

Partial Withdrawal (NPS Vatsalya)

Q1. Is partial withdrawal allowed under NPS Vatsalya?

Ans: Yes, partial withdrawals are permitted under the NPS Vatsalya Scheme to address contingencies or unforeseen situations.

Q2. For what purposes is partial withdrawal allowed?

Ans: Partial withdrawal is permitted for:

- I. Education of the minor subscriber
- II. Treatment of specified illnesses of the minor subscriber.
- III. Disability of more than 75% of the minor subscriber.

Q3. Can a subscriber/guardian withdraw any-time after opening the account?

Ans: No, subscribers/guardians are eligible to withdraw partially only after completion of 3 years since the date of account opening.

Q4. What is the maximum amount that can be withdrawn?

Ans: Up to 25% of the contribution (excluding returns).

Q5. How many times can a subscriber/guardian withdraw from their NPS Vatsalya account?

Ans: Subscribers/Guardians may take up to 2 partial withdrawals until the subscriber attains 18 years of age. After a subscriber turns 18, upon completion of the prescribed KYC requirements, two additional partial withdrawals are allowed during the period between 18 and 21 years of age.

Q6. Are partial withdrawals taxable under income tax?

Ans: No, the amount received in partial withdrawals permitted under NPS Vatsalya guidelines is exempt under the Income Tax Act, 2025.