



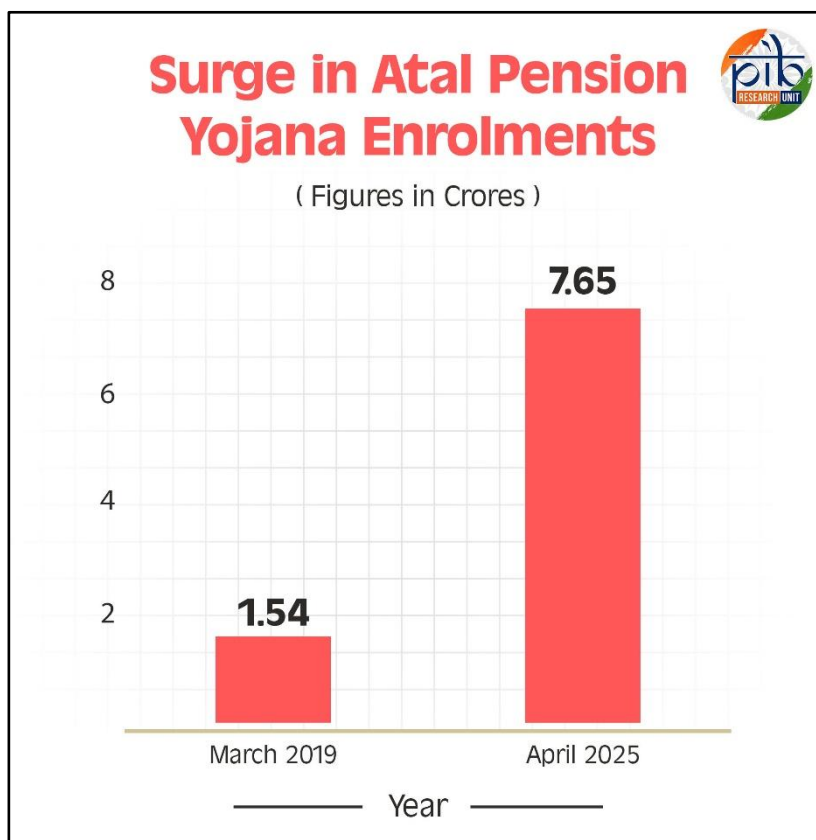
Atal Pension Yojana (APY)

Securing Retirement for India's Unorganised Sector

May 8, 2025

Introduction

To address the twin challenges of longevity risks and lack of retirement security among India's vast unorganised workforce, the Government of India **launched** the **Atal Pension Yojana (APY)** on **9th May 2015** and was **operationalized** from **1st June 2015**. The scheme was designed to **encourage voluntary savings** for retirement by offering **defined pension benefits**, linked to the age of joining and amount of contribution. Targeted primarily at poor and **underprivileged workers** in the **informal sector**, the scheme has emerged as one of the **most inclusive** and **accessible social security initiatives** in India.



As of **April 2025**, APY has accumulated over **7.65 crore subscribers**, mobilised a total **corpus of ₹45,974.67 crore**, and recorded increasing participation from women, who now comprise about **48%** of all subscribers.¹

¹ Department of Financial Services

Salient Features of Atal Pension Yojana (APY) ^{2 3 45}

The APY is characterized by the following key features:

1. Target Group

- Aimed at workers in the **unorganised sector**, who often lack formal pension coverage.
- Initially available to all citizens of India between **18 and 40 years** of age.
- With effect from **1st October 2022**, individuals **paying income tax** are **not eligible** to join the scheme.

2. Defined Pension Benefit

- Provides subscribers with a **fixed monthly pension** at the age of **60 years**, based on their contributions.
- Pension slabs available: ₹1,000, ₹2,000, ₹3,000, ₹4,000, and ₹5,000 per month.

3. Contribution Period and Calculation

- Minimum contribution period is **20 years**, depending on age of joining.
- Monthly contribution varies based on:
 - Age at the time of enrolment
 - Desired pension amount

4. Government Co-contribution (for Early Joiners)

- For eligible subscribers who joined between 1 June 2015 and 31 March 2016 (The scheme is continued but without Government Co-contribution).⁶
 - The government co-contributed **50% of the total contribution** or ₹1,000 per annum (whichever is lower) for **5 years**.
 - This applied only to subscribers not covered under any statutory social security scheme and not income taxpayers at the time.

5. Administering Body

- Administered by **Pension Fund Regulatory and Development Authority (PFRDA)**.
- Managed under the **National Pension System (NPS) architecture**.⁷

Eligibility Criteria	Requirement
Age	18 to 40 years
Monthly Contribution	To receive a fixed monthly pension between ₹1,000 and ₹5,000 under the Atal Pension Yojana, a subscriber must contribute ₹42 to ₹210 per month if joining at age 18, or ₹291 to ₹1,454 per month if joining at age 40. ⁸
Payment of Premium	Monthly, Quarterly or Half-Yearly
Minimum Contribution Period	20 years or more
Bank Account	Mandatory for auto-debit of contributions
Income Taxpayer Status	From 1 October 2022, income taxpayers are not eligible

² <https://npscra.nsdl.co.in/download/non-government-sector/all-citizens-of-india/forms/APY-FAQs.pdf>

³ <https://www.myscheme.gov.in/schemes/apy>

⁴ https://x.com/PIB_India/status/1919627967057006866

⁵ <https://pib.gov.in/PressReleasePage.aspx?PRID=2098435>

⁶ https://npscra.nsdl.co.in/nsdl/scheme-details/APY_Scheme_Details.pdf (Page 2)

⁷ <https://pib.gov.in/FactsheetDetails.aspx?Id=149101>

⁸ <https://atalpensionyojana.in/atal-pension-yojana-return-on-investment>

Benefits to Subscribers ⁹

Feature	Benefit
Guaranteed Monthly Pension	Lifelong pension between ₹1,000 to ₹5,000 from age 60 until death
Family Pension Provision	In case of death of subscriber, spouse receives the pension; nominee gets corpus
Auto-debit Convenience	Contributions are auto-debited from the subscriber's bank account
Tax Benefits	Contributions under APY qualify for deductions under Section 80CCD of the Income Tax Act (if eligible)

Exit and Withdrawal Options ¹⁰

- **Exit at age 60:** Full pension begins.
- **Exit before age 60:** Permitted only in cases of death or terminal illness.
- **Voluntary Exit:** Allowed, but the subscriber only receives the contribution made (with interest) and government co-contribution (if any) is forfeited.

Joint Awareness Efforts by the Government and PFRDA ^{11 12}

- **The Pension Fund and Regulatory Development Authority (PFRDA)** over the past few years has taken **several initiatives for awareness creation** of the scheme, such as:
 - Conducting APY Outreach Programmes at State and District levels
 - Organising awareness and training programmes
 - Publicity through various media channels
 - Releasing a one-pager simple APY flyer/handout in Hindi, English, and 22 languages (as per the Eight Schedule of the Constitution of India)
 - Regular performance review¹³
- **Activating online channels such as e-APY**, net-banking, mobile app and bank's web-portal, for easy online onboarding.
- **APY Help Desk and Chatbot at Protean** – CRA are operational for assisting APY subscribers.
- **QR Codes** for APY User services, APY Transactional services, APY Information services, APY Podcast/Videos, APY Call Centre are available for creating awareness regarding the benefits of APY and services that are being offered to APY subscribers.

Conclusion

The Atal Pension Yojana has emerged as a **cornerstone of India's social security ecosystem**, especially for its vast unorganised workforce. With nearly **7.65 crore subscribers** and a **steadily growing pension corpus**, the scheme not only ensures financial independence for the elderly but also promotes long-term savings culture among low-income households. The government's continued

⁹ <https://www.myscheme.gov.in/schemes/apy>

¹⁰ <https://www.myscheme.gov.in/schemes/apy>

¹¹ https://sansad.in/getFile/loksabhaquestions/annex/184/AU30_xZbQzy.pdf?source=pqals

¹² https://sansad.in/getFile/loksabhaquestions/annex/183/AU979_kLGpMZ.pdf?source=pqals

¹³ <https://pib.gov.in/PressReleasePage.aspx?PRID=2063311>

focus on digital integration, women participation, and rural outreach has helped broaden APY's footprint across India. With women making up over **55% of new subscribers** in FY 2024–25 and a significant surge in overall enrolments during the same period, the Atal Pension Yojana is steadily progressing toward its vision of "**Pension for All.**"

References

Department of Financial Services

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