

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:591
ANSWERED ON:09.07.2004
VARISHTH PENSION BIMA YOJANA
Shandil Dr. (Col.) Dhani Ram

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to enhance the subsidy amount to Rs.150 crore for the pension scheme of the senior citizens under Varishth Pension Bima Yojana; and

(b) if so, the details thereof alongwith the modalities to be followed for mobilisation and allocation of funds?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE SHRI S.S. PALANIMANICKAM

(a & b): In the Budget Estimates 2004-05, Rs. 150 crore has been provided for interest subsidy to Life Insurance Corporation of India (LIC) for the Varishtha Pension Bima Yojana. Actual amount of interest subsidy is calculated on the basis of difference between the pension payout and the income earned by LIC from the fund. Government is committed to meet the subsidy requirement to LIC for the scheme. The expenditure on interest subsidy would be met out of receipts under the Consolidated Fund of India.