RETIREMENT GAP INDIA | EPS-95 + NPS + SCSS | 2026

India Retirement Income Gap Report

EPS-95, NPS annuity, SCSS and senior citizen tax benefits — how to calculate your gap and what to do about it.

Informational report — Not financial advice retirementgapindia.com · June 2026

IMPORTANT NOTICE

Who is this report for?

This report is for Indians aged 50 and above approaching retirement who want to understand the gap between EPS-95 pension, NPS annuity, SCSS income and expected retirement expenses. All information is based on official EPFO, PFRDA and tax authority sources.

Notice: Retirement Gap India is an independent informational publication — not affiliated with EPFO, PFRDA, Ministry of Labour, NPS Trust or any Government of India body. Not financial advice. Verify your pension at epfindia.gov.in or EPFO: 1800-118-005.

SECTION 1

EPS-95 Pension — Formula, Cap and What to Expect

EPS-95 (Employee Pension Scheme 1995) provides a monthly pension for life for organised sector employees who have completed at least 10 years of EPF-covered service. The formula is straightforward — but the results often surprise people.

Table 1: EPS-95 Pension Formula

Formula Component	Value / Detail	Note
Pensionable Salary	Capped at Rs 15,000/month (most members)	Unless higher wage option pre-2014
Pensionable Service	Actual years of EPF-covered employment	Minimum 10 years required
Formula	(Pensionable Salary x Service) / 70	Standard EPS-95 divisor
Example: 28 years at Rs 15,000	**(15,000 x 28) / 70 = Rs 6,000/month**	7.5% of Rs 80,000 salary
Example: 35 years at Rs 15,000	**(15,000 x 35) / 70 = Rs 7,500/month**	Maximum at cap

Source: EPFO · epfindia.gov.in · Verify your actual pension at the EPFO member portal.

Key points about EPS-95

- Minimum qualifying service: 10 years of EPF-covered employment
- Pensionable salary is capped at Rs 15,000/month for most members (those who did not opt for higher contribution before 2014)
- The cap means EPS-95 pension is typically between Rs 1,000 and Rs 7,500/month for most retirees
- Check your EPS-95 pension estimate at passbook.epfindia.gov.in or the Umang app
- For pension queries: EPFO helpdesk 1800-118-005 (toll-free)

SECTION 2

NPS — Corpus, Annuity and Withdrawal Rules

NPS (National Pension System) builds a corpus through contributions over your career. At retirement (age 60), you can withdraw up to 60% of the corpus tax-free as a lump sum, and must use at least 40% to purchase an annuity.

Table 2: NPS at Retirement

Component	Rule	Tax Treatment
Lump sum withdrawal	Up to 60% of corpus	**Tax-free**
Annuity purchase	Minimum 40% of corpus	**Monthly annuity is taxable**
Annuity rate (illustrative)	Approx. 5-7% per annum	Varies by annuity provider
Example: Rs 50L corpus at 6%	**40% = Rs 20L. Annuity: Rs 10,000/mo**	Taxable as salary income
Example: Rs 1Cr corpus at 6%	**40% = Rs 40L. Annuity: Rs 20,000/mo**	Taxable as salary income

Source: PFRDA / NPS Trust · npscra.nsdl.co.in · Annuity rates vary by provider and are illustrative only.

SECTION 3

SCSS — Senior Citizens Savings Scheme

- Eligibility: Age 60+ (or 55+ if retired on VRS/superannuation)
- Maximum deposit: Rs 30 lakh per individual (increased from Rs 15 lakh)
- Interest paid quarterly — predictable income stream
- Current interest rate: check at indiapost.gov.in (rates set by government quarterly)
- Interest is taxable — deduct up to Rs 50,000 under Section 80TTB
- Tenure: 5 years, extendable by 3 years once
- Available at all post offices and most scheduled banks

SECTION 4

Senior Citizen Income Tax Benefits

Table 3: Income Tax Benefits for Senior Citizens

Benefit	Senior (60-79)	Super Senior (80+)
Basic exemption limit	**Rs 3,00,000**	**Rs 5,00,000**
Section 80D (health insurance)	**Up to Rs 50,000**	**Up to Rs 50,000**
Section 80TTB (FD/savings interest)	**Up to Rs 50,000**	**Up to Rs 50,000**
TDS threshold on FD interest	**Rs 50,000**	**Rs 50,000**
Ayushman Bharat 70+ coverage	Not applicable	**Rs 5 lakh/yr health cover**

Source: Income Tax Act · incometax.gov.in · Verify current rates with a tax professional.

SECTION 5

Illustrative Gap Scenarios

These examples illustrate how the retirement income gap typically looks at different income levels. Your actual gap depends on your specific EPS-95 records, NPS corpus and expenses.

Scenario	Monthly Salary	EPS-95 Est.	NPS Annuity Est.	Expenses	Monthly Gap
Scenario A	Rs 40,000	Rs 6,000	Rs 5,000	Rs 30,000	**-Rs 19,000**
Scenario B	Rs 80,000	Rs 6,500	Rs 12,000	Rs 55,000	**-Rs 36,500**
Scenario C	Rs 1,50,000	Rs 7,000	Rs 25,000	Rs 90,000	**-Rs 58,000**

Illustrative only. EPS-95 at Rs 15,000 cap. NPS annuity at 6% on 40% corpus. Not a forecast.

SECTION 6

Pre-Retirement Checklist

EPS-95 Pension Verification

Check your passbook and pension estimate at passbook.epfindia.gov.in

Call EPFO helpdesk: 1800-118-005 to confirm pensionable salary and service record

Verify UAN is linked to all previous employers

NPS Account

Check your NPS corpus at npscra.nsdl.co.in

Review annuity options — compare providers before purchasing

Plan the 60% lump sum withdrawal timing for tax efficiency

SCSS and Other Income

Check SCSS eligibility and current interest rate at indiapost.gov.in

Calculate maximum SCSS deposit (Rs 30 lakh individual / Rs 60 lakh joint)

Claim Section 80TTB deduction on interest income (up to Rs 50,000)

Health Coverage

Verify Ayushman Bharat 70+ eligibility at pmjay.gov.in if aged 70+

Review private health insurance coverage requirements after retirement

Plan a separate medical emergency fund beyond insurance

Tax Planning

Confirm senior citizen basic exemption limit (Rs 3L or Rs 5L)

Claim all eligible deductions: 80D, 80TTB

Consult a SEBI-registered investment adviser for personalised tax planning

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SECTION 7

Official Contacts

Agency	Contact	For What
EPFO Helpdesk	1800-118-005 (toll-free)	EPS-95, EPF passbook, UAN
EPFO Online	epfindia.gov.in	Member passbook, pension estimate
NPS / PFRDA	npscra.nsdl.co.in	NPS corpus, annuity options
Ayushman Bharat	pmjay.gov.in · 14555	PM-JAY 70+ enrollment, eligibility
Income Tax	incometax.gov.in	Senior citizen exemptions, ITR filing
India Post (SCSS)	indiapost.gov.in	SCSS interest rates, account opening
SEBI (adviser check)	sebi.gov.in	Verify SEBI-registered investment advisers

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