

फाइल न.: PFRDA/16/3/29/0123/2017-REG-PF-CN:1818

दिनांक: 13.12.2025

To,

All PFs, CRAs and NPST

Subject: Merger of Asset Class A (NPS Tier I) with Asset Classes C & E.

Madam / Sir,

With reference to the Investment Guidelines for the Non-Government Sector issued on 10.12.2025, Asset Class A has been merged into Asset Class E (equity-oriented) and Asset Class C, and therefore Asset Class A will no longer remain available to subscribers. Asset Class A earlier consisted of instruments such as Commercial/Residential Mortgage-Backed Securities, Asset-Backed Securities, REIT units, InvIT units, Alternative Investment Funds (AIF Cat I & II), and Basel III Tier 1 bonds.

Considering the existing distribution of investments under Asset Class A (PF wise Data attached in **Annexure I**), it is proposed that the existing Asset Class A holdings be shifted to Asset Class "C" except investment in units issued by REITs which will be shifted to Asset Class "E".

NPST, in coordination with the intermediaries like CRA & PFs, shall undertake the value free transfer on non-working day in accordance with the extant practice.

CRAs are requested to intimate all subscribers who had opted for Asset Class A regarding this migration (as per attached draft **Annexure II**), and provide them a **one-time free additional option** to shift the corresponding wealth in Scheme A to other Asset classes which can be exercised before end of 25th December 2025. The customer communication can also be published in the websites of all intermediaries till end of January 2026.

CRAs can disable Scheme A option for registration with immediate effect but not later than 25th Dec 2025 and the fresh contribution under Scheme A can be diverted into Scheme C effective from 26th Dec 2025.

Yours Sincerely



Chief General Manager



Annexure I

As on 5th Dec 2025

SCHEME -A Tier-I	Pension Fund	Inception Date	AUM (Rs Crs)	Subscribers
	Aditya Birla Sun Life Pension Fund Management Limited	15-May-17	7.95	6,555
	Axis Pension Fund Management Limited	21-Oct-22	7.36	13,597
	HDFC Pension Fund Management Ltd.	10-Oct-16	564.08	2,44,363
	ICICI Pru. Pension Fund Mgmt Co. Ltd.	21-Nov-16	137.71	92,892
	Kotak Mahindra Pension Fund Ltd.	14-Oct-16	27.46	12,179
	LIC Pension Fund Ltd.	13-Oct-16	33.27	28,882
	SBI Pension Funds Pvt. Ltd	13-Oct-16	150.51	1,33,949
	Tata Pension Fund Management Pvt. Ltd.	19-Aug-22	13.14	7,330
	UTI Pension Fund Ltd.	14-Oct-16	38.93	16,355
	DSP Pension Fund Managers Private Limited	27-Dec-23	10.70	3,425

Annexure II

Important Update for NPS Subscribers – Scheme A (Tier I)

Dear Subscriber,

Thank you for being a valued member of the NPS. We would like to inform you of an important development concerning Scheme A, which you had opted for earlier under Active choice in Tier I.

After a comprehensive review of the scheme's performance and structure, and keeping your long-term retirement interests in focus, it is proposed by PFRDA to merge Scheme A with Schemes C and E. This step is intended to provide a more stable, efficient, and rewarding investment experience for subscribers.

Benefits of the Merger of Scheme A with other Asset Classes

Objective	Benefits
Diversification and Stability	<ol style="list-style-type: none"> 1. Scheme A had a relatively small corpus and limited investment avenues. 2. Post-merger, your contributions will be part of larger and more diversified portfolios under Schemes C and E, helping reduce concentration risk and enhance stability.
Improved Risk-Adjusted Returns	Larger schemes offer better flexibility and portfolio management efficiency, which supports more consistent long-term returns and a better balance between risk - reward for retirement investment.
Higher Liquidity for Easier Withdrawals	<ol style="list-style-type: none"> 1. Certain assets under Scheme A involve longer lock-in periods. 2. After the merger, investments will shift to schemes with higher liquidity, facilitating smoother withdrawals and switches.
Alignment with Market Best Practices	<ol style="list-style-type: none"> 1. Ongoing market reforms, the changes effected by the market regulator SEBI, and simplification of asset classifications are reshaping investment frameworks. 2. This merger aligns NPS with evolving best practices, ensuring a more efficient and future-ready scheme structure.

The Change Is Made in the best Interest of Subscribers

PFRDA has recently approved significant reforms aimed at modernising the NPS investment framework. These reforms

1. Expand the permissible investment universe
2. Enhance diversification and
3. Promote a more efficient scheme architecture to help subscribers build stronger and more resilient retirement wealth.

As Formalization, Financialization, and Pensionalization (FFP) of the Nation continue to influence the financial aspirations of every Indian citizen, long-term pension (patient) capital is expected to grow and integrate more deeply with India's growth story. FFP remains a key pillar in strengthening long-term old age Income security.

Merging Scheme, A with Schemes C and E ensures that your NPS contributions are invested in larger, diversified, and more liquid portfolios, enabling smoother management and more efficient long-term growth.

Thank you for your continued trust in NPS.

Those NPS Subscribers who had opted for Scheme A in Tier I (Active Choice) can exercise additional choice of switching their wealth from Scheme A into any other asset classes of their choice without any additional cost till 25th Dec 2025 as per applicable guidelines.