

Voluntary Exit in APY before 60 years

Under Atal Pension Yojana (APY) a guaranteed minimum pension of Rs.1,000/- to Rs.5,000/- per month will be given to a subscriber on attaining the age of 60 years depending on the contributions by the subscriber. Any citizens of India in the age group of 18 - 40 years can join the APY who has a savings bank account/ post office savings bank account.

Government of India would co-contribute 50% of the total subscription subject to a maximum of Rs.1000/- per annum for a period of 5 years, i.e., from the Financial Year 2015-16 to 2019-20 for the subscribers, who join the scheme during the period from 1st June, 2015 to 31st March, 2016 and who are not covered by any statutory social security scheme and are not income tax payers.

In case of death of subscriber during the pension phase, i.e. after 60 years of age, pension would be available to the spouse and on the death of both (the subscriber and spouse); the pension wealth accumulated till age 60 years of the subscriber would be returned to the nominee.

If the subscriber dies before the age of 60 years, his / her spouse would be given an option to continue contributing to APY account of the subscriber, which can be maintained in the spouse's name, for the remaining vesting period, till the original subscriber would have attained the age of 60 years. The spouse of the subscriber shall be entitled to receive the same pension amount as that of the subscriber until the death of the spouse.

The guidelines for voluntary exit of subscribers before attaining the age of 60 are as under:

Exit before 60 years of age is generally not permitted. However, it may be permitted in exceptional circumstances such as due to terminal illness or death of the Subscriber.

If the APY account is closed due to terminal illness or death of the Subscriber, the accumulated corpus (subscriber contribution, Government co-contribution and the returns thereon) in the subscriber account will be returned to the subscriber or the nominee as the case may be.

In case a subscriber, who has availed of Government co-contribution under APY, chooses to voluntarily exit APY before attaining the age of 60 years, he/she shall be refunded the contributions made by him/her to APY along with the net accrued income earned on his/her contributions after deducting the account maintenance, investment management, etc. charges. The Government co-contribution and the accrued income earned on the Government co-contribution shall not be given to such subscribers.

Funds redeemed will be transferred to the subscriber's Bank account registered in APY.

Following steps would be allowed for Voluntary Closure of APY accounts:

1. Subscriber will submit the Account Closure request in the specified format to the concerned bank. The subscriber has to fill up the Account Closure form completely including the reason for closure. The format of the Form for Voluntary Exit is enclosed as annexure.
2. Bank shall verify the Form and signature of the subscriber. On acceptance of request, bank shall provide an acknowledgement to the subscriber.
3. Bank will be required to initiate the account closure request in the bank APY module which is currently under development.
4. The Bank APY Module will generate a file in a specific format (prescribed by CRA) for all exit cases.
5. The file will be uploaded in the CRA system.
6. On upload of details in the CRA system, the account closure request will be executed in the CRA system.
7. The redeemed amount (based on the units available in APY account) will be transferred to Subscriber's Bank Account (registered in APY).

Interim process:

At present, the system to process the exit requests under APY as mentioned above is under development. Till such time the APY exit module is developed and made operational by the CRA and banks, an interim process would be followed as under:

The first two steps will be same as listed above. The banks/India Post will forward the details of all such requests (such as PRAN, Name of subscriber, and date of receipt of the request, reason for closure) to CRA. The letter should be signed by the Authorized signatory or the Compliance Officer. CRA will handle the request administratively. After the request is processed, the redeemed amount based on the units available in APY account will be transferred to Subscriber's Bank account registered in APY.

PFRDA advises all banks/ Department of Post to explain the APY product features to the subscribers/ prospective subscribers thoroughly before enrolment into APY so as to prevent any unwarranted misunderstandings on this front. It is also clarified that the APY accounts which are closed within a period of 12 months from their opening or which have **NIL** balances, no incentive will be admissible to banks/ India Post for such accounts.

**ATAL PENSION YOJANA (APY) – ACCOUNT CLOSURE FORM
(VOLUNTARY EXIT)**

To,

The Branch Manager,

_____ Branch
_____ Branch

Dear Sir/Madam,

I hereby request that my account opened under Atal Pension Yojana may be closed. The details are as follows:

PRAN :

Name of PRAN Holder : _____

Savings Bank Account for credit of
Corpus (Pension Wealth)* :

Reason for Closure (Please select) :

Not able to pay contributions

Require Funds urgently

Others (specify : _____)

* In case a subscriber, who has availed Government co-contribution under APY, chooses to voluntarily exit APY before the age 60, he/she shall only be refunded the contributions made by him/her to APY, along with the net actual income earned on his/her contributions (after deducting the account maintenance, assets management etc. charges), whereas, the Government co-contribution, and the income earned on the Government co-contribution, shall not be returned to such subscribers.

Date:

Place: **Signature/Thumb Impression* of Subscriber**
(* LTI in case of male and RTI in case of female)

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**ACKNOWLEDGEMENT – ACCOUNT CLOSURE FOR ATAL PENSION YOJANA (APY)
(To be filled by the Bank)**

Name of the Subscriber: _____

PRAN:

Corpus (pension wealth) would be credited in the savings Bank account No:

Name of the Bank:		Stamp and Signature of the Bank
Bank Branch:		
Receiving Officers Name:		
Date of Receipt		