



Ministry of Finance

Cabinet approves Doubling of Investment Limit for Senior Citizens from Rs. 7.5 lakh to Rs.15 lakh under Pradhan Mantri Vaya Vandan Yojana (PMVVY)

Enables upto Rs. 10000 Pension per month for Senior Citizens

Time limit for subscription under PMVVY extended from 4th May, 2018 to 31st March, 2020

Reflection of Government commitment to financial inclusion and social security

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The Union Cabinet chaired by Prime Minister Shri Narendra Modi has given its approval for extending the investment limit from Rs 7.5 lakhs to Rs 15 lakhs as well as extension of time limits for subscription from 4th May 2018 to 31st March, 2020 under the Pradhan Mantri Vaya Vandan Yojana (PMVVY) as part of Government's commitment for financial inclusion and social security.

Further, as a boost to the Social Security initiatives for senior citizens, the investment limit of Rs 7.5 lakh per family in the existing scheme is enhanced to Rs 15 lakh per senior citizen in the modified PMVVY, thereby providing a larger social security cover to the Senior citizens. It will enable upto Rs.10000 Pension per month for Senior Citizens.

As of March, 2018, a total number of 2.23 lakh senior citizens are being benefited under PMVVY. In the previous scheme of Varishtha Pension Bima Yojana-2014, a total number of 3.11 lakh senior citizens are being benefited.

Background:

The PMVVY is being implemented through Life Insurance Corporation of India (LIC) to provide social security during old age and protect elderly persons aged 60 years and above against a future fall in their interest income due to uncertain market conditions. The scheme provides an assured pension based on a guaranteed rate of return of 8% per annum for ten years, with an option to opt for pension on a monthly / quarterly / half yearly and annual basis. The differential return, i.e. the difference between the 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.

AKT/VBA/SH

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