

Friday, August 11, 2017/Shravana 20, 1939 (Saka)

Pradhan Mantri Vaya Vandana Yojana

4245. ADV. JOICE GEORGE:
PROF. SAUGATA ROY:
SHRI GANESH SINGH:
SHRI B. SRIRAMULU:
SHRI ASADUDDIN OWAISI:
SHRIMATI ANJU BALA:

Will the Minister of FINANCE
be pleased to state:

- (a) whether the Government has recently launched the Pradhan Mantri Vaya Vandana Yojana (PMVVY), if so, the details along with the salient features and the expected number of beneficiaries thereof, State/UT-wise;
- (b) whether the Government has entrusted any nodal agency in implementing the scheme, if so, the details thereof along with the assured benefits under the scheme;
- (c) whether the subscription of the scheme can be made offline as well as online, if so, the details thereof and if not, the reasons therefor;
- (d) whether under the Scheme the interest is guaranteed and it is a time bound Pension Scheme with a ceiling on maximum pension per family and is exempted from GST and if so, the details thereof;
- (e) whether any shortfall owing to the difference between the interest guaranteed and actual interest earned shall be subsidized by the Government and reimbursed to the implementing agency and if so, the details thereof; and
- (f) whether the State Governments have any role in the implementation of the said scheme and if so, the details thereof and the reaction of the Government thereon along with the extent to which this scheme is likely to give social security cover to persons who are not covered so far?

Answer

Minister of State in the Ministry of Finance
(Shri Santosh Kumar Gangwar)

(a) to (f): 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) which is the implementing agency. The data on expected number of beneficiaries is not maintained by 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 from 4th May 2017 to 3rd May 2018. LIC is offering this product for sale by both online platform through its website and offline through its field offices and Agents.

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 ceiling of maximum pension is for a family as a whole, the family will comprise of pensioner, his/her spouse and dependants. The scheme is exempted from Goods and Services Tax.