

ATAL PENSION YOJNA (APY)

Atal Pension Yojana (APY), a pension scheme for citizens of India, is focused on the unorganised sector workers. Under the APY, guaranteed minimum pension of Rs. 1,000/- or 2,000/- or 3,000/- or 4,000 or 5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers. The scheme is administered by Pension Fund Regulatory & Development Authority (PFRDA) and the Institutional Architecture of NPS is utilised to enrol subscribers under APY.

Eligibility

Any Citizen of India can join APY scheme.

The following are the eligibility criteria: -

- (i) The age of the subscriber should be between 18 - 40 years.
- (ii) He / She should have a savings bank account/ post office savings bank account.

The prospective applicant may provide Aadhaar and mobile number to the bank during registration to facilitate receipt of periodic updates on APY account. Aadhaar needs to be provided at the time of enrolment.

Benefits

The benefit of minimum pension under Atal Pension Yojana would be guaranteed by the Government in the sense that if the actual realized returns on the pension contributions are less than the assumed returns for minimum guaranteed pension, over the period of contribution, such shortfall shall be funded by the Government. On the other hand, if the actual returns on the pension contributions are higher than the assumed returns for minimum guaranteed pension, over the period of contribution, may resulting in enhanced scheme benefits to the subscribers. The Government of India had co-contributed 50% of the total contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber, who joined the scheme during the period 1st June, 2015 to 31st March, 2016 and who is not a beneficiary of any social security scheme and is not an income tax payer. The Government co-contribution will be given for 5 years from the Financial Year 2015-16 to 2019-20.

Procedure for opening APY Account

- (i) Customer can approach the bank branch where individual's savings bank account is held / or through INB if customer is having an account and availed online internet banking facility.
- (ii) By Visiting CSPs (Only FI accounts holders can be enrolled at FI channel at present.)

Mode of contribution to the APY account

The contributions can be made at monthly / quarterly / half yearly intervals through auto- debit facility from savings bank account savings bank account of the subscriber.

What will happen if required or sufficient amount is not maintained in the savings bank account for contribution on the due date?

The subscribers should keep the required balance in their savings bank accounts on due dates to avoid any overdue interest for delayed contributions. In case , if there is inadequate balance in the saving bank account of the subscriber till the last date of the month / last date of the first month in a quarter / last day of the first month in a half year, it will be treated as a default and contribution will have to be paid in the subsequent month along with overdue interest for delayed contributions. Banks are required to collect Rs. 1 per month for contribution of every Rs. 100, or part thereof, for each delayed monthly contributions. Overdue interest for delayed contribution for quarterly / half yearly mode of contribution shall be recovered accordingly. The overdue interest amount collected will remain as part of the pension corpus of the subscriber. More than one monthly / quarterly / half yearly contribution can be recovered subject to availability of the funds. In all cases, the contribution is to be recovered along with the overdue charges if any. This will be bank's internal process. The due amount will be recovered as and when funds are available in the account.

How do the contributions are invested in APY?

The contributions under APY are invested as per the investment guidelines prescribed by PFRDA for Central Government / State Government / NPS-Lite / Swavalamban Scheme / APY. The contributions thus collected are invested and the funds are managed by namely SBI Pension Fund Pvt. Ltd, LIC Pension Fund Ltd, UTI Retirement Solution Ltd.

Tax benefits under APY Scheme

Tax benefits available under APY scheme are same as under NPS Scheme as per notification

Voluntary exit before the age of 60 years

Voluntary exit in APY is permitted. In case a subscriber, who has availed Government co-contribution under APY, chooses to voluntarily exit APY at a future date, he shall only be refunded the contributions made by him to APY, along with the net actual accrued income earned on his contributions (after deducting the account maintenance charges). The Government co-contribution, and the accrued income earned on the Government co-contribution, shall not be returned to such subscribers. Even though voluntary exit is permitted, it is advisable that the subscribers continue the account till 60 years to avail guaranteed pension benefits offered by Govt of India.

What one will get in case of death before 60 years?

In case of death of the subscriber before 60 years, option will be available to the spouse of the subscriber to continue contribution in the APY account of the subscriber, which can be maintained in the spouse's name, for the remaining vesting period, till the original subscriber would have attained the age of 60 years. The spouse of the subscriber shall be entitled to receive the same pension amount as the subscriber until death of the spouse.

Or,

The entire accumulated corpus under APY will be returned to the spouse / nominee.

Benefits under APY Scheme on attaining 60 years

(i) **Central Government guaranteed** minimum pension amount: Each subscriber under APY shall receive a Central Government guaranteed minimum pension of Rs. 1000 per month or Rs. 2000 per month or Rs. 3000 per month or Rs. 4000 per month or Rs. 5000 per month, after the age of 60 years until death.

(ii) **Central Government guaranteed minimum pension amount to the spouse:** After the subscriber's demise, the spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber until the death of the spouse.

(iii) **Return of the pension wealth** to the nominee of the subscriber: After the demise of both the subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber.

Will there be any option to increase or decrease the monthly contribution for higher or lower pension amount?

Yes, a subscriber can opt to decrease or increase pension amount during the course of accumulation phase, once in a year. Presently, the facility of **higher or lower pension amount** is available in the month of April every year or as decided by PFRDA

Information on Status of Contribution made under APY

The periodical information to the subscribers regarding activation of PRAN, balance in the account, contribution credits etc. will be intimated to APY subscribers by way of SMS alerts on the registered mobile number or through mobile app. The subscriber will also be receiving physical Statement of Account once a year.

For more details the following website may be referred to:

<https://www.pfrda.org.in>

Annex – 1 Monthly, Quarterly and Half-yearly contributions under APY for different minimum guaranteed amount of pension at different age entry and the return of corpus amount to the nominee

		Minimum Guaranteed Pension of Rs. 1000/month			Minimum Guaranteed Pension of Rs.2000/month			Minimum Guaranteed Pension of Rs.3000/month			Minimum Guaranteed Pension of Rs.4000/month			Minimum Guaranteed Pension of Rs.5000/month		
Return of Corpus Amount to the Nominee		Rs. 1.7 Lakh			Rs. 3.4 Lakh			Rs. 5.1 Lakh			Rs. 6.8 Lakh			Rs. 8.5 Lakh		
Age at entry	Vesting period	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution
18	42	42	127	256	84	254	512	126	381	769	168	507	1025	210	634	1281
19	41	46	139	281	92	278	561	138	417	842	183	553	1116	228	689	1391
20	40	50	151	305	100	302	610	150	453	915	198	598	1208	248	749	1513
21	39	54	163	329	108	326	659	162	489	988	215	649	1312	269	812	1641
22	38	59	178	360	117	353	714	177	535	1080	234	707	1428	292	882	1781
23	37	64	193	390	127	384	775	192	580	1171	254	767	1550	318	960	1940
24	36	70	211	427	139	420	848	208	628	1269	277	837	1690	346	1045	2111
25	35	76	230	464	151	456	921	226	683	1379	301	909	1836	376	1136	2294
26	34	82	248	500	164	495	1001	246	743	1501	327	988	1995	409	1235	2495
27	33	90	272	549	178	538	1086	268	809	1635	356	1075	2172	446	1347	2721
28	32	97	293	592	194	586	1184	292	882	1781	388	1172	2367	485	1465	2959
29	31	106	320	647	212	640	1293	318	960	1940	423	1277	2581	529	1598	3227
30	30	116	350	708	231	698	1409	347	1048	2117	462	1395	2819	577	1743	3520
31	29	126	381	769	252	761	1537	379	1145	2312	504	1522	3075	630	1903	3844
32	28	138	417	842	276	834	1684	414	1250	2526	551	1664	3362	689	2081	4204
33	27	151	456	921	302	912	1842	453	1368	2764	602	1818	3673	752	2271	4588
34	26	165	498	1007	330	997	2013	495	1495	3020	659	1990	4020	824	2489	5027
35	25	181	547	1104	362	1093	2209	543	1640	3313	722	2180	4405	902	2724	5503
36	24	198	598	1208	396	1196	2416	594	1794	3624	792	2392	4832	990	2990	6040
37	23	218	658	1330	436	1317	2660	654	1975	3990	870	2627	5308	1087	3283	6632
38	22	240	725	1464	480	1450	2928	720	2174	4393	957	2890	5839	1196	3612	7297
39	21	264	797	1611	528	1595	3221	792	2392	4832	1054	3183	6430	1318	3980	8041
40	20	291	879	1775	582	1758	3551	873	2636	5326	1164	3515	7101	1454	4391	8871