

Atal Pension Yojana (APY) for Social Security in India

The Atal Pension Yojana was affected from May, 2015. The scheme intends to bring pension benefits to people of the un organized sector so that they can enjoy social security with a minimum contribution per month. People who work in the private sector or are employed in occupations that do not give them the benefit of pension can apply for this scheme. They can opt for a fixed pension of INR 1,000 or 2,000 or 3,000 or 4,000 or 5,000 on attaining the age of 60. The amount of contribution and the individual's age will determine the pension. Upon the contributor's death, the spouse of the contributor can claim the pension and after the spouse's death the nominee will be returned the corpus accrued. The amount collected under the scheme is to be managed by Pension Funds Regulatory Authority of India (PFRDA) as per the investment pattern specified by the Government of India. Individual applicants will have no choice of pension funds or investment allocation.

Who is Eligible for Atal Pension Yojana?

The Atal Pension Yojana (APY) is open to all Indians between the age of 18 and 40. This allows an individual to contribute for at least 20 years before reaping the benefits of the scheme. Any bank account holder who is not a member of any statutory social security scheme can avail of the scheme.

How to Enroll for Atal Pension Scheme?

To sign up for the Atal Pension Yojana, an account holder must fill in an authorisation form and submit it to his/her bank. The form will require complete details including account number, spouse and nominee details, and authorisation for auto debit of contribution amount. Account holders signing up for the scheme need to ensure that sufficient balance is maintained in the account every month, failing to do so will attract a monthly fine of –

- INR 1 for monthly contribution up to INR 100
- INR 2 for monthly contribution between INR 101 and INR 500
- INR 5 for monthly contribution between INR 501 and INR 1,000
- INR 10 for monthly contribution beyond INR 1,001

If no payment is made towards the scheme

- for six months, the holder's account will be frozen
- for 12 months, the holder's account will be deactivated
- for 24 months, the holder's account will be closed

For those who does not have a bank account: A person needs to open a bank account first by submitting the KYC document and Aadhar card. He/she is also required to submit the APY proposal form. **Exiting the scheme:** Under ordinary circumstances, an account holder who has enrolled for the Atal Pension Yojana will not be able to exit the scheme before the age of 60. Exiting the scheme is only possible in special circumstance such as in the event of the death of the beneficiary.

APY Application Form

The application form can be downloaded from <http://www.jansuraksha.gov.in/FORMS-APY.aspx>. The forms are available in different languages – English, Hindi, Gujarati, Bangla, Kannada, Odia, Marathi, Telugu and Tamil.

Indicative Contribution for Various Pension Options (in INR)

Entry Age	Years of Contribution	Monthly Pension INR 1000	Monthly Pension INR 2000	Monthly Pension INR 3000	Monthly Pension INR 4000	Monthly Pension INR 5000
18	42	42	84	126	168	210
19	41	46	92	138	183	228
20	40	50	100	150	198	248
21	39	54	108	162	215	269
22	38	59	117	177	234	292
23	37	64	127	192	254	318
24	36	70	139	208	277	346
25	35	76	151	226	301	376
26	34	82	164	246	327	409
27	33	90	178	268	356	446
28	32	97	194	292	388	485
29	31	106	212	318	423	529
30	30	116	231	347	462	577
31	29	126	252	379	504	630
32	28	138	276	414	551	689
33	27	151	302	453	602	752
34	26	165	330	495	659	824
35	25	181	362	543	722	902
36	24	198	396	594	792	990
37	23	218	436	654	870	1,087
38	22	240	480	720	957	1,196
39	21	264	528	792	1,054	1,318
40	20	291	582	873	1,164	1,454

*Data from Atal Pension Yojna brochure

Launch Across the Country

The Atal Pension Scheme and the other insurance schemes were launched on 9 May, 2015 simultaneously by Union and Chief Ministers. Prime Minister Narendra Modi launched the scheme from Kolkata. According to a statement by the Finance Ministry of India, as many as 30 lakh subscribers have registered themselves under APY as on June 30, 2016 and nearly 5,000 new subscribers are added every day. **Table of contribution levels, fixed monthly pension of Rs. 1,000 per month to subscribers and his spouse and return of corpus to nominees of subscribers and the contribution period under Atal Pension Yojana**

Age of Joining	Years of Contribution	Indicative Monthly Contribution (in Rs.)	Monthly Pension to the subscribers and his spouse (in Rs.)	Indicative Return of Corpus to the nominee of the subscribers (in Rs.)
18	42	42	1000	1.7 Lakh
20	40	50	1000	1.7 Lakh
25	35	76	1000	1.7 Lakh
30	30	116	1000	1.7 Lakh

35	25	181	1000	1.7 Lakh
40	20	291	1000	1.7 Lakh

Table of contribution levels, fixed monthly pension of Rs. 2,000 per month to subscribers and his spouse and return of corpus to nominees of subscribers and the contribution period under Atal Pension Yojana

Age of Joining	Years of Contribution	Indicative Monthly Contribution (in Rs.)	Monthly Pension to the subscribers and his spouse (in Rs.)	Indicative Return of Corpus to the nominee of the subscribers (in Rs.)
18	42	84	2000	3.4 Lakh
20	40	100	2000	3.4 Lakh
25	35	151	2000	3.4 Lakh
30	30	231	2000	3.4 Lakh
35	25	362	2000	3.4 Lakh
40	20	581	2000	3.4 Lakh

Table of contribution levels, fixed monthly pension of Rs. 3,000 per month to subscribers and his spouse and return of corpus to nominees of subscribers and the contribution period under Atal Pension Yojana

Age of Joining	Years of Contribution	Indicative Monthly Contribution (in Rs.)	Monthly Pension to the subscribers and his spouse (in Rs.)	Indicative Return of Corpus to the nominee of the subscribers (in Rs.)
18	42	126	3000	5.1 Lakh
20	40	150	3000	5.1 Lakh
25	35	226	3000	5.1 Lakh
30	30	347	3000	5.1 Lakh
35	25	543	3000	5.1 Lakh
40	20	873	3000	5.1 Lakh

Table of contribution levels, fixed monthly pension of Rs. 4,000 per month to subscribers and his spouse and return of corpus to nominees of subscribers and the contribution period under Atal Pension Yojana

Age of Joining	Years of Contribution	Indicative Monthly Contribution (in Rs.)	Monthly Pension to the subscribers and his spouse (in Rs.)	Indicative Return of Corpus to the nominee of the subscribers (in Rs.)
18	42	168	4000	6.8 Lakh
20	40	198	4000	6.8 Lakh
25	35	301	4000	6.8 Lakh
30	30	462	4000	6.8 Lakh
35	25	722	4000	6.8 Lakh
40	20	1164	4000	6.8 Lakh

Table of contribution levels, fixed monthly pension of Rs. 5,000 per month to subscribers and his spouse and return of corpus to nominees of subscribers and the contribution period under Atal Pension Yojana

Age of Joining	Years of Contribution	Indicative Monthly Contribution (in Rs.)	Monthly Pension to the subscribers and his spouse (in Rs.)	Indicative Return of Corpus to the nominee of the subscribers (in Rs.)
18	42	210	5000	8.5 Lakh
20	40	248	5000	8.5 Lakh
25	35	367	5000	8.5 Lakh
30	30	577	5000	8.5 Lakh
35	25	902	5000	8.5 Lakh
40	20	1454	5000	8.5 Lakh

Recent Developments

- In March 2016, the government amended the scheme's provisions to give the subscriber's spouse an option to continue contributing to the account for the balance period on premature death of the subscriber.
- Also, as per the circular released by the Income Tax department, contributions to the Atal Pension Yojana (APY) are now eligible for the same tax benefits as the National Pension System (NPS). The tax benefits include an additional deduction of Rs 50,000 under section 80CCD(1) introduced in year 2015 Budget.