

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, is focused on the unorganised sector workers. Under the APY, guaranteed minimum pension of Rs. 1,000/- or 2,000/- or 3,000/- or 4,000 or 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/ post office savings bank account

The prospective applicant may provide Aadhaar and mobile number to the bank during registration to facilitate receipt of periodic updates on APY account. Aadhaar needs to be provided at the time of enrolment.

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

The co-contribution of the Government of India is available for 5 years, i.e., from the Financial Year 2015-16 to 2019-20 for the subscribers, who join the scheme during the period from 1st June, 2015 to 31st March, 2016 and who are not covered by any Statutory Social Security Scheme and are not income tax payers. The Government cocontribution is payable to eligible Permanent Retirement Account Number (PRANs) by the Pension Fund regulatory and Development Authority (PFRDA) after receiving the confirmation from Central Record Keeping Agency to the effect that the subscriber has paid all the installments for the year Government co-contribution will be credited in subscriber's savings bank account/ post office savings bank account 50% of the total contribution subject to a maximum of Rs 1000/- at the end of financial year .

However, some State Governments also make co-contribution to for APY subscribers in their respective states.

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

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

- (i) Employees' Provident Fund and 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 and Miscellaneous Provision Act, 1961.
- (vi) Any other statutory social security scheme.

6. How much pension will be received under APY?

Minimum guaranteed monthly pension of Rs 1,000/- or 2,000/- or 3,000/- or 4,000 or 5,000/- per month will be given from the age of 60 years onwards depending on the contributions by the subscribers.

7. What is the benefit in joining APY scheme?

The benefit of minimum pension under Atal Pension Yojana would be guaranteed by the Government in the sense that if the actual realised returns on the pension contributions are less than the assumed returns for minimum guaranteed pension, over the period of contribution, such shortfall shall be funded by the Government. On the other hand, if the actual returns on the pension contributions are higher than the assumed returns for minimum guaranteed pension, over the period of contribution, such excess shall be credited to the subscriber's account, resulting in enhanced scheme benefits to the subscribers. The Government of India had co-contributed 50% of the total contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber, who joins the scheme during the period 1st June, 2015 to 31st March, 2016 and who is not a beneficiary of any social security scheme and is not an income tax payer. The Government co-contribution will be given for 5 years from the Financial Year 2015-16 to 2019-20. At present, a subscriber under the National Pension System (NPS) is eligible to get tax benefit for the contribution, upto a ceiling, and even for the investment returns on such contributions. Further, the purchase price of the annuity on exit from NPS is also not taxed and only the pension income of the subscribers are considered to be part of normal income and taxed at the appropriate marginal rate of tax, applicable to the subscriber. Similar tax treatment is applicable to the subscribers of APY.

8. How do the contributions are invested in APY?

The contributions under APY are invested as per the investment guidelines prescribed by PFRDA for Central Government / State Government / NPS-Lite / Swavalamban Scheme / APY. The contributions thus collected are invested and the funds are managed by Pension Funds sponsored by SBI,LIC and UTI.

9. What is the procedure for opening APY Account?

- (i) Approach the bank branch/post office where individual's savings bank account is held or open a savings account if the subscriber doesn't have one.
- (ii) Provide the Bank A/c number/ Post office savings bank account number and with the help of the Bank staff, fill up the APY registration form.
- (iii) Provide Aadhaar / Mobile Number.
- (iv) Ensure keeping the required balance in the savings bank account/ post office savings bank account for transfer of monthly / quarterly / half yearly contribution.

10. Whether Aadhaar Number is compulsory for joining the scheme?

Atal Pension Yojana (APY) has now been included under the Section 7 of the Aadhaar Act. As per the provisions of the Act, any individual who is eligible to receive benefits under the APY will have to furnish proof of possession of Aadhaar number or undergo enrolment under Aadhaar authentication. Hence, it is desirable to provide Aadhaar Number for proper identification of the subscriber

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

The savings bank account/ post office savings bank account is mandatory for joining APY.

12. What is the mode of contribution to the account?

The contributions can be made at monthly / quarterly / half yearly intervals through autodebit facility from savings bank account/ post office savings bank account of the subscriber.

13. How much should I contribute towards APY?

The monthly / quarterly / half yearly contribution depends upon the intended / desired monthly pension and the age of subscriber at entry. The details may be referred to in Annex I.

14. What is the due date for contribution?

The contribution may be paid to APY through savings bank account/ post office savings bank account on any date of the particular month, in case of monthly contributions or any day of the first month of the quarter, in case of quarterly contributions or any day of the first month of the half year, in case of half-yearly contributions.

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

The subscribers should keep the required balance in their savings bank accounts/ post office savings bank account on the stipulated due dates to avoid any overdue interest for delayed contributions. The monthly / quarterly / half-yearly contribution may be deposited on the first date of month / quarter / half year in the savings bank account/ post office savings bank account. However, if there is inadequate balance in the saving bank account/ post office savings bank account of the subscriber till the last date of the month / last date of the first month in a quarter / last day of the first month in a half year, it will be treated as a default and contribution will have to be paid in the subsequent month along

with overdue interest for delayed contributions. Banks are required to collect Rs. 1 per month for contribution of every Rs. 100, or part thereof, for each delayed monthly contributions.

Overdue interest for delayed contribution for 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.

More than one monthly / quarterly / half yearly contribution can be recovered subject to availability of the funds. In all cases, the contribution is to be recovered along with the overdue charges if any. This will be bank's internal process. The due amount will be recovered as and when funds are available in the account.

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

Deduction would be made in the subscribers account for account maintenance charges and other related charges on a periodic basis. Once the account balance in the subscriber's account becomes zero due to deduction of account maintenance charges, fees and overdue interest, the account would be closed immediately. For those subscribers, who have availed Government co-contribution, the account would be treated as becoming zero when the subscriber corpus minus the Government cocontribution would be equal to the account maintenance charges, fees and overdue interest and hence the net corpus becomes zero. In this case, the Government cocontribution would be given back to the Government.

17. What are the fee and charges involved in maintaining the APY account?

Table of all charges and fees of APY

Intermediary	Charge Head	Service charge	Method of collection
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Intermediary	Charge Head	Service charge	Method of collection
Points of Presence	(i) Initial subscriber registration (ii) Subsequent Persistence	Rs.120/- to 150/-, depending upon the number of subscribers. Rs.100/- per annum per subscriber.	Paid by Government as incentive, promotion and development charges for APY, on the pattern of Swavalamban
Central Recordkeeping Agencies	(i) Account opening Charges (ii) Account Maintenance Charges	Rs.15/- per account. Rs. 40/- per account per annum.	Cancellation of units.
Pension Fund Managers	Investment Management Fee	0.0102% per annum of AUM	Adjusted in Net Asset Value
Custodian	Investment Maintenance Fee	0.0075% for electronic and 0.05% per annum for physical segment of AUM	Adjusted in Net Asset Value

18. 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. Unmarried subscribers can nominate any other person as nominee & they have to provide spouse details after marriage. The Aadhaar details of spouse and nominees may be provided.

19. How many APY accounts I can open?

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

20. What is the withdrawal procedure from APY?

Withdrawal can happen in the following four scenarios as described below,

A. On attaining the age of 60 years:

Upon completion of 60 years, the subscribers will submit the request to the associated bank/Post office for drawing the guaranteed minimum monthly pension or higher monthly pension, if investment returns are higher than the guaranteed returns embedded in APY. The same amount of monthly pension is payable to spouse (default nominee) upon death of subscriber. Nominee will be eligible for return of pension wealth accumulated till age 60 of the subscriber upon death of both the subscriber and spouse.

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 wealth accumulated till age 60 of the subscriber would be returned to the nominee.

C. Exit before the age of 60 Years:

Voluntary exit in APY is permitted. In case a subscriber, who has availed Government co-contribution under APY, chooses to voluntarily exit APY at a future date, he shall only be refunded the contributions made by him to APY, along with the net actual accrued income earned on his contributions (after deducting the account maintenance charges). The

Government co-contribution, and the accrued income earned on the Government co-contribution, shall not be returned to such subscribers. Even though voluntary exit is permitted, it is advisable that the subscribers continue the account till 60 years to avail guaranteed pension benefits offered by Govt of India.

D. Death of subscriber before 60 years:

1. In case of death of the subscriber before 60 years, option will be available to the spouse of the subscriber to continue contribution in the APY account of the subscriber, which can be maintained in the spouse's name, for the remaining vesting period, till the original subscriber would have attained the age of 60 years. The spouse of the subscriber shall be entitled to receive the same pension amount as the subscriber until death of the spouse.
2. Or, the entire accumulated corpus under APY will be returned to the spouse / nominee.

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

Yes, a subscriber can opt to decrease or increase pension amount during the course of accumulation phase, once a year.

For upgradation, the subscribers have to pay the differential amount of contribution at the rate of 8% p.a. on monthly compounding basis where as in the case of down gradation , the excess amount of contribution collected from the subscriber would be refunded to the Subscribers along with the returns generated.

For upgradation or down gradation other than error cases, the subscribers would be required to pay a fee of Rs 50 which will be shared equally by Bank and CRA.

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

The periodical information to the subscribers regarding activation of PRAN, balance in the account, contribution credits etc. will be intimated to APY subscribers by way of SMS alerts. The subscriber will also be receiving physical Statement of Account once a year.

23. Will I get any statement of transactions?

The physical statement of APY account will be provided to the subscribers annually.

24. 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.

25. What will happen if a subscriber becomes non-citizen of the country?

The scheme is open to the Indian citizens only. Hence, in that event the APY account will be closed and contribution will be returned to the subscriber as mentioned above in the case of voluntary exit before the age of 60 years.

26. What will happen to existing subscribers in NPS-Lite / Swavalamban Yojana?

(A) Swavalamban Subscribers between the age group of 18 and 40:

The subscriber would be automatically migrated to APY with an option to opt out. The associated aggregator will facilitate those subscribers for completing the process of migration. The subscribers may also approach the nearest authorised bank branch/post office for shifting their Swavalamban account into APY with PRAN details.

The benefit of co-contribution of the Government of India for those subscribers of Swavalamban Scheme who have migrated to APY would not exceed 5 years under both

the Schemes. For example, if a Swavalamban beneficiary has received the benefit of Government co-contribution for 1 year, then the Government co-contribution to that subscriber under APY, after migration from the Swavalamban Scheme, would be available only for 4 years, and so on.

The existing Swavalamban beneficiary opting out from the proposed automatic migration to APY will be given Government co-contribution upto 2016-17, if he is eligible, and the NPS Swavalamban would continue till such people attained the age of exit under that scheme.

The accumulated corpus of existing Swavalamban subscriber between the age group of 18 and 40 years, who get migrated to APY will be kept under the same PRAN and remain as an additional wealth of the subscriber till the time of exit. This additional amount may be given to the subscriber as enhanced pension benefit or as lump-sum withdrawal, as the case may be. The contribution of such subscribers under APY, after migration from the Swavalamban Scheme to APY, would be as per the amount mentioned in the Annex –I, depending on the pension amount selected and the age of the subscriber.

(B) Swavalamban Subscribers above 40 years of age:

The subscribers under the Swavalamban Scheme, who are beyond the age of 40 and who do not wish to continue under the Scheme, may opt out by complete withdrawal of entire amount in lump sum, or may prefer to continue till the age of 60 years, to be eligible for annuities there under.

27. If I am an existing subscriber of APY, can I change my monthly auto debit facility to Quarterly or Half Yearly as per my convenience?

Yes, the subscriber can change the mode (monthly/ quarterly/half yearly) of auto debit facility once in a year during the month of April

28. If I have completed 40 years, can I join Atal Pension Yojana?

No, a person who is in age group of 18 years to 39 years 364 days can join Atal Pension Yojana.

29. Can APY account be opened online?

Yes, PFRDA in coordination with CRA-NSDL has developed the process to offer APY enrolment through eNPS platform for wider reach. eNPS platform has been enabled for NPS subscription and this user friendly platform is expanded to make subscription under APY in a complete end to end digital environment without submission of physical form by the prospective subscribers (who are existing customer of various banks/DoP and without necessitating the customers to visit the branch). However, Aadhaar is mandatory for opening the account through the channel and Subscribers consent is obtained through e sign. Additionally, Most of the Banks also offer the facility of online enrollment through their internet banking portal to ensure of ease of access.

30. What are the online features available for APY subscribers?

PFRDA has enabled several online features to facilitate subscribers to access their Account without visiting the bank/post branch. These features are expected to benefit APY Subscribers and empower them to carry out Account related activities as described below.

- Grievance Module
- APY Upgrade View / Downgrade View
- APY ePRAN card/ Statement View
- Aadhaar Seeding
- APY@eNPS
- Mobile Application

No.	Digital Utility	Benefits
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1	APY Grievance Module	Module can be used for lodging a grievance and checking the status of grievances raised by the subscribers. The Subscribers can use the facility with or without PRAN.
2	APY Upgrade /APY Downgrade View	APY subscribers can upgrade/downgrade a pension amount once in a year. The feature enables the user to check the differential amount to be deposited/ to be received back as per the new guaranteed pension amount chosen. Higher amount needs to be deposited in case of upgrade and additional contributions would be returned to the subscribers in case of down grade.
3	ePRAN card/e SoT facility	Useful for downloading of transaction statement and ePRAN card. The option contains a search with PRAN and without PRAN. The subscriber can download Transaction Statement financial year wise.
4	Aadhaar Seeding	The OTP based feature wherein aadhaar can be seeded in APY account by providing PRAN & aadhaar number. On successful submission, an acknowledgement number will be provided towards confirmation.
5	APY@eNPS (Digital On boarding facility into APY)	Digital APY enrolment through eNPS ensures wider reach. It is a user friendly platform and makes enrolment under APY in a complete end to end digital interface without submission of physical form by the prospective subscribers and without visiting a bank branch.
6	Mobile Application	APY Mobile applications empower the subscribers to view Statement of Account and other details of their APY account. APY subscribers with smart phones can down load APY mobile applications from google store and install in their mobile phones for real time viewing of APY Accounts.

Monthly, Quarterly and Half-yearly contributions under APY for different minimum guaranteed amount of pension at different age entry and the return of corpus amount to the nominee

		Minimum Guaranteed Pension of Rs. 1000/month			Minimum Guaranteed Pension of Rs.2000/month			Minimum Guaranteed Pension of Rs.3000/month			Minimum Guaranteed Pension of Rs.4000/month			Minimum Guaranteed Pension of Rs.5000/month		
Return of Corpus Amount to the Nominee		Rs. 1.7 Lakh			Rs. 3.4 Lakh			Rs. 5.1 Lakh			Rs. 6.8 Lakh			Rs. 8.5 Lakh		
Age at entry	Vesting period	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution	Monthly contribution	Quarterly contribution	Half yearly contribution
18	42	42	127	256	84	254	512	126	381	769	168	507	1025	210	634	1281
19	41	46	139	281	92	278	561	138	417	842	183	553	1116	228	689	1391
20	40	50	151	305	100	302	610	150	453	915	198	598	1208	248	749	1513
21	39	54	163	329	108	326	659	162	489	988	215	649	1312	269	812	1641
22	38	59	178	360	117	353	714	177	535	1080	234	707	1428	292	882	1781
23	37	64	193	390	127	384	775	192	580	1171	254	767	1550	318	960	1940
24	36	70	211	427	139	420	848	208	628	1269	277	837	1690	346	1045	2111
25	35	76	230	464	151	456	921	226	683	1379	301	909	1836	376	1136	2294
26	34	82	248	500	164	495	1001	246	743	1501	327	988	1995	409	1235	2495
27	33	90	272	549	178	538	1086	268	809	1635	356	1075	2172	446	1347	2721
28	32	97	293	592	194	586	1184	292	882	1781	388	1172	2367	485	1465	2959
29	31	106	320	647	212	640	1293	318	960	1940	423	1277	2581	529	1598	3227
30	30	116	350	708	231	698	1409	347	1048	2117	462	1395	2819	577	1743	3520
31	29	126	381	769	252	761	1537	379	1145	2312	504	1522	3075	630	1903	3844
32	28	138	417	842	276	834	1684	414	1250	2526	551	1664	3362	689	2081	4204
33	27	151	456	921	302	912	1842	453	1368	2764	602	1818	3673	752	2271	4588
34	26	165	498	1007	330	997	2013	495	1495	3020	659	1990	4020	824	2489	5027
35	25	181	547	1104	362	1093	2209	543	1640	3313	722	2180	4405	902	2724	5503
36	24	198	598	1208	396	1196	2416	594	1794	3624	792	2392	4832	990	2990	6040

37	23	218	658	1330	436	1317	2660	654	1975	3990	870	2627	5308	1087	3283	6632
38	22	240	725	1464	480	1450	2928	720	2174	4393	957	2890	5839	1196	3612	7297
39	21	264	797	1611	528	1595	3221	792	2392	4832	1054	3183	6430	1318	3980	8041
40	20	291	879	1775	582	1758	3551	873	2636	5326	1164	3515	7101	1454	4391	8871

