

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 2006

ANSWERED ON TUESDAY, 18 MARCH, 2025/ 27 PHALGUNA, 1946 (SAKA)

NPS VATSALYA SCHEME

2006. Shri Madan Rathore

Will the Minister of Finance be pleased to state:

- (a) the highlights and objectives of the NPS Vatsalya scheme; and
- (b) the manner in which it is helpful for savings, especially for the salaried employees?

ANSWER

MINISTER OF STATE FOR FINANCE

(SHRI PANKAJ CHAUDHARY)

(a) & (b) NPS-Vatsalya Scheme, a contributory pension scheme for minors, was 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. 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 parent or guardian w.e.f. 01.04.2025.
