

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

3. Who can subscribe to the APY scheme ?

Any Citizen of India can join the APY scheme. The following are the eligibility criteria,

- i The age of the subscriber should be between 18 - 39 years of age. A subscriber may join after attaining 40 years of age, provided her / she does so within one week of attaining the same.
- ii He / She should have a savings bank account/ open a savings bank account.
- iii The prospective applicant should be in possession of a mobile number and its details are to be furnished to the bank during registration.

4. Government subsidy under the APY scheme ?

Under the APY scheme, the Government of India subsidizes 50% of the total contribution or Rs. 1,000/- per annum, whichever is lower, to the eligible APY account holders who had joined the scheme during the period 1st June, 2015 to 31st March,

¹ The Scheme is subject to the approval of the Government.

2016 and are contributing regularly to the same. The Government subsidy will be given to these accounts for 5 years from FY 2015-16 to 2019-20.

However these subscribers should not be covered by any other Statutory Social Security Schemes and should not be income tax payers.

Some state governments too, from time to time, subsidize the contribution made to the APY scheme.

5. What are the other social security schemes whose beneficiaries are 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.

6. How much pension will be received under APY ?

Guaranteed minimum 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.

7. How are the contributions received under the APY scheme invested ?

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

8. What is the procedure for subscribing to the APY scheme ?

- i Approach the bank branch where individual's savings bank account is held.
- ii Fill up the APY registration form.
- iii Provide Aadhaar and Mobile Number.
- iv Ensure keeping the required balance in the savings bank account for transfer of monthly contribution.

9. Can I subscribe to the APY scheme without having a savings bank account ?

No. For joining APY, savings bank account in the same bank is mandatory.

10. What are the various contribution options available under APY ?

The subscriber can contribute Monthly / Quarterly / Half Yearly.

11. What is the mode of contribution to the scheme ?

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

12. What is the due date for monthly / quarterly / half yearly contribution ?

The due date for monthly contribution will be 1st Day of the month / quarter / half-year. If the amount is not available in the account on the said date, system will debit the amount, along with penal interest immediately when the amount becomes subsequently available in the saving account 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?

The non-maintenance of required balance in the savings bank account for contribution will be considered as default. Banks are required to collect additional amount i.e. overdue interest for delayed payments.

The overdue interest for delayed contributions would be shown as overdue interest for delayed contribution at Rs. 1 per month for every Rs. 100, or part thereof, for each delayed monthly payment. Overdue interest for delayed contribution for monthly/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.

The subscriber should ensure that his / her Bank account is kept funded for auto debit of contribution amount.

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

For age wise contribution chart refer **Annexure 1**.

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

Yes. It is mandatory to provide nominee details in the APY account opening form. The spouse details are also mandatory wherever applicable. Their Aadhaar details are also to be provided.

16.How many accounts can I open under the APY scheme ?

A subscriber can open only one APY account and it is unique. A subscriber is not permitted to open separate APY accounts in separate branches / banks. If such an account is canvassed, it will be rejected by the CRA, viz NSDL.

17.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, as per the available monthly pension amounts. However, the switching option shall be provided once in year during the month of April.

18.What is the withdrawal procedure from the APY scheme ?

A. On the subscriber attaining the age of 60 years:

The contributions of the subscriber and penal interest charged, if any, along with the interest accrued over the period the subscriber had been contributing to the scheme will be fully annuitized to from his / her pension corpus. Thereafter pension would be paid to the subscriber. He / she does not have the option to withdraw from the scheme thereafter.

B. In case of death of the Subscriber due to any cause Before age of 60 Years:

In case of death of subscriber the spouse can continue the scheme paying the same premium as was being paid by the original subscriber till the date of his / her attaining 60 years of age. Thereafter, she / he will start getting the pension amount.

Alternatively, the spouse may opt out and will be paid the accumulated amount, being total subscription deposited plus interest accrued thereto.

C. In case of death of the Subscriber due to any cause after attaining the age of 60 Years (i.e. after pension is started):

The spouse will get the pension amount as applicable. After the death of spouse the nominee will receive the corpus amount.

D. Exit Before the age of 60 Years:

The subscriber may exit before attaining the age of 60 years. The subscriber is required to submit the APY Voluntary Exit Form to his / her base branch along with full details (IFSC Code, Savings Bank Account No etc.). The subscriber will be paid the amount accumulated in the PRAN account, being the total subscription amount deposited plus interest accrued thereto. The amount will be paid through NEFT by NSDL to the account of the subscriber. Therefore subscriber should be advised not close his / her Savings Bank account at the branch till such time the amount is received by him / her.

19.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 can also generate the statement online from NSDL website www.npslite-nsdl.com by giving his / her APY PRAN number in the link **APY/NPSlite ePRAN. –SOT View for Subscriber.**

20.If I move my residence / city, how can I make contributions to the APY scheme ?

The contributions may be remitted through the auto debit uninterruptedly even in case of dislocation so long as the Savings Bank account at the base branch is kept funded. If necessary, the subscriber can get his Savings Bank account transferred to a branch close to his residence / city. This will not affect the auto debit facility.