



## **Frequently Asked Questions-Atal Pension Yojana**

### **1. What is Pension? Why do I need it?**

A Pension provides people with a monthly income when they are no longer earning.

Need for Pension:

- Decreased income earning potential with age.
- The rise of nuclear family-Migration of earning members.
- Rise in cost of living.
- Increased longevity.

Assured monthly income ensures dignified life in old age.

### **2. What is Atal Pension Yojana?**

Atal Pension Yojana (APY), a pension scheme for citizens of India focussed on the unorganised sector workers. Under the APY, guaranteed pension of Rs. 1,000/-, 2,000/-, 3,000/-, 4,000 and 5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers.

### **3. Who can subscribe to APY?**

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.

The prospective applicant may provide Aadhar and mobile number to the bank during registration to facilitate receipt of periodic updates on APY A/c. However Aadhar is not a mandatory for enrolment.

### **4. For how many Years Government will co-contribute?**

Government co-contribution is available for 5 years, i.e., from 2015-16 to 2019-20 for the subscribers who join the scheme during the period from 1<sup>st</sup> June, 2015 to



31<sup>st</sup> December, 2015 and who are not covered by any Statutory Social Security Schemes and are not income tax payers. The Government co-contribution is payable to eligible PRANs by PFRDA after receiving the confirmation from Central Record Keeping Agency once in a year. Government contribution will be credited in subscriber's Savings Bank account.

#### **4. Who are the other social security schemes beneficiaries not eligible to receive Government co-contribution under APY?**

Beneficiaries who are covered under statutory social security schemes are not eligible to receive Government co-contribution. For example, members of the Social Security Schemes under the following enactments would not be eligible to receive Government co-contribution:

- i. Employees' Provident Fund & Miscellaneous Provision Act, 1952.
- ii. The Coal Mines Provident Fund and Miscellaneous Provision Act, 1948.
- iii. Assam Tea Plantation Provident Fund and Miscellaneous Provision, 1955.
- iv. Seamen's Provident Fund Act, 1966.
- v. Jammu Kashmir Employees' Provident Fund & Miscellaneous Provision Act, 1961.
- vi. Any other statutory social security scheme.

#### **5. How much pension will be received under APY?**

Guaranteed pension of Rs 1,000/-, 2,000/-, 3,000/-, 4,000 and 5,000/- per month will be given at the age of 60 years depending on the contributions by the subscribers.

#### **6. What is the benefit in joining APY scheme?**

In APY, Government will co-contribute 50% of the total contribution or Rs. 1,000/- per annum, whichever is lower, to the eligible APY account holders who join the scheme during the period 1<sup>st</sup> June, 2015 to 31<sup>st</sup> December, 2015. The Government co-contribution will be given for 5 years from FY 2015-16 to 2019-20.



## **7. How are the contributions of APY invested?**

The contributions under APY are invested as per the investment guidelines prescribed by Ministry of Finance, Government of India Govt. scheme. The APY scheme is administered by PFRDA.

## **8. What is the procedure for opening APY Account?**

- i Approach the bank branch where individual's savings bank account is held.
- ii Provide the Bank A/c number and help the Bank staff, fill up the APY registration form.
- iii Provide Aadhaar/Mobile Number. This is not mandatory but should be provided to facilitate the communication regarding contribution.
- iv Ensure keeping the required balance in the savings bank account for transfer of monthly contribution.

## **9. Whether Aadhaar Number is compulsory for joining the scheme?**

It is not mandatory to provide Aadhaar number for opening APY account. It is however desirable to provide Aadhar Number.

## **10.Can I open APY Account without savings bank account?**

No. , savings bank account is mandatory for joining APY .

## **11.What is the mode of contribution to the account?**

All the contributions are to be remitted monthly through auto-debit facility from savings bank account of the subscriber.

## **12.What is the due date for monthly contribution?**



The due date for monthly contribution will be as decided. However amount will be deducted from Bank A/c of the subscriber.

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

Non-maintenance of required balance in the savings bank account for contribution on the specified date will be considered as default. Banks are required to collect additional amount for delayed payments, such amount will vary from minimum Re 1 per month to Rs 10/- per month as shown below:

- i. Re. 1 per month for contribution upto Rs. 100 per month.
- ii. Re. 2 per month for contribution upto Rs. 101 to 500/- per month.
- iii. Re 5 per month for contribution between Rs 501/- to 1000/- per month.
- iv. Rs 10 per month for contribution beyond Rs 1001/- per month.

#### **Illustration:**

**APY subscriber of 30 years who opted Rs 1000 fixed pension had defaulted contribution of Rs 116/- effective from August'15 and contributes as on October'15**

Period	Amount of Contribution	Overdue Amount
August'15	116	4
September ' 15	116	2
October'15	116	0
Total Amount	348	6

The amount of contribution Rs 354 transferred into the PRAN



#### 14. What will happen to APY account in case of continuous default?

Discontinuation of payments of contribution amount shall lead to following:

After 6 months account will be frozen.

After 12 months account will be closed.

Subscriber should ensure that sufficient balance is maintained in the Bank account to facilitate timely auto debit of contribution amount.

The overdue amount of interest will remain as part of the pension corpus of the subscriber.

#### 15. How does the overdue contribution are recovered/calculated?

The above contribution are recovered as below:

**APY subscriber of 30 years who opted Rs 1000 fixed pension had defaulted monthly contribution of Rs 116/- effective from August'15 and deposits two months overdue contribution into SB account as on 31<sup>st</sup> October'15 for Rs 250**

Period	Amount of Contribution	Overdue Amount	Recovery of contribution
August'15	116	4	Yes
September '15	116	2	Yes
October'15	116	0	No
Total Amount in SB account	250	--	---

The amount of contribution Rs 238 transferred into the PRAN towards contribution for the months of August'15 and Sepetember'15



**16. How much should I invest in APY to get the guaranteed pension of Rs. 1000?**

Age of Joining	Years of Contribution	Indicative Monthly contribution
18	42	42
20	40	50
25	35	76
30	30	116
35	25	181
40	20	291

All the contributions are to be remitted monthly through auto debit facility from savings bank account of the subscriber.

\*For detailed age wise contribution refer **Annexure 1**.

**17. Is it required to furnish nomination while joining the scheme?**

Yes. It is mandatory to provide nominee details in APY account. If the subscriber is married, the spouse will be the default nominee. Subscriber can nominate any other person nominee apart from spouse. The subscriber has also to appoint a nominee who should be other than the spouse. The Aadhar details of spouse and nominees are to be provided.

**18. How many APY accounts I can open?**

A subscriber can open only one APY account and it is unique. Multiple accounts are not permitted.

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



The subscribers can opt to decrease or increase pension amount during the course of accumulation phase, once a year. However, the switching option shall be available once in year during the month of April.

## **20.What is the withdrawal procedure from APY?**

### **A. On attaining the age of 60 years:**

Upon completion of 60 years, the subscribers will submit the request to the associated bank for drawing the guaranteed monthly pension.

### **B. In case of death of the Subscriber due to any cause after the age of 60 years:**

In case of death of subscriber pension would be available to the spouse and on the death of both of them (subscriber and spouse), the pension corpus would be returned to the nominee.

### **C. Exit Before the age of 60 Years:**

Exit before 60 years of age is not permitted, however, it is permitted only in exceptional circumstances, i.e., in the event of the death of beneficiary or terminal disease. The amount of pension wealth in the APY account will be paid to spouse who is the default nominee or the nominee prescribed by the subscriber. No fixed/guaranteed pension payable.

### **D. Death of Subscriber before 60 years:**

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

## **21.How will I know the status of my contribution?**

The status of contributions will be intimated to the registered mobile number of the subscriber by way of periodical SMS alerts. The Subscriber will also be receiving physical Statement of Account once a year.



## **22. Will I get any statement of transactions?**

Yes. Annual statement of APY account will be provided to the subscribers.

## **23. If I move my residence/city, how can I make contributions to APY account?**

The contributions may be remitted through auto debit uninterruptedly even in case of change of residence/location.

## **24. What will happen if a subscriber becomes non citizen of the country?**

The scheme is open to citizen of the country only. Hence, in that event the APY A/c will be closed and contribution will be returned back to the subscriber's A/c.

## **25. What will happen to existing subscribers in Swavalamban Yojana?**

### **A. Subscriber between age group of 18 to 40**

- The subscriber would be automatically migrated to APY with an option to opt out .
- Govt Co-contribution of existing subscribers under APY would not exceed 5 years for all subscribers.  
For example ,Swavalamban beneficiary has received the benefit of government Co-Contribution of 1 year, then the Government co-contribution under APY would be available only 4 years and so on.
- Existing subscribers may approach existing Aggregator or the nearest authorized bank branch for shifting their Swavalamban account into APY with PRAN details.
- Existing Swavalamban beneficiaries opting out from the proposed APY will be given Government co-contribution till 2016- 17, if eligible, and the NPS Swavalamban would continue till such people attained the age of exit under that scheme.

### **B. Subscribers above 40 years of age**

- Subscribers do not wish to continue may opt out the with the complete withdrawal of entire amount in lump sum.
- Subscriber may prefer to continue till 60 years by availing the Government co-contribution till 2016- 17 and be eligible for annuities there under



### Indicative APY Contribution Chart (Agewise)

### Annexure 1.

Age of Entry	Years of Contribution	Monthly pension of Rs. 1000 and Indicative return of corpus to the nominee of Rs.1.7 Lakh.	Monthly pension of Rs. 2000 and indicative return of corpus to the nominee of Rs.3.4 Lakh.	Monthly pension of Rs. 3000 and indicative return of corpus to the nominee of Rs.5.1 Lakh.	Monthly pension of Rs. 4000 and indicative return of corpus to the nominee of Rs.6.8 Lakh.	Monthly pension of Rs. 5000 and indicative return of corpus to the nominee of Rs.8.5 Lakh.
18	42	42	84	126	168	210
19	41	46	92	138	183	228
20	40	50	100	150	198	248
21	39	54	108	162	215	269
22	38	59	117	177	234	292
23	37	64	127	192	254	318
24	36	70	139	208	277	346
25	35	76	151	226	301	376
26	34	82	164	246	327	409
27	33	90	178	268	356	446
28	32	97	194	292	388	485
29	31	106	212	318	423	529
30	30	116	231	347	462	577
31	29	126	252	379	504	630
32	28	138	276	414	551	689
33	27	151	302	453	602	752
34	26	165	330	495	659	824
35	25	181	362	543	722	902
36	24	198	396	594	792	990
37	23	218	436	654	870	1,087
38	22	240	480	720	957	1,196
39	21	264	528	792	1,054	1,318
40	20	291	582	873	1,164	1,454