (as explained in Annexure-1)	Additional deduction of 50,000 per annum is allowed apart from section 80C. (Section 80CCD(1B)) (as explained in Annexure-1)	Additional savings of up to 15600 (approx.) in case of NPS.
3.	Tax Provision – Final Withdrawal (Commutation)	33% - Tax Free. 1/3 tax free commutation allowed. GST 1.8% applicable on annuity purchase	60% - Tax Free. Up to 60% of tax free commutation allowed. No GST on annuity purchase	NPS is beneficial at the time of superannuation if the employee want to commute more of superannuation fund.

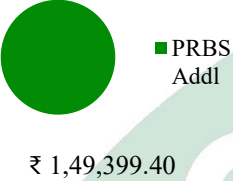
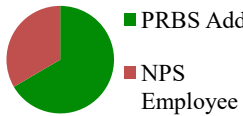

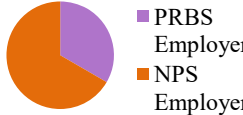
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4.	Investment	<p>Maximum 85 % Government Debt Funds / 15% Equity through ETFs</p> <p>Though trust had invested less than 5% in equities as of now.</p>	<p>Investment in four asset class: (Equity, Corporate Debt, Govt Debt and Alternative Investment Funds). Subscriber can go with AUTO option wherein the equity exposure reduces with age of the employee.</p> <p>Three kind of auto choices:</p> <ol style="list-style-type: none"> 1. Aggressive - Wherein equity exposure declines from 75% at age of 35 to 15% at age of 55. 2. Moderate- wherein equity exposure declines from 50% at age of 35 to 10% at age of 55. 3. Conservative- wherein equity exposure declines from 25% at age of 35 to 5% at age of 55. <p>Apart from AUTO option, another choice is ACTIVE Option wherein the subscriber can choose their allocation actively (Maximum of 75% equity allocation is allowed at the age of 50 years to maximum of 50% at age 60 years.)</p>	<p>In PRBS , Funds are managed by PRBS Trust.</p> <p>In case of NPS, Subscriber can choose their fund from Public sector like SBI, LIC, UTI or private sector like HDFC, ICICI, Kotak, Birla & Reliance.</p>
5.	Risk to Capital	Low	Low to High (Based on allocation in Equity)	Return depends on the portfolio mix and duration of investment.
6.	Post retirement Annuity	Employee can choose from the available options at the time of superannuation.	Similar options are available in NPS also. In case of NPS, subscriber can be member till 70 years of age and can defer their pension/ commutation till 70 years and also continue additional tax benefit of 50000 under section 80CCD(1B).	<p>NPS is beneficial if the employee want to keep the fund invested after 60 years.</p> <p>Annuity % can be higher in NPS based on market.</p>
7.	Partial withdrawal	Not allowed	Allowed after 10 years up to maximum of 25% of own contribution	NPS withdrawal allowed in specific conditions like higher education, marriage of child, purchase of house, medical emergencies etc.

Note: For more details and queries, agency hired by ONGC shall be helping employees through webinar in making informed decision.

Example :

S N	Basic + DA (A)	Deduction Head	% of A (B)	At Present contribution (When only PRBS is present)	Tax exemption limit without NPS & corresponding IT section	If Opted for NPS + PRBS	Tax exemption limit with NPS & corresponding IT section
1	₹83,333.3 per month i.e. ₹ 10,00,000 per annum *	CPF – Employee (1)	12%	 ₹ 1,20,000	Upto ₹ 1,50,000 under the overall limit of section 80C which includes employee's contribution in PRBS, Life insurance etc.	No Change	No Change
2		EPS – Employer (2)	8.33% limited to maximum ₹ 1,250 per month i.e. ₹ 15000 per annum	 ₹ 15,000	Upto ₹ 7,50,000 in respect of Employer's contribution to under section 17(2)(vii) and 17(2)(viii): A. recognised Provident fund (in our case CPF), B. Any pension scheme notified by central government (in our case EPS) C. In an approved superannuation fund (in our case PRBS) D. Any annual accretion by way of interest, dividend or any other amount of similar nature in above 3 (A, B and C) during the financial year.	No Change	No Change
3		CPF – Employer (3)	12% - EPS Contribution	 ₹ 1,05,000	Same as SI No - 2	No Change	No Change
4		PRBS – Employee (4)	3%	 PRBS ₹ 30,000	Upto ₹ 1,50,000 under the overall limit of section 80C which includes employee's contribution in CPF, Life insurance etc.	No Change	No Change

5	₹83,333.3 per month i.e. ₹ 10,00,000 per annum *	PRBS Addl – Employee (5)	Amount equal to monthly Uniform reimbursement	 <p>■ PRBS Addl ₹ 1,49,399.40</p>	<p>Upto ₹ 1,50,000 under the overall limit of section 80C which includes employee's contribution in CPF, Life insurance etc.</p> <p>Taxable Amount ₹1,49,399.40 (As limit of ₹1,50,000 under 80C is already exhausted by CPF and PRBS.)</p> <p>Tax = ₹ 46,612.61</p>	 <p>■ PRBS Addl ■ NPS Employee</p> <p>₹ 50,000 in NPS and remaining ₹ 99,399.40 in PRBS Addl.</p>	<p>Note: Considered Employee's contribution of ₹ 50,000 in NPS and tax slab 30%.</p> <p>Exemption: Upto ₹ 50,000 is exempted under 80CCD(1B).</p> <p>Tax exempted amount ₹ 50,000 Taxable Amount ₹99,399.40 Tax = ₹31,012.61</p> <p>Saving of ₹ 15,600</p>
6		PRBS – Employer (6)	15% *	 <p>■ PRBS Employer ₹ 1,50,000</p>	<p>Exemption: Same as SI No - 2.</p> <p>Total amount accrued by contribution from employer (2 + 3 + 6 and Interest accrued in all 3)= 15,000 + 1,05,000 + 1,50,000 = ₹ 2,70,000</p> <p>Taxable amount = NIL Tax = NIL</p>	 <p>■ PRBS Employer ■ NPS Employer</p> <p>₹ 1,00,000 in NPS and remaining ₹ 50,000 in PRBS.</p>	<p>Note: Considered 10% amount of Basic + DA from Employer's contribution is diverted into NPS.</p> <p>Exemption: Contribution of Employer upto 10% of annual Basic + DA is exempted under 80CCD(2), but to the extent ₹ 7,50,5000 as per clause 17(2)(vii) as mentioned at SI no - 2.</p> <p>Tax exempted amount NIL Taxable amount –NIL Tax = NIL</p> <p>Saving NIL</p>
*Figures are for example purpose only.							