



# DIGI PAGE



Atal Pension Yojana (APY), a pension scheme for citizens of India is focused on the unorganized 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. Any Citizen of India can join APY scheme. Following are the eligibility criteria:

- The age of the subscriber should be between 18 - 40 years.
- 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. However, Aadhaar is not mandatory for enrollment.

## NEED FOR PENSION

A Pension provides people with a monthly income when they are no longer earning.

- Decreased income earning potential with age.
- The rise of nuclear family-migration of earning member.
- Rise in cost of living.
- Increased longevity.
- Assured monthly income ensures dignified life in old age.

## BENEFITS OF APY

The benefit of minimum pension under [Atal Pension Yojana](#) would be guaranteed by the Government in the sense that if the actual realized 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 would also co-contribute 50% of the total contribution or Rs. 1000 per annum, whichever is lower, to each eligible subscriber, who joins the scheme during the period 1<sup>st</sup> June, 2015 to 31<sup>st</sup> 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, up to 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.