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 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/ open a savings bank account.

iii The prospective applicant should be in possession of mobile number and its details are to be furnished to the bank during registration.

- 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 1st June, 2015 to 31st December, 2015 and who are not covered by any Statutory Social Security Schemes and are not income tax payers.

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

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 PlantationProvident Fund and Miscellaneous Provision, 1955.
   iv. Seamens' 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 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.

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 1st June, 2015 to 31st 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. The APY scheme is administered by PFRDA/GOVERNMENT.

8. What is the procedure for opening APY Account?

i Approach the bank branch where individual's savings bank account is held.
ii Fill up the APY registration form.
iii Provide Aadhaar/Mobile Number.
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. However, For enrolment, Aadhaar would be the primary KYC document for identification of beneficiaries, spouse and nominees to avoid pension rights and entitlement related disputes in the long-term.

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

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

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 per the initial date of deposit of contribution into APY.

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.

Discontinuation of payments of contribution amount shall lead to following:

After 6 months account will be frozen.
After 12 months account will be deactivated.
After 24 months account will be closed.

Subscriber should ensure that the Bank account to be funded enough for auto debit of contribution amount.

The fixed amount of interest/penalty will remain as part of the pension corpus of the subscriber.

14. 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.**

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

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

16. How many APY accounts I can open?

A subscriber can open only one APY account and it is unique.

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 APY?

A. On attaining the age of 60 years:

The exit from APY is permitted at the age with 100% annuitisation of pension wealth. On exit, pension would be available to the subscriber.

B. In case of death of the Subscriber due to any cause:

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 his nominee.

C. Exit Before the age of 60 Years:

The Exit before age 60 would be permitted only in exceptional circumstances, i.e., in the event of the death of beneficiary or terminal disease.

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 will also be receiving physical Statement of Account.

20. Will I get any statement of transactions?

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

21. 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 dislocation.

22. What will happen to existing subscribers in Swavalamban Yojana?

- All the registered subscribers under Swavalamban Yojana aged between 18-40 yrs will be automatically migrated to APY with an option to opt out. However, the benefit of five years of Government Co-contribution under APY would be available only to the extent availed by the Swavalamban subscriber already. This would imply that if, as a Swavalamban beneficiary, he has received the benefit of government Co-Contribution of 1 year, then the Government co-contribution under APY would be available only for 4 years and so on. Existing Swavalamban beneficiaries opting out from the proposed APY will be given Government co-contribution till 2016-17, if eligible, and the NPS Swavalamban continued till such people attain the age of exit under that scheme.

- Other subscribers above 40 years who do not wish to continue may opt out of the scheme with lump sum withdrawal.
- Subscribers above 40 years may also opt to continue till the age of 60 years and eligible for annuities.
- The existing Swavalamban scheme may be automatically migrated to APY

Indicative APY Contribution Chart (Agewise) **Annexure 1.**

Age of Entry	*Years of Contribution*	*Monthly pension of Rs. 1000.*	*Monthly pension of Rs. 2000.*	*Monthly pension of Rs. 3000.*	*Monthly pension of Rs. 4000.*	*Monthly pension of Rs. 5000.*
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