PRESS RELEASE

StAR NPS: Taking NPS Distribution Across Every Socioeconomic Stratum

PFRDA Chairperson urges mutual fund distributors and other partners to use StAR NPS to expand pension coverage across socioeconomic strata

Bengaluru, October 24, 2026: The Pension Fund Regulatory and Development Authority (PFRDA) today called upon mutual fund distributors (MFDs) and other distribution partners to leverage StAR NPS, its digital distribution platform, to take the National Pension System (NPS) to every segment of Indian society. Addressing participants at the StAR NPS event in Bengaluru, the Chairperson, PFRDA, said StAR NPS can bridge the gap between regulated retirement solutions and citizens' access to them, particularly in smaller cities, underserved communities and the informal sector.

StAR NPS: Simple, cost-effective NPS distribution

• **One platform for mutual funds and NPS:** Developed with the support of BSE Technologies Private Limited (BTPL), drawing on its mutual fund distribution experience, StAR NPS lets distributors move seamlessly between mutual fund products and NPS.

• **Open to a broad network:** Mutual fund distributors, Primary Agricultural Credit Societies (PACS), banking correspondents, NBFCs and other eligible entities and individuals can distribute NPS through StAR NPS.

• **Lower onboarding cost:** Its digital rails reduce the cost and friction of customer onboarding, helping distributors reach customers beyond major urban centres.

• **Higher incentive:** PFRDA has envisaged a higher incentive for distributors using StAR NPS than for channels where the effort involved is comparatively lower.

• **Long-term relationships:** The long investment horizon of NPS and the 15-year vesting period referred to during the interaction create opportunities for sustained customer engagement.

• **Continuous improvement:** PFRDA will work with BTPL to give NPS distributors efficiencies comparable to those offered by registrar and transfer agents such as CAMS and KFin Technologies, and invited distributors' feedback.

Why NPS for long-term savings

"NPS is not a capital asset but an income asset," the Chairperson said, adding that "Illiquidity is as important as liquidity." NPS combines equity-led growth over long horizons with a disciplined, retirement-oriented structure and tax-efficiency advantages, subject to applicable provisions. Membership is now allowed up to 85 years of age, and the Systematic Payout Rate and Systematic Unit Redemption facilities under the Retirement Income Scheme provide a systematic flow of income in retirement. NPS Vatsalya extends planning to children, while under NPS Swasthya pension funds acting as master policyholders can potentially reduce premium costs.

StAR NPS for financial inclusion

More than 400 PFRDA outreach programmes over the preceding 12–15 months revealed growing interest in equity products in smaller towns, alongside the continuing threat of Ponzi schemes. StAR NPS enables distributors with local relationships to bring regulated retirement products to people outside the organised pension ecosystem. Reforms in NPS contributed approximately 23 lakh enrolments over the preceding year, nearly 23% of NPS enrolment in the non-government sector since the launch of NPS in 2009.

With India's working population approaching 70 crore, the Chairperson called upon distributors to view StAR NPS as an opportunity to grow their businesses while bringing long-term retirement security to more Indians, and cautioned against mis-selling.