



Ministry of Finance

Pension Scheme for The Elderly

Posted On: 08 AUG 2017 4:41PM by PIB Delhi

Government has launched the 'Pradhan Mantri Vaya Vandana Yojana (PMVVY)' to provide social security during old age and to protect elderly persons aged 60 and above against a future fall in their interest income due to uncertain market conditions. The scheme enables old age income security for senior citizens through provision of assured pension/return linked to the subscription amount based on government guarantee to Life Insurance Corporation of India (LIC).

The scheme provides an assured return of 8% per annum payable monthly for 10 years. The differential return, i.e. the difference between return generated by LIC and the assured return of 8% per annum would be borne by Government of India as subsidy on an annual basis. The scheme is open for subscription till 3rd May 2018.

Pension is payable at the end of each period during the policy tenure of 10 years as per the frequency of monthly/quarterly/half-yearly/yearly as chosen by the subscriber at the time of purchase. Minimum purchase price under the scheme is Rs.1,50,000/- for a minimum pension of Rs. 1,000/- per month and the maximum purchase price is Rs.7,50,000/- for a maximum pension of Rs.5,000/- per month. The scheme is exempted from Goods and Services Tax.

The scheme is widely advertised in national and regional media and through brochures, hoardings, flex-boards and on the website of LIC.

This was stated by Shri Santosh Kumar Gangwar, Minister of State for Finance in written reply to a question in Rajya Sabha today.

DSM/SBS

(Release ID: 1498827) Visitor Counter : 171

