

# UNIT 1 - Government Schemes Related to Banking



## 1. Pradhan Mantri Jan Dhan Yojana (PMJDY)

- Hon'ble Prime Minister announced Pradhan Mantri Jan Dhan Yojana as the National Mission on Financial Inclusion in his Independence Day address on 15th August 2014, to ensure comprehensive financial inclusion of all the households in the country by providing universal access to banking facilities with at least one basic bank account to every household, financial literacy, access to credit, insurance and pension facility.
- Under this, a person not having a savings account can open an account without the requirement of any minimum balance and, in case they self-certify that they do not have any of the officially valid documents required for opening a savings account, they may open a small account.

PMJDY was conceived as a bold, innovative and ambitious mission. In the first phase of the scheme, these households were targeted for inclusion through the opening of a bank account within a year of the launch of the scheme.

### Special Benefits under PMJDY Scheme

Interest on deposit.

- Accidental insurance cover of Rs. 1.00 lac
- No minimum balance required.

- The scheme provides life cover of Rs. 30,000/- payable on death of the beneficiary, subject to fulfillment of the eligibility condition.
- Easy Transfer of money across India
- Beneficiaries of Government Schemes will get Direct Benefit Transfer.
- After satisfactory operation of the account for 6 months, an overdraft facility will be permitted.
- Access to Pension, insurance products.
- The Claim under Personal Accidental Insurance under PMJDY shall be payable if the Rupay Card holder have performed minimum one successful financial or non-financial customer induced transaction at any Bank Branch, Bank Mitra, ATM, POS, E-COM etc. Channel both Intra and Inter-bank i.e. on-us (Bank Customer/rupay card holder transacting at same Bank channels) and off-us (Bank Customer/Rupay card holder transacting at other Bank Channels) within 90 days prior to date of accident including accident date will be included as eligible transactions under the Rupay Insurance Program 2016-2017.
- Overdraft facility up to Rs.5000/- is available in only one account per household, preferably lady of the household.

## 2. From Jan Dhan to Jan Suraksha-

- For creating a universal social security system for all Indians, especially the poor and the underprivileged the Hon'ble Prime Minister launched three Social Security Schemes in the Insurance and Pension sectors on 9th of May 2015.

## 3. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY)

- **Age Group:** The PMJJBY is available to people in the age group of 18 to 50 years having a bank account who give their consent to join /enable auto-debit. Aadhar is the primary KYC for the bank account.
- **Life cover:** The life cover of Rs. 2 lakh is for the one year period stretching from 1st June to 31st May and is renewable. Risk coverage under this scheme is for Rs. 2 lakh in case of death of the insured, due to any reason.
- Premium is Rs. 330 per annum which is to be auto-debited in one installment from the subscriber's bank account.

- The scheme is being offered by the Life Insurance Corporation and all other life insurers who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose.
- Facts and Figures As on 31st March 2017, cumulative gross enrollment reported by banks subject to verification of eligibility, etc. is over 3.10 crore under PMJJBY. A total of 62166 claims were registered under PMJJBY of which 59118 have been disbursed.

#### 4. Pradhan Mantri Suraksha Bima Yojana (PMSBY)-

- **Age Group:** The Scheme is available to people in the age group 18 to 70 years with a bank account who give their consent to join/ enable auto-debit on or before 31st May for the coverage period 1st June to 31st May on an annual renewal basis. Aadhar would be the primary KYC for the bank account.
- **Risk Cover:** The risk coverage under the scheme is Rs. 2 lakh for accidental death and full disability and Rs. 1 lakh for partial disability. The premium of Rs.12 per annum is to be deducted from the account holder's bank account through 'auto-debit' facility in one installment.
- **Offered By:** The scheme is being offered by Public Sector General Insurance Companies or any other General Insurance Company who are willing to offer the product on similar terms with necessary approvals and tie up with banks for this purpose.
- **Facts and Figures:** As on 31st March 2017, cumulative gross enrolment reported by Banks subject to verification of eligibility etc. is over 9.94 crore under PMSBY. A total of 12,534 Claims were registered under PMSBY of which 9,403 have been disbursed.

#### 5. Atal Pension Yojana (APY)

- APY was launched on 9th May 2015 by the Prime Minister. APY is open to all saving bank/post office saving bank account holders in the age group of 18 to 40 years and the contributions differ, based on pension amount chosen.
- Subscribers would receive the guaranteed minimum monthly pension of Rs. 1,000 or Rs. 2,000 or Rs. 3,000 or Rs. 4,000 or Rs. 5,000 at the age of 60 years. Under APY, the monthly pension would be available to the subscriber, and after him to his spouse and after

their death, the pension corpus, as accumulated at age 60 of the subscriber, would be returned to the nominee of the subscriber.

- The minimum pension would be guaranteed by the Government, i.e., if the accumulated corpus based on contributions earns a lower than estimated return on investment and is inadequate to provide the minimum guaranteed pension, the Central Government would fund such inadequacy. Alternatively, if the returns on investment are higher, the subscribers would get enhanced pensionary benefits.
- Scenario: In the event of premature death of the subscriber, Government has decided to give an option to the spouse of the subscriber to continue contributing to APY account of the subscriber, 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.
- Scenario: After the death of both the subscriber and the spouse, the nominee of the subscriber shall be entitled to receive the pension wealth, as accumulated till age 60 of the subscriber. As on 31st March 2017, a total of 48.54 lakh subscribers have been enrolled under APY with a total pension wealth of Rs. 1,756.48 crore.

## 6. Pradhan Mantri Mudra Yojana:

- The scheme was launched on 8th April 2015.
- Under the scheme a loan of upto Rs. 50,000 is given under sub-scheme 'Shishu'; between Rs. 50,000 to 5.0 Lakhs under sub-scheme 'Kishore'; and between 5.0 Lakhs to 10.0 Lakhs under sub-scheme 'Tarun'. Loans taken do not require collaterals.
- These measures are aimed at increasing the confidence of young, educated or skilled workers who would now be able to aspire to become first generation entrepreneurs; existing small businesses, too, will be able to expand their activities.

## 7. Pradhan Mantri Vaya Vandana Yojana

- Based on the success and popularity of Varishtha Pension Bima Yojana 2003 (VPBY-2003), Varishtha Pension Bima Yojana 2014 (VPBY-2014) schemes, and to protect elderly persons aged 60 years and above against a future fall in their interest income due to the uncertain market conditions, as also to provide social security

during old age, it has been decided to launch a simplified scheme of assured pension of 8% called the 'प्रधानमंत्री वय वन्दना योजना'.

- This is implemented through Life Insurance Corporation (LIC) of India. As per the scheme, on payment of an initial lump sum amount ranging from a minimum purchase price of Rs. 1,50,000/- for a minimum pension of Rs 1,000/- per month to a maximum purchase price of Rs. 7, 50,000/- for the maximum pension of Rs. 5,000/- per month, subscribers will get an assured pension based on a guaranteed rate of return of 8% per annum, payable monthly.

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