

In the News

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Best pension plans in India

BANKING SECTOR

➤ **PENSION PLANS ARE** plans maintained by employers that help individuals secure their financial future and protect them from any uncertainties that may arise post retirement. These plans are best suited for senior citizens that are looking to effectively plan their retirement

If you don't plan for retirement, you are making a terrible mistake. You might be on your first job but the best time for retirement planning, is the first day of your first job. Read on if you want to know more on best pension plans.

Immediate annuity plan

If you have just retired and want your pension immediately, opt for an immediate annuity plan. To avail an immediate annuity plan, you must pay a lump sum. Annuity Payments start almost immediately and can be for a limited term or even lifelong.

Deferred annuity plan

Deferred annuity plan is a retirement plan, which forces you to save for your retirement. You will have to make contributions till a vesting age (say your retirement age).

BEST PRIVATE POLICIES

- *HDFC Life - Click2Retire*
- *HDFC Life - Assured Pension Plan*
- *ICICI Pru - Easy Retirement*
- *Reliance - Smart Pension*
- *Bajaj Allianz - Pension Guarantee*
- *Birla Sun Life Empower Pension*

The contribution you make towards the annuity plan goes on accumulating and earns interest. At the time of vesting, you can encash one third of the funds and the remaining two third of the funds, will be used to purchase an annuity plan. You get tax benefits under Section 80CCC on an investment in annuity. Pensions are taxed.

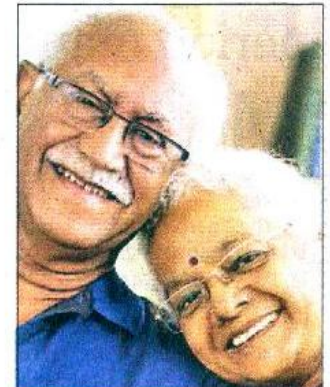
National Pension Scheme

National Pension Scheme popularly called NPS, is an excellent retirement plan for the youth in India. You can start investing in NPS at a young age of 30 and stay invested till you are 60 years. PFRDA has increased the maximum joining age in NPS- Private sector, from 60 years to 65 years. NPS offers you the active choice and the auto choice. Under the active choice, you may invest a maximum of 50 percent in equity. The rest is in Government and Corporate Bonds. If you do not have an idea on how to invest for retirement, opt for the

auto choice. Investment is in a mix of Equity, Corporate and Government Bonds, depending on your age.

Atal Pension Yojana

Atal Pension Yojana popularly called APY, is a pension scheme for maids, drivers, gardeners and so on. APY is a pension plan for the workers in the unorganised sector. Poor workers are encouraged to save and invest for their retirement. An Indian citizen between 18-40 years can join the APY, if he has a savings bank account. APY is a pension plan which promises a fixed pension of Rs 1000, Rs



2000, Rs 3000, Rs 4000 or Rs 5000. The pension you get depends on your monthly contributions. The minimum period of contribution for the APY is 20 years or more. If you start investing in the APY at the age of 40, you must make contributions for at least 20 years to get pensions.

LIC Jeevan Nidhi Plan

The LIC Jeevan Nidhi plan is a with profits pension plan. The accumulated amount of the plan is used to generate pension for the policyholder based on his or her survival past the policy term. The LIC Jeevan Nidhi plan is a with profits pension plan. The accumulated amount of the plan is used to generate pension for the policyholder based on his or her survival past the policy term. For the first five years, the policyholder will receive guaranteed additions at Rs 50 per thousand sum assured for each completed year.

