

Government of India  
Ministry of Finance  
Department of Financial Services  
Lok Sabha  
Unstarred Question No. 1266

Friday, December 22, 2017/Pausha 01, 1939 (Saka)

**Rural Area Coverage by PMVVY**

1266. SHRI PARVESH SAHIB SINGH:

Will the Minister of FINANCE  
be pleased to state:

- (a) whether the Pradhan Mantri Vaya Vandana Yojana (PMVVY) is applicable to senior citizens of rural areas and if so, the details thereof;
- (b) whether Life Insurance Corporation of India (LIC) is the sole operator of the scheme and if so, the details thereof; and
- (c) whether all rural areas in the country are covered by LIC and if not, the manner in which the scheme will be made available to areas not covered by LIC?

Answer  
Minister of State in the Ministry of Finance  
(Shri Shiv Pratap Shukla)

(a) to (c): 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 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. 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 open for subscription till 3<sup>rd</sup> May 2018.