

## UPSC Civil Services Examination

### UPSC Notes [GS-II]

#### Topic: Pradhan Mantri Vaya Vandana Yojana

The Pradhan Mantri Vaya Vandana Yojana was launched by the Government on 4th May 2017. This is a government pension scheme with an aim to provide social security to the senior citizens and for the protection of the elderly against a fall in the interest income due to unfavourable market conditions in the future. This pension scheme can be availed before 31st March 2020 by the senior citizens aged 60 years or above.

Some of the highlights of Pradhan Mantri Vaya Vandana Yojana have been discussed in the table below:

Pradhan Mantri Vaya Vandana Yojana	
<b>Date of launching</b>	4th May 2017
<b>Department</b>	Department of Financial Services, Government of India
<b>Government Ministry</b>	Ministry of Finance
<b>Activation Period</b>	4th May 2017 to 31st March 2020

#### Benefits of Pradhan Mantri Vaya Vandana Yojana

Pradhan Mantri Vaya Vandana Yojana (PMVVY) was launched as a government pension scheme for senior citizens which is managed and operated by Life Insurance Corporation (LIC). Some of the major benefits of the scheme are mentioned below:

- The scheme provides an assured return of 8% p.a. payable monthly and is exempted from service tax/GST.
- The scheme offers loan up to 75% of the purchase price after 3 policy years

- The scheme also allows for premature exit for the treatment of any critical/ terminal illness of self or spouse. On such a premature exit, 98% of the Purchase Price shall be refunded.
- If the pensioner dies during the policy term of 10 years, the benefits of the scheme can be availed by the nominee or the beneficiary.
- The benefits of the scheme are overall applicable to the pensioner, his/her spouse and dependents.

### **Eligibility of Pradhan Mantri Vaya Vandana Yojana**

Any individual must fulfil the following criteria for being eligible under Pradhan Mantri Vaya Vandana Yojana:

- He/she should be 60 years or above to be eligible for the scheme.
- The policy term should be of 10 years.
- Investment limit should be Rs. 15 lakh per senior citizen.
- The minimum pension should be Rs. 1,000/- per month and should not be more than Rs. 10,000/- per month.