

Overseas Citizens of India permitted to enroll in National Pension System

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Source: PRS, Monthly Policy Review

Key highlights

- The Pension Fund Regulatory and Development Authority (PFRDA) has permitted overseas citizens of India (OCIs) to enroll in the National Pension System/Scheme.
- Finance Ministry in a notification said that OCI may subscribe to NPS provided such person is eligible to invest as per the provisions of the PFRDA Act and the accumulated saving will be repatriable, subject to Foreign Exchange Management Act guidelines
- However, the option of the NPS Tier II account will not be available to NRI and OCI subscribers.

What is the National Pension Scheme?

- The national pension scheme is a voluntary, contribution-based pension scheme, which aims to provide old age security to Indian citizens
- The annuity or accumulated savings under the scheme may be repatriable (that is, it can be moved outside India) subject to the guidelines under the Foreign Exchange Management Act, 1999.

Who can register for OCI?

A foreign national (except foreign nationals from Bangladesh or Pakistan) can register for OCI if they were:

1. Eligible to become a citizen of India at the commencement of the constitution

2. Citizen of India on, or at any time after the commencement of the constitution
3. Belonged to a territory that became part of India after 15th August 1947, or
4. Who is a child or grandchild of such a person