

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:4189

ANSWERED ON:14.12.2001

PENSION SCHEME OF IRDA

ARUN KUMAR;PRABHAT KUMAR SAMANTARAY;RAMESH CHENNITHALA;SULTAN SALAHUDDIN OWASI

**Will the Minister of FINANCE be pleased to state:**

- (a) whether Insurance Regulatory Development Authority has proposed total voluntary pension plan for every one including the unorganised sector by October, 2002;
- (b) if so, the details of the plan submitted by IRDA;
- (c) the sectors where pension facilities are available at present;
- (d) the total minimum capital requirement to start pension service to the unorganised sector; and
- (e) the steps taken or being taken by the Government on the report submitted by the IRDA for pension scheme for unorganised sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL):

(a) and (b) Insurance Regulatory Development Authority (IRDA) has submitted its report on 'pension reforms in the unorganised sector' to the Government of India in October, 2001. The report recommends reforms so that the envisaged pension scheme becomes available regardless of one's employment status. The proposed scheme envisages portability and flexibility for pensioners.

(c) Currently, pension facilities are available to persons employed in Central & State Governments, public sector undertakings, banks and insurance companies. Employees in private sector companies, who are required to invest a minimum proportion of their income in Provident Funds are also covered.

(d) The total capital requirements would depend on the setting up of an adequate regulatory framework, modalities for entry and exit to pension schemes, selection process for pension providers and other prudential norms for effective supervision and regulation of pension markets.

It is mentioned in the IRDA a report that an indicative figure could be in the range of Rs. 50 to 75 crores as initial capital for pension providers.

(e) The Government has initiated a review of the IRDA report.