

# FM to formally launch Pradhan Mantri Vaya Vandana Yojana (PMVVY) tomorrow; PMVVY is a Pension Scheme announced by the Government of India exclusively for the senior citizens available from 4th May, 2017 to 3rd May, 2018; The Scheme can be purchased offline as well as online through Life Insurance Corporation of India

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The Union Minister for Finance, Defence and Corporate Affairs will formally launch **the Pradhan Mantri Vaya Vandana Yojana (PMVVY) tomorrow in the national capital**. PMVVY is a Pension Scheme announced by the Government of India exclusively for the senior citizens aged 60 years and above which is available from 4<sup>th</sup> May, 2017 to 3<sup>rd</sup> May, 2018. The Scheme can be purchased offline as well as online through Life Insurance Corporation (LIC) of India which has been given the sole privilege to operate this Scheme.

## Following are the major benefits under the Pradhan Mantri Vaya Vandana Yojana (PMVVY):

- Scheme provides an assured return of 8% p.a. payable monthly (equivalent to 8.30% p.a. effective) for 10 years.
- Pension is payable at the end of each period, during the policy term of 10 years, as per the frequency of monthly/ quarterly/ half-yearly/ yearly as chosen by the pensioner at the time of purchase.
- The scheme is exempted from Service Tax/ GST.
- On survival of the pensioner to the end of the policy term of 10 years, Purchase price along with final pension installment shall be payable.
- Loan upto 75% of Purchase Price shall be allowed after 3 policy years (to meet the liquidity needs). Loan interest shall be recovered from the pension installments and loan to be recovered from claim proceeds.
- The scheme also allows for premature exit for the treatment of any critical/ terminal illness of self or spouse. On such premature exit, 98% of the Purchase Price shall be refunded.
- On death of the pensioner during the policy term of 10 years, the Purchase Price shall be paid to the beneficiary.
- Minimum / Maximum Purchase Price and Pension Amount:

Mode of Pension	Minimum Purchase Price	Maximum Purchase Price	Minimum Pension amount	Maximum Pension amount
Yearly	Rs. 1,44,578/-	Rs. 7,22,892/-	Rs. 12,000/-	Rs. 60,000/-
Half-yearly	Rs. 1,47,601/-	Rs. 7,38,007/-	Rs. 6,000/-	Rs. 30,000/-
Quarterly	Rs. 1,49,068/-	Rs. 7,45,342/-	Rs. 3,000/-	Rs. 15,000/-
Monthly	Rs. 1,50,000/-	Rs. 7,50,000/-	Rs. 1,000/-	Rs. 5,000/-

· The ceiling of maximum pension is for a family as a whole, the family will comprise of pensioner, his/her spouse and dependants.

· The shortfall owing to the difference between the interest guaranteed and the actual interest earned and the expenses relating to administration shall be subsidized by the Government of India and reimbursed to the Corporation.

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**DSM/SBS/KA**

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