

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:924  
ANSWERED ON:30.07.2010  
PROPOSALS TO POPULARISE NPS  
Shantha J.

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

- (a) the steps taken so far to popularise the New Pension Scheme (NPS);
- (b) whether Government has put forward some proposals to make the NPS popular;
- (c) if so, the details thereof;
- (d) whether Pension Fund Regulatory Authority has requested the Government to provide relaxations in this regard;and
- (e) if so, the details thereof and response of the Government thereto?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) to (e): To popularise the New Pension System (NPS), the Government of India and the Interim Pension Fund Regulatory and Development Authority (PFRDA) have taken various steps, such as:

- (i) The NPS has been extended to all citizens of India with effect from 1st May, 2009.
- (ii) The numbers of Points of Presence (POPs) have been increased from 21 in March, 2009 to 40 in March, 2010.
- (iii) NPS-Lite has been introduced with lower entry and transaction charges, so as to enable the economically weaker sections of the Society save for their old age.
- (iv) To encourage people from the un-organised sector to voluntarily save for their retirement, the Government of India has announced the SWAVALAMBAN initiative for persons not being part of any statutory Social Security Scheme of the Government, who join NPS with a minimum contribution of Rs. 1000A and a maximum contribution of Rs. 12000/- per year during the financial years 2010-11 to 2013-14. For such subscribers the Government of India will contribute Rs. 1000 in the year 2010-11 and the benefit would be available for another three years.
- (v) To encourage the Aggregators to popularise the Swavalamban Scheme, PFRDA have announced an incentive of Rs. 50 per subscriber enrolled in the NPS.
- (vi) Finance Minister has requested the Chief Ministers of the States and Administrators of the Union Territories to consider announcing similar co-contribution schemes for the subscribers of Swavalamban Scheme, in response to the appeal of the Central Government, two States, namely Haryana and Karnataka have also announced co-contributory schemes for specific occupational groups in the un-organised sector workers promising to contribute Rs. 1200 per annum over and above the subscribers' contribution and the contribution of the Central Government under Swavalamban initiative.

To popularise NPS, PFRDA, inter-alia, requested the Government to allocate higher amount of funds to it to enable it to incur required expenditure on promotional activities. Accordingly, the Government allocated Rs. 16.00 crore in 2009-10, Rs. 16.00 crore in 2010-11 as against Rs. 5.00 crore in 2006-07, Rs. 6.56 crore in 2007-08 and Rs. 6.30 crore allocated in 2008-09.