



## New Pension Scheme 'Vatsalya'

[Source: HT](#)

The [Union Budget 2024-25](#), introduced the [National Pension Scheme \(NPS\) Vatsalya](#), a groundbreaking **pension scheme aimed at minors**.

- This scheme allows parents or guardians to initiate a **NPS account** for their children, thereby laying the **groundwork for responsible financial management** from an early age.
  - It is a **contributory pension scheme**, and will have contributions by parents and guardians.
- Upon reaching adulthood (18 years), the NPS Vatsalya accounts **seamlessly convert into regular NPS accounts**, promoting consistent saving habits.
- The NPS is a voluntary pension system for all citizens, including both residents and [Non-Resident Indians \(NRIs\)](#) between the ages of 18 and 70 years.
  - It is a **market-linked contribution scheme** that allows Indian citizens to **systematically save for their retirement** and also derive tax benefits out of it.

**Read more:** [National Pension System, Union Budget 2024-25](#)

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