National Pension System

Preference Index Study 2026

2nd Edition

A thought leadership study, in partnership with Ipsos

highlighting consumer outlook on Retirement Planning & NPS

HDFC PENSION

Table of Contents

Study Design

Objective

Understand consumer outlook towards retirement and financial preparedness at key life stages.
Gauge awareness, consideration and uptake of NPS.
Track the change in NPS Preference Index over the last three years.

Methodology: Offline quantitative survey

Target group

Females **25%**

Males **75%**

All India Base **1812**

Age 30–40 years **50%**

Age 41–55 years **50%**

North **25%**

West **25%**

East **25%**

South **25%**

Non-Metro **49%**

Metro **51%**

Business **30%**

Salaried **70%**

Aware of **NPS**

Income: **₹10L+**
(₹7–8L+ for Tier 3)

Sample composition is largely consistent with the previous wave.
Minor changes: Bengaluru added, government employees excluded.
Gig Worker and MSME Owner segments introduced.

SECTION 1

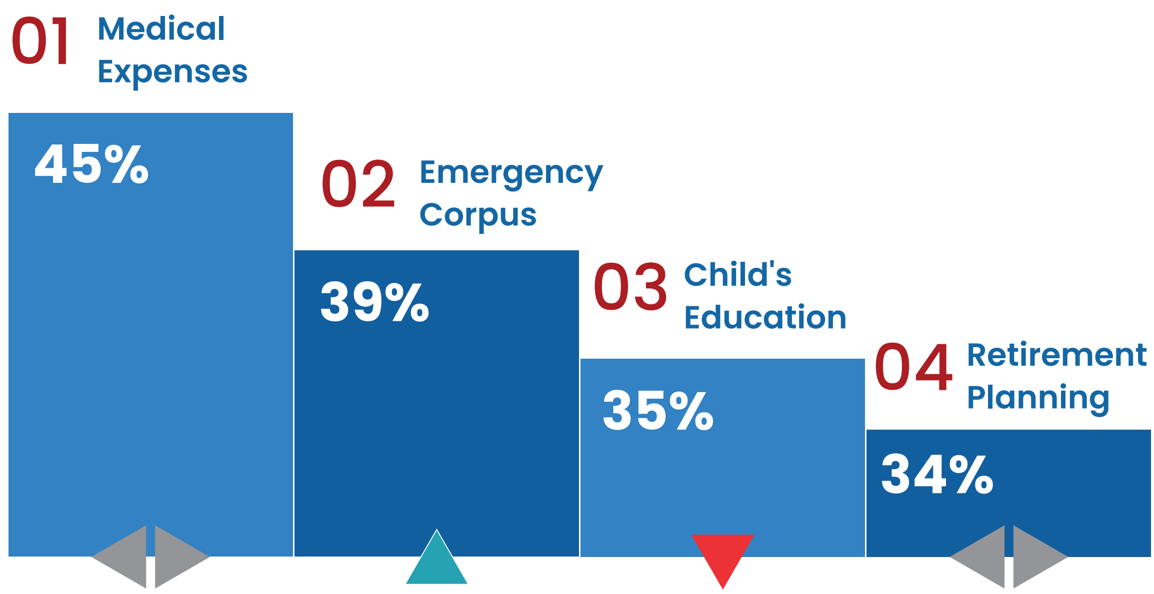
The Indian Saver's Mindset Shift

0 1 — Financial Priorities

Retirement planning ranks among the top financial priorities

Emergency preparedness is gaining ground, though medical costs continue to lead

Retirement competing with health-related concerns and children's education.



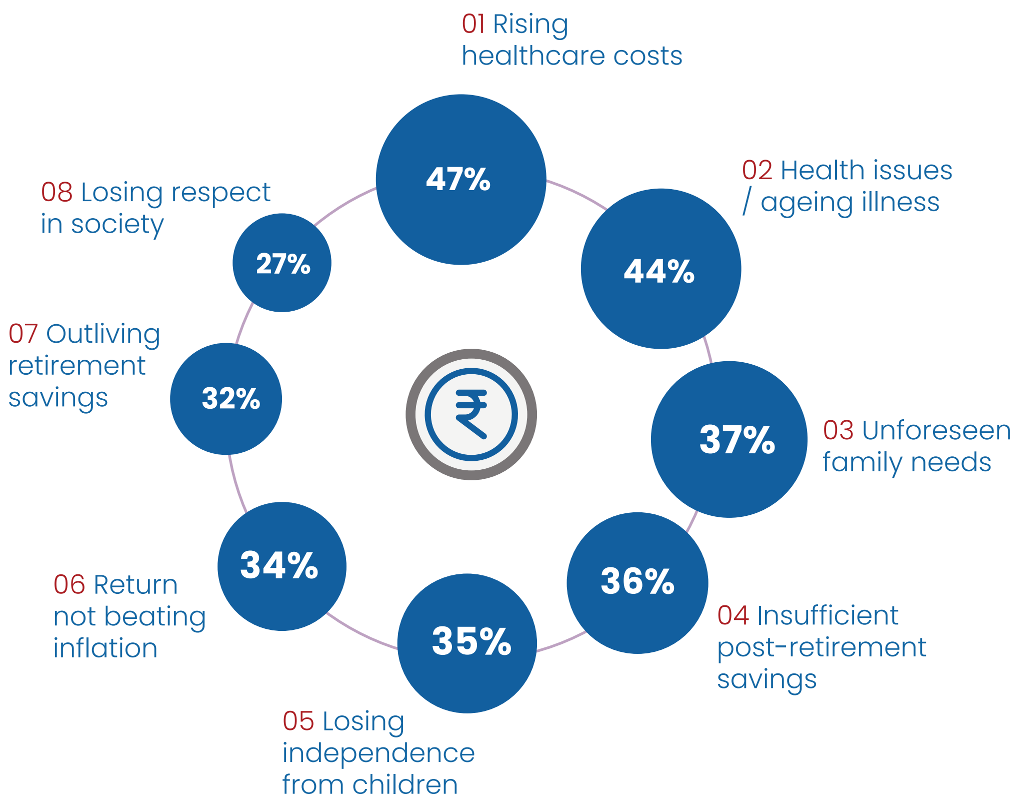
Arrow shows the rank shift versus 2023.

Building an emergency corpus is driven most by the West (46%) and non-metros (40%). Retirement planning ranks third as a priority in the West (37%).

Rising healthcare costs & medical concerns continue to be the primary post-retirement worries

Financial adequacy forms a persistent second layer of concern

The ideal retirement corpus, though grows, still remains below recommended levels.



Two beliefs, held at once.

69% expect some financial support from family or children post retirement.

35% separately cite **losing financial independence** as a top worry.

The estimated retirement corpus continues to be underestimated.

₹1.5 Cr. is the ideal retirement corpus savers now target, up from **₹1.34 Cr in 2023**, still **under 10x annual income.**

Outliving retirement savings continues to be one of the top 3 worries in the North (40%).

Retirement planning instruments are seeing steady growth

NPS ownership improves alongside more established options

Ownership gains are broad-based this wave, with NPS among the steadier movers.

High
60% +

- Life Insurance ▲
- Health Insurance
- Fixed Deposit

Medium
30–60%

- Mutual Funds ▲
- Gold

Low
10–30%

- Real Estate ▲
- National Pension System (NPS) ▲
- EPF / PPF ▲
- Stocks / Shares

▲ Arrow indicates delta vs. 2023; shown where the change is greater than or equal to 3%.

Ownership of NPS is largely similar across zones. Notably, it is seen to be relatively higher among non-metro markets and consumers with an annual household income of ₹15L+.

SECTION 2

What's Changed in NPS

0 4 — New Enhancements

Awareness of new enhancements to the NPS framework remains moderate

Roughly 1 in 3 consumers know of each change

New enhancements address longstanding product concerns; continued communication can help close the gap.

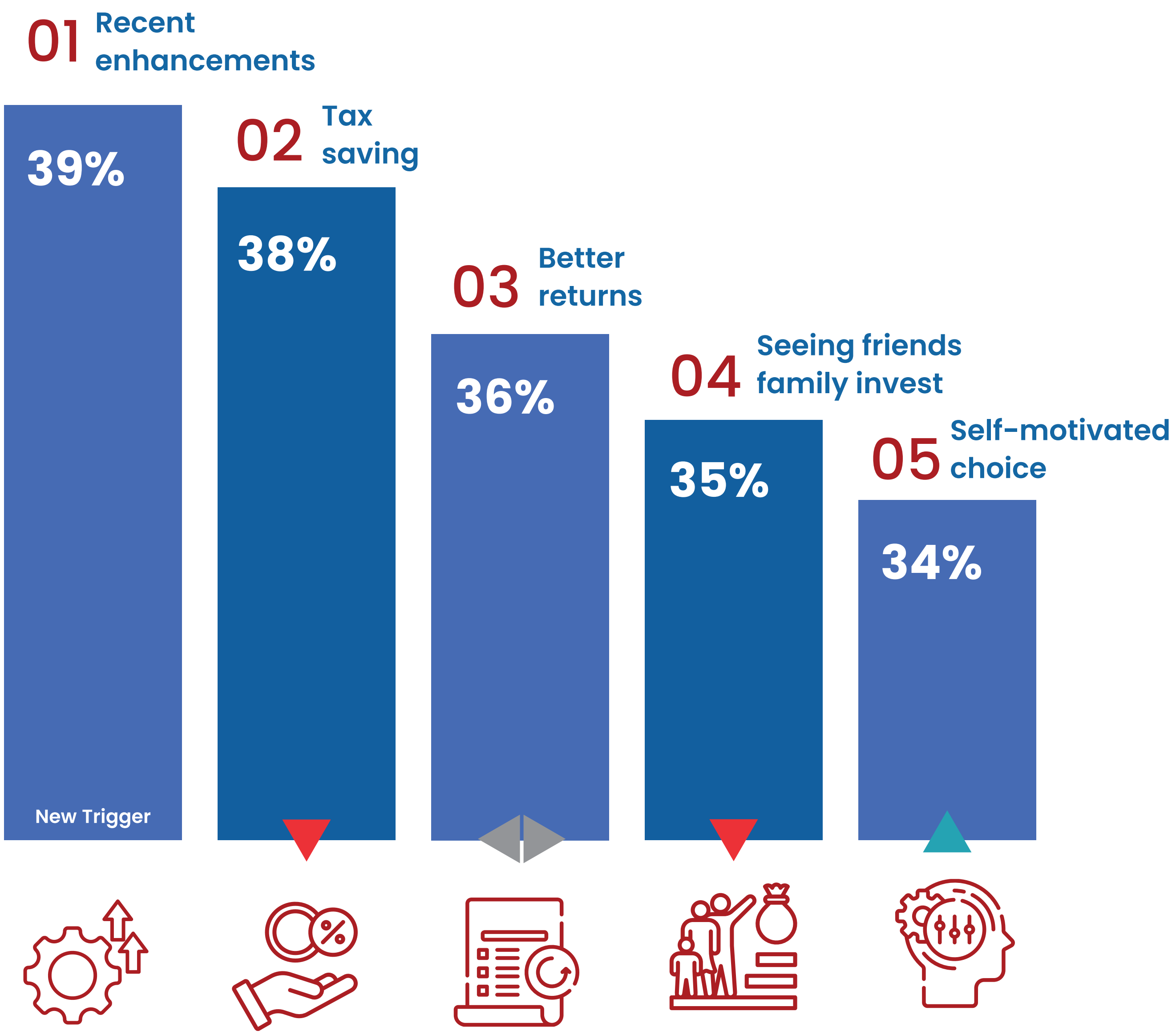
New enhancements : Awareness (%)

01	100% equity investment option (Invest schemes with 100% equity)	31%
02	Flexible Payouts (staggered withdrawals over 6+ yrs)	31%
03	Increased Small Corpus Limit (Savers < ₹8L can withdraw 100% as lumpsum)	30%
04	Removal of Lock-in Period (mandatory 5-yr lock-in removed)	29%
05	Increased Age Limit (entry/contribution age 75yrs -> 85)	28%
06	Reduced Annuity Requirement (mandatory annuity lowered to 20%)	24%

Increased age limit (33%), removal of lock-in (36%), and 100% equity (35%) show higher awareness among non-metro markets.

Recent product enhancements grab attention, and emerge as the top trigger for investing in NPS
Tax saving follows close behind

The shift suggests product-led interest is beginning to rival tax-driven decisions.

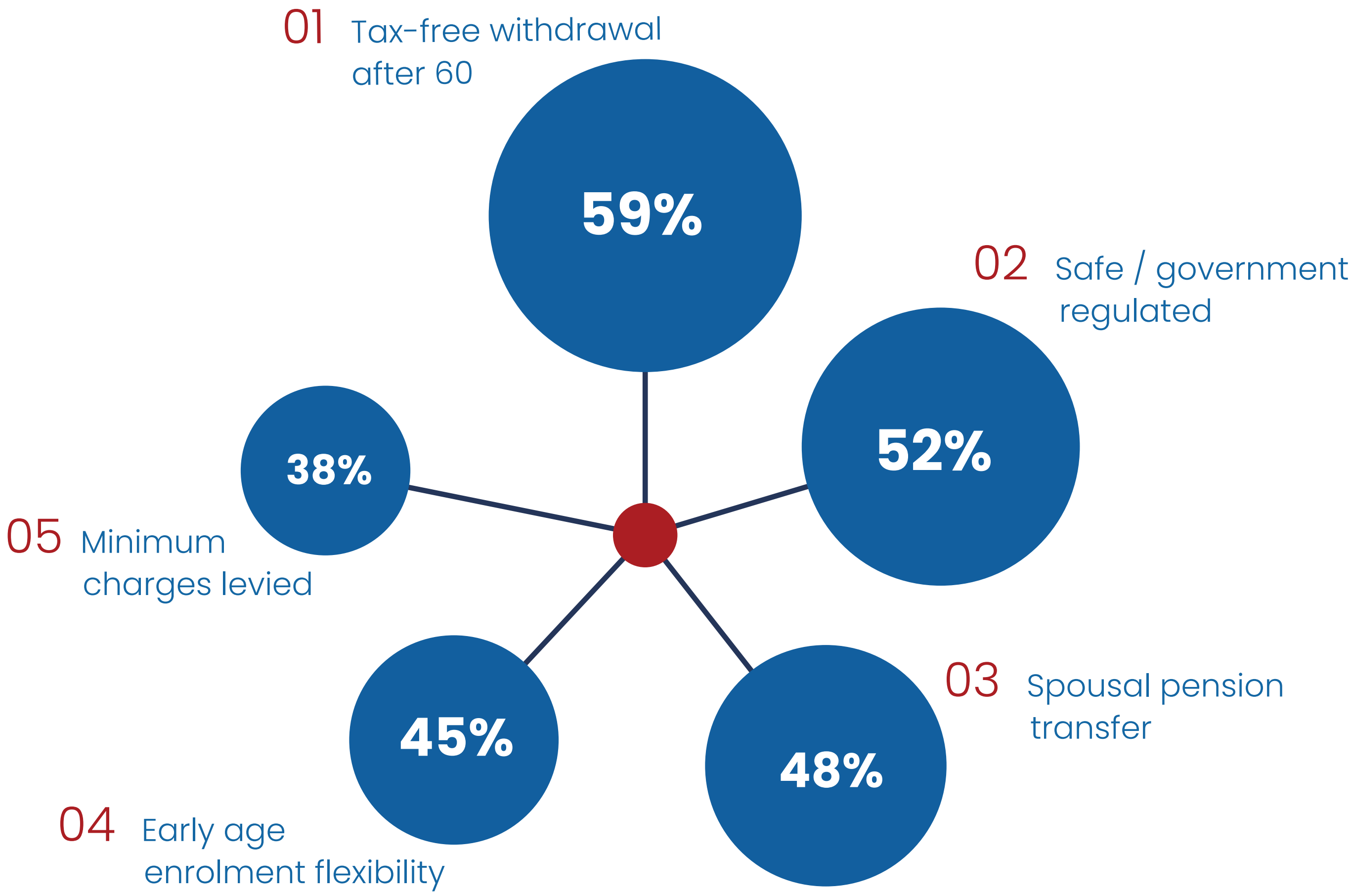


Arrow shows the rank shift versus 2023.

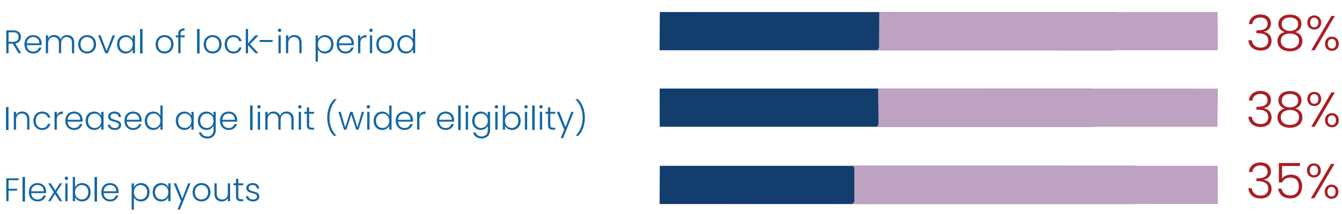
Tax benefit is the leading trigger in the North (45%); new enhancements are a relatively stronger driver in the West (43%) and South (51%).

Core features remain the strongest draw
Tax-free withdrawals and regulation lead

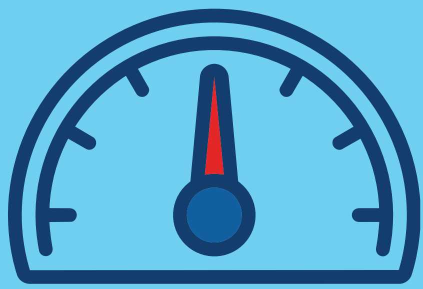
About one in three find the new enhancements appealing.



Appeal of new enhancements



**Spousal benefit after demise is the leading appeal in the South (42%).
In metros, appeal for tax-free withdrawals rises to 58%, the top feature.**



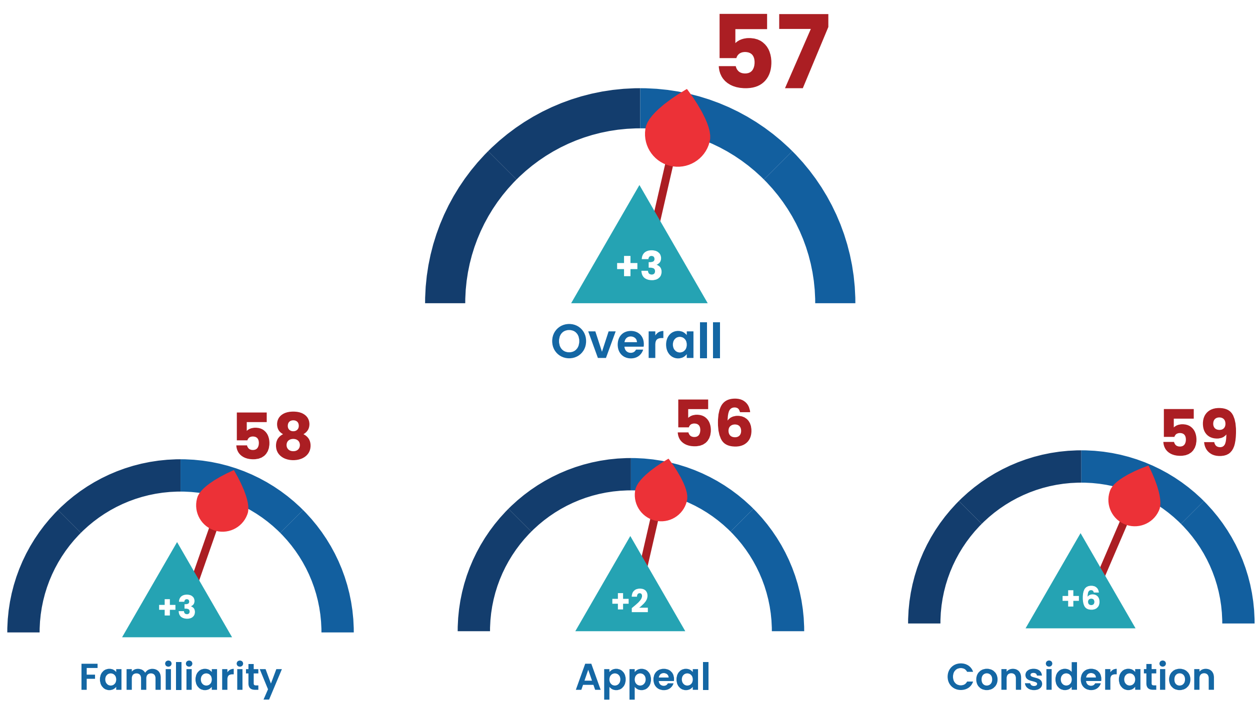
SECTION 3

The NPS Preference Index

0 7 — The 2026 NPS Preference Index

Preference is climbing
Gains are visible across all three pillars, led by Consideration

NPS Preference Index is a trackable index - a composite score of Familiarity, Appeal, and Consideration for NPS.



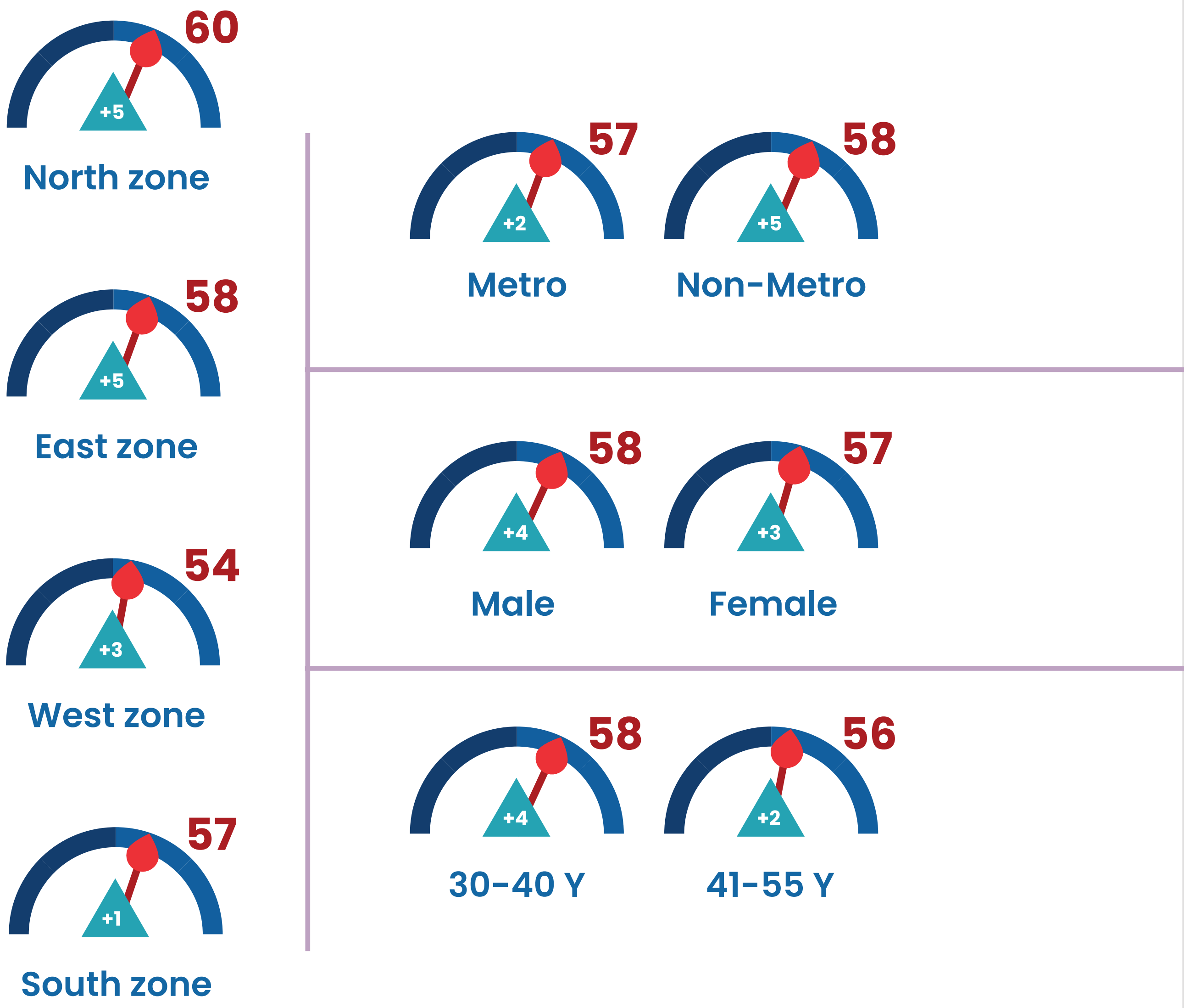
Arrow shows the point-change versus 2023.

The Index improved by 3 points, with Consideration delivering the strongest movement of the three pillars tracked.

Growth is broad, but its pace varies

The North leads on score; the East leads on familiarity growth

The North's Consideration score alone rose 12 points to 64, the largest movement among the zone-level pillars tracked, the East's gain is led by Familiarity.



Arrow shows the point-change versus 2023.

Growth isn't confined to one type of cohort. It shows up across zones, both metro and non-metro markets, and every age and gender cut tracked. That breadth suggests the gains are structural, not the result of one segment pulling the average up.

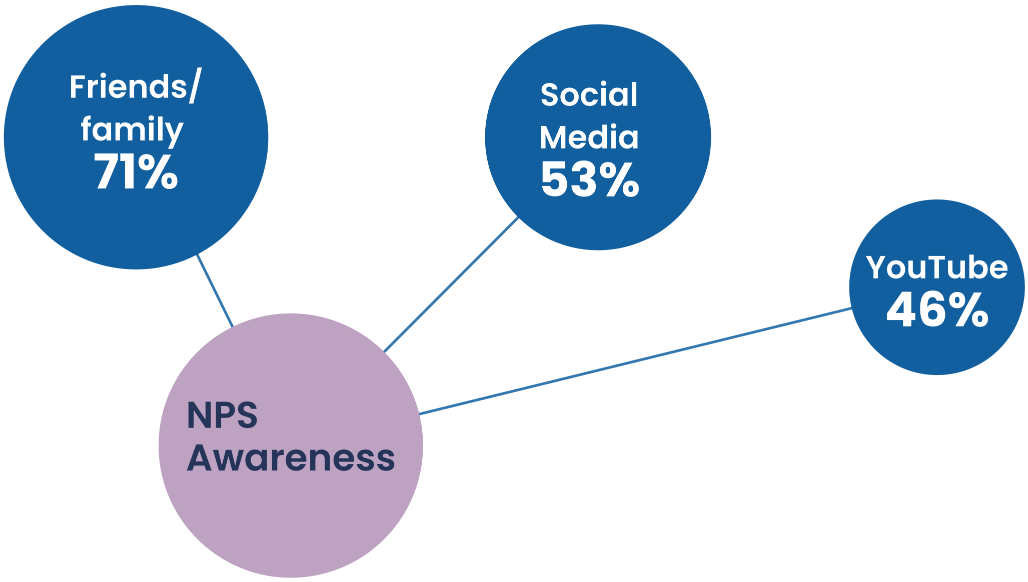
SECTION 4

Awareness & Perception

0 9 — Sources of Awareness

Peer networks remain the dominant channel
Social media and video content follow closely behind

Financial advisors sit well behind these channels as an awareness source, and rank even lower as an actual trigger for enrolment.



Other sources: TV (41%), Govt ad(37%), Newspapers/magazines (35%), Financial advisors (35%), Financial websites/blogs (26%), Employer (23%).

Financial advisors are valued in the North (51%); Govt. advertising features in the top 2 in the East (48%).

10 — Associations with NPS

Safety and long-term security associated with NPS.
Spontaneous word associations, all-India

Savers reach for security and savings first, not product features.
Trust follows close behind.

Safety · Savings · Future · Trust · Pension · Money

11 — Barriers to NPS

The barrier landscape has shifted from perception to product; savers understand NPS relatively better now
Lock-in and mandatory annuity remain the leading barriers

Product knowledge is no longer the obstacle it once was. Savers seek relaxations, not more explanation.

01	Lock-in period	26%
02	Mandatory annuity purchase	25% ▲
03	Unattractive returns	25% ▼
04	Difficult to understand T&Cs	24%
05	Lack of knowledge	24% ▼

▲ Arrow shows the rank shift versus 2023.

Complex terms and conditions are the leading barrier in the North (27%), East (29%), and among women (28%). In the West, annuity purchase and lock-in period are joint top concerns.

SECTION 5

NPS Vatsalya

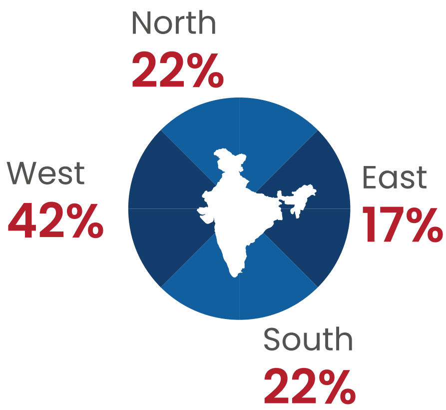
1 2 — A New Scheme for the Next Generation

Building awareness continues to be the task
Familiarity runs low even among the aware

Awareness of NPS Vatsalya remains limited among the TG overall, though understanding builds quickly once discovered.

28% — **Aware of NPS Vatsalya**
Base:662

27% — **Familiar of NPS Features**
Base:184



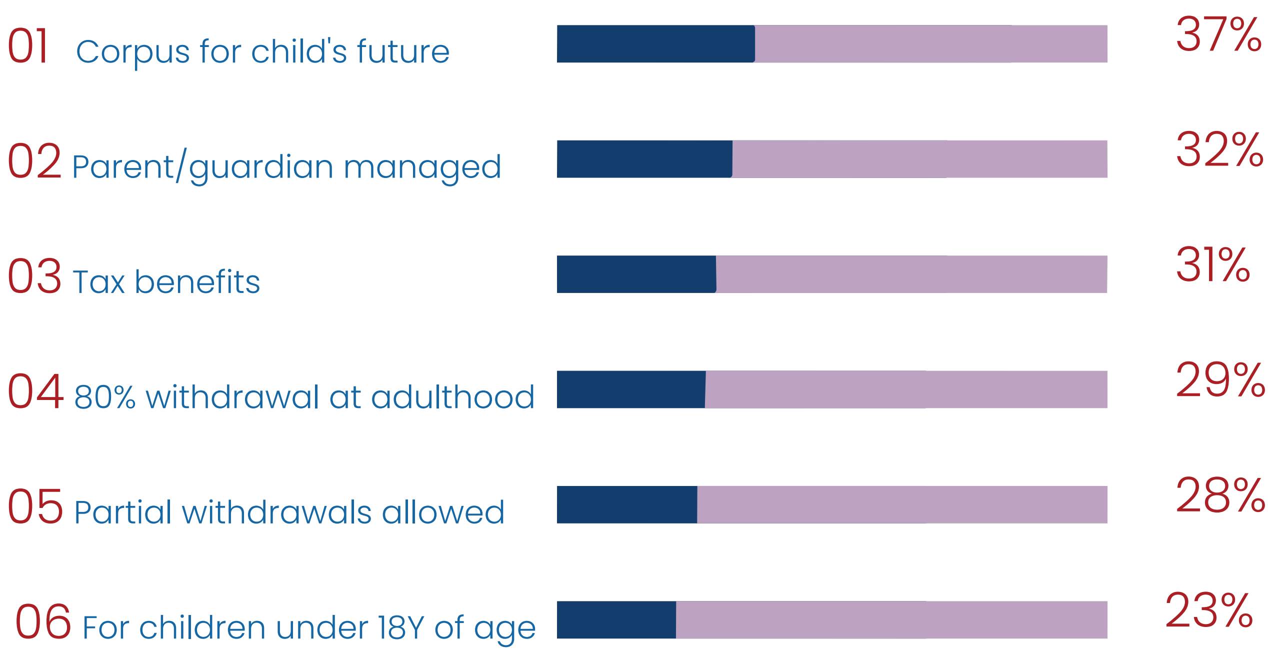
The West is furthest along, with 42% awareness and 30% familiarity, a natural starting point for wider rollout.

A dedicated corpus for the child's future stands out as the best-understood feature

Comprehension is otherwise fairly even across the rest

Among those aware of NPS Vatsalya, no single feature is poorly understood relative to the others.

Awareness of NPS Vatsalya Features



Base:163

Once discovered, Vatsalya explains itself reasonably well; the key task is to grow awareness for the product.

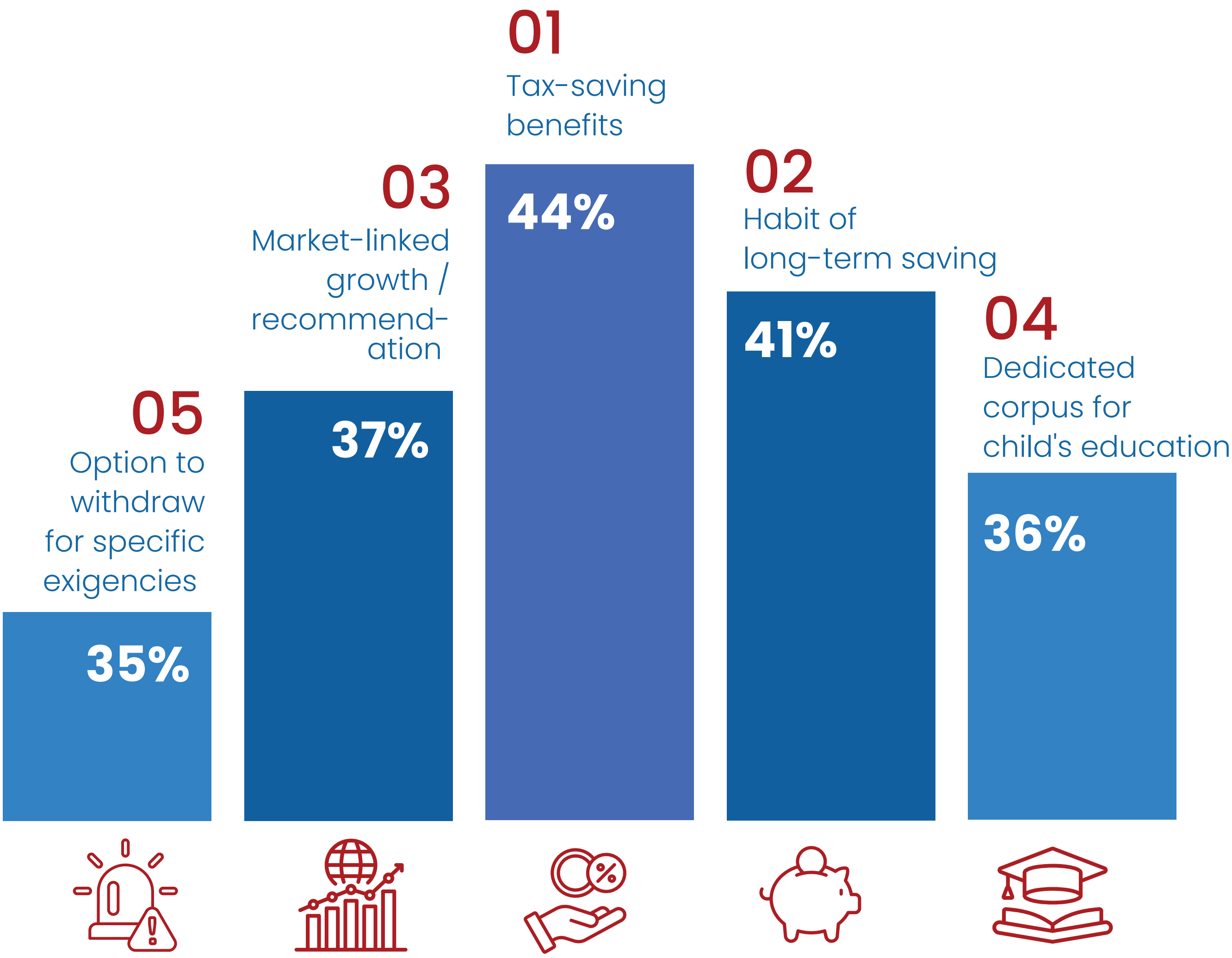
NPS awareness is better in non-metros compared to metros, with similar familiarity of features.

Tax efficiency and saving discipline motivate enrolment

Habit-building ranks nearly as high as the tax benefit itself

Parents evaluate NPS Vatsalya on largely the same terms they use for NPS itself.

Triggers for Subscribing to NPS Vatsalya



Base:158

No single motivator dominates below the top two — messaging may need to flex across growth, comparison, and referral.

SECTION 6

Retirement Planning

14 — Why Consumers Plan, and Why They Delay

Health concerns drive planning; complacency delays it
Most believe they're already provided for

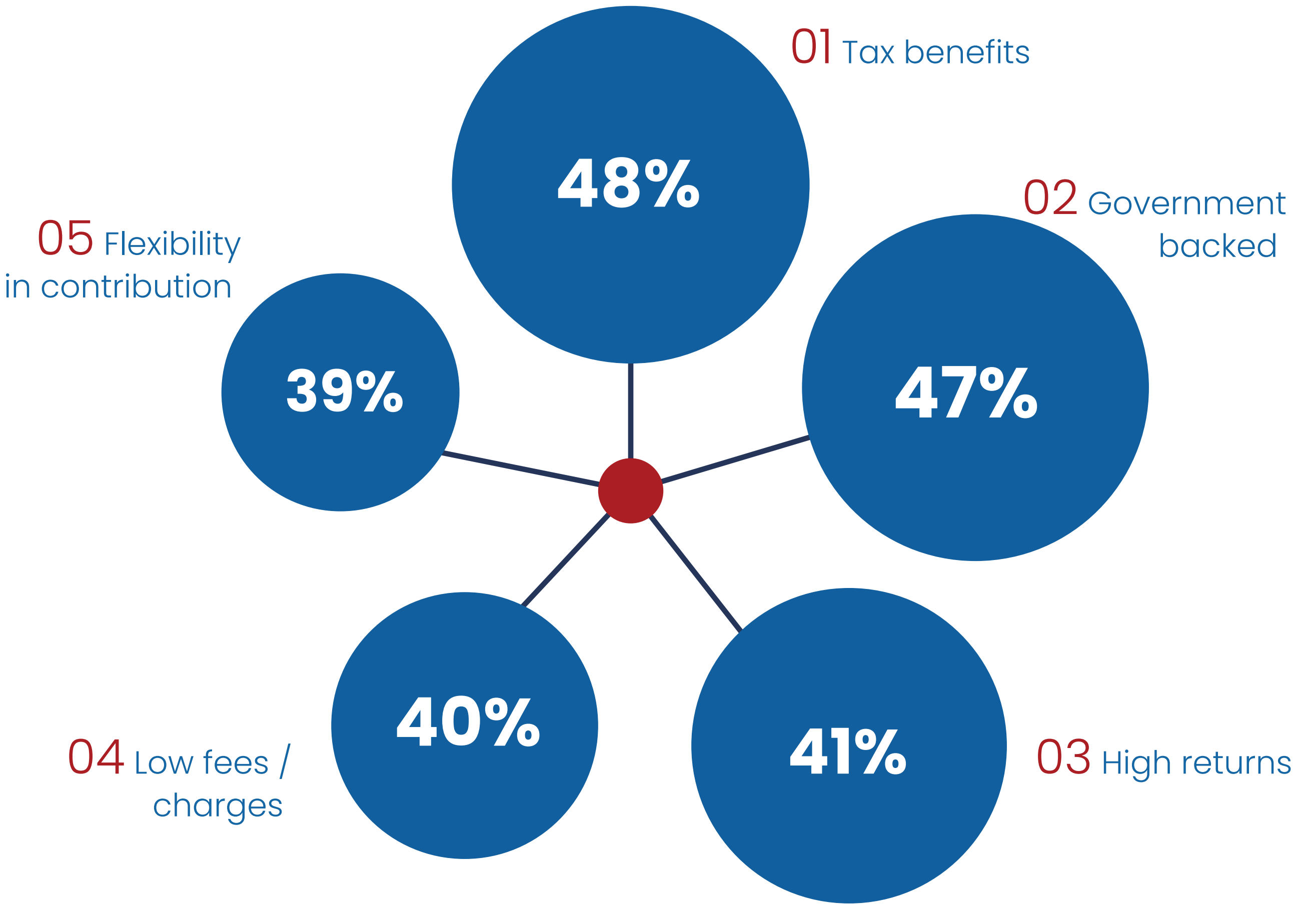
The barrier isn't fear, it's a false sense of readiness, not anxiety.

	Triggers	Barriers	
39%	Declining health/ physical abilities	Have enough provisions for future	42%
34%	Securing future for dependents	Don’t have sufficient knowledge	39%
32%	Major life events	Not enough surplus to save/invest	38%

Securing dependents' future becomes more important in North (37%) and West (34%). East consumers cite perception as the joint top barrier, too young to think about retirement (38%), followed by complex & tedious purchase process (35%).

Tax benefits and government backing remain the strongest choice drivers
Returns and flexibility are gaining ground too.

Together, these top five span both security and growth;
savers are no longer picking one over the other.



NPS, as a product, addresses the key expectations from retirement solutions.

North shows the strongest preference for tax benefits (60%). Government backed/regulated is more important for consumers anticipating higher retirement corpus need (1Cr) & High Income (1 Cr+).

SECTION 7

Strategic Conclusion

16 — What the 2026 study told us

Four themes for industry partners

The strategic read-out from this edition of the Index

As HDFC Pension shares these insights with industry partners and design teams, four concise themes summarise the edition.

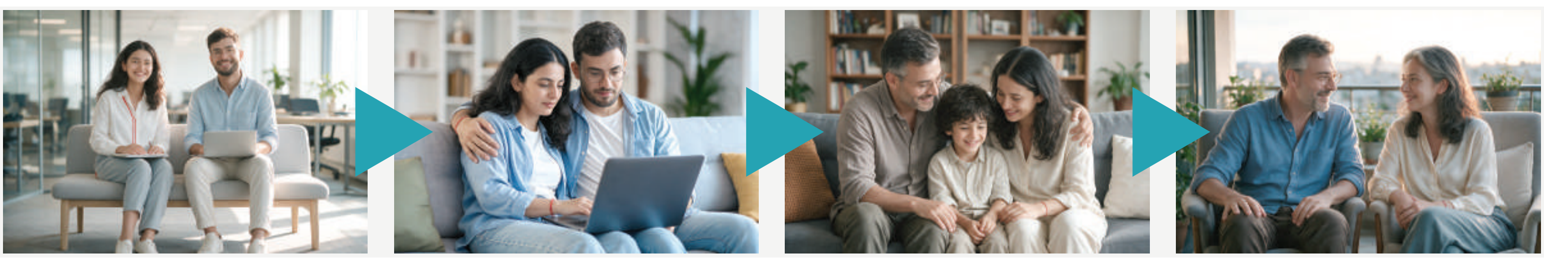
NPS Strengthens
Preference Index up 3 points to 57, led by Consideration (+6).

Perception Stays Positive
NPS is seen as secure, government-regulated, and built for the long term.

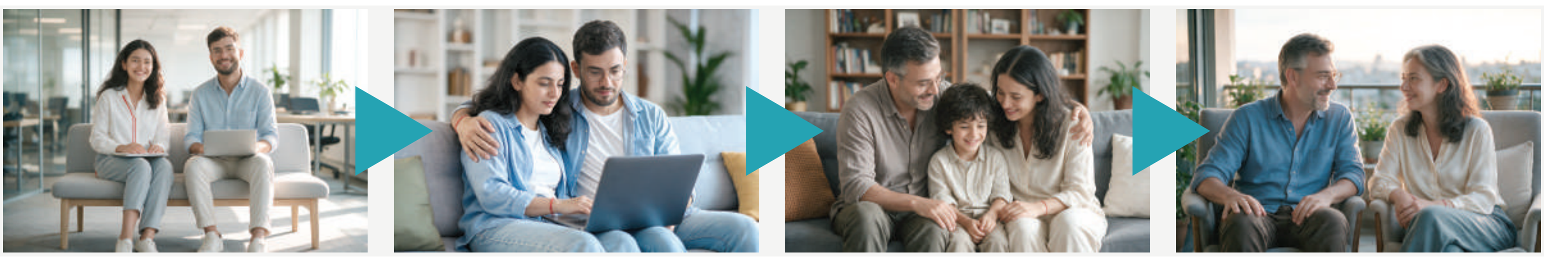
Enhancements Drive Enrolment
New features are now the leading trigger, alongside tax savings and returns.

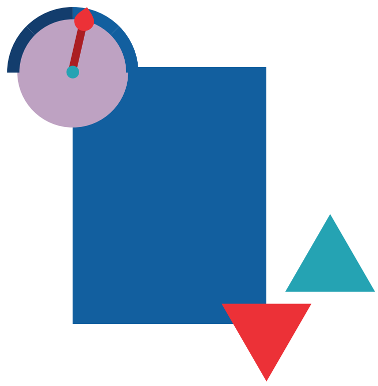
Barriers Shift, Not Vanish
Knowledge gaps have eased; lock-in and mandatory annuity remain the top concerns.

Notes



Notes





Registered Office Address: 1st Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai – 400011. CIN: U66020MH201PLC218824

Telephone No.: +91 22 6751 7777. POP Registration Number 246022019
Email id: contactus@hdfcpension.com. Website: www.hdfcpension.com PF Reg No: PFRDA/PF/2021/004