

Government of India
Ministry of Finance
Department of Economic Affairs
LOK SABHA

UNSTARRED QUESTION NO.315
TO BE ANSWERED ON FRIDAY 03rd FEBRUARY, 2017
“INCOME TAX ON SENIOR CITIZENS”

No.315

SHRI RAMDAS C. TADAS

Will the Minister of FINANCE be please to state:-

- (a) whether the Government proposes to implement any scheme of monthly interest of 8 per cent on fixed deposit scheme for 10 years for 7.5 lakh rupees for senior citizens under the income tax net; and
- (b) if so, the details thereof and if not, the reasons therefor?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

- (a) & (b) Sir, the Varishtha Pension Bima Yojana (VPBY), 2017, a Government supported scheme, is being implemented through LIC, to provide social security during old age and protect elderly persons aged 60 years and above. The scheme protects investors against a future fall in the interest income due to uncertain market conditions. The scheme provides an assured pension based on a guaranteed rate of return of 8% per annum for ten years, with an option to opt for pension on a monthly / quarterly / half-yearly and annual basis. The differential return, i.e. the difference between the 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.
