

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES

**LOK SABHA**  
**UN STARRED QUESTION NO. 668**  
**TO BE ANSWERED ON NOVEMBER 18, 2016/KARTIKA 27, 1938 (SAKA)**  
**NPS ADVISORS FEE**

668. Shri Prabhakar Reddy Kotha

Will the Minister of FINANCE be pleased to state:

- (a) whether the fee payable to retirement advisors as fixed by the Government to push the National Pension System (NPS) is too low to attract the retirement advisors;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the advisory fee should be paid by a separate cheque unlike the mutual funds where the commission is included in the payment made by the customer, if so, the details thereof and the reasons therefor; and
- (d) the steps being taken by the Government to resolve this issue?

**ANSWER**

The Minister of State in the Ministry of Finance  
(Shri Santosh Kumar Gangwar)

(a) & (b): A Retirement Adviser can charge three types of fee from the subscribers to whom he/she has given retirement advice in accordance with the Pension Fund Regulatory and Development Authority (Retirement Adviser) Regulations, 2016, as per details given below;

- i. A Retirement Adviser is entitled to charge On Boarding fees for facilitating on-boarding to National Pension System. The upper ceiling of such fees is Rupees One Hundred and Twenty.
- ii. For any subsequent services, the individual Retirement Adviser is entitled to charge a minimum of Rupees Twenty per transaction and maximum of Rupees One Hundred per annum.
- iii. The Retirement Adviser may also charge 0.02% advisory fee from any existing subscriber, on their assets under management (AUM) of National Pension System (NPS) or any other scheme regulated by the Pension Fund Regulatory and Development Authority (PFRDA), on the date of advice, subject to a minimum of Rs. 100/- and maximum Rs. 1000/- per annum, for providing advice to the subscribers.

Further, the advisory fee can be charged by Retirement Adviser only when the subscriber has signed an agreement with the Retirement Adviser for providing advice, wherein the lower and upper limits of advisory fee, as specified by the PFRDA is incorporated. No advisory fee shall be charged at the time of on boarding of the subscriber along with on boarding fee of Rs.120/-.

(c) & (d): The fees are chargeable as per the written agreement between the prospect/subscriber and the Retirement Adviser under advisory fee head as prescribed by PFRDA. The Retirement Adviser has to issue a receipt for each type of fee separately and collect all charges upfront.

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