

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 3843

ANSWERED ON MONDAY, 24 MARCH, 2025/CHAITRA 3, 1947 (SAKA)

OBJECTIVES OF NPS VATSALYA SCHEME

†3843. **Shri Anoop Pradhan Valmiki:**

Ms. Bansuri Swaraj:

Will the Minister of Finance be pleased to state:

- (a) whether the Government has introduced the NPS Vatsalya Scheme to enhance saving for salaried employees;
- (b) if so, the salient features and objectives of the Scheme; and
- (c) whether any tax benefits or additional incentives are provided to those enrolling in the scheme and if so, the details thereof along with the manner in which this scheme is useful particularly for salaried persons?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b) NPS-Vatsalya Scheme, a contributory pension scheme for minors, has been launched on 18.09.2024 with the objective of creation of a fully pensioned society. The scheme is designed for parents/guardians to contribute, a minimum of Rs. 1000 per annum with no ceiling on maximum contribution, for their minor subscriber. On attaining the age of majority, the account of the subscriber can be seamlessly converted into NPS account. The scheme is implemented through Points of Presence (PoPs), which include the Bank branches and Non-Bank entities, under the regulation of the Pension Fund Regulatory and Development Authority (PFRDA). The NPS Vatsalya account can also be opened through online platform extended by the NPS Trust.

NPS Vatsalya promotes inter-generational equity and financial security by encouraging early savings for children as well as promoting a culture and habit of retirement planning across generations with the start of early investment for a retirement corpus.

(c) Under the old tax regime, income tax deduction u/s 80CCD (1B) up to Rs. 50,000/- has been extended towards NPS Vatsalya contribution made by the parents or guardians, including salaried persons, w.e.f. 01.04.2025.
