

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1770

ANSWERED ON:19.11.2010

NATIONAL PENSION SCHEME FOR POOR PERSONS

Nagorao Shri Dudhgaonkar Ganeshrao

Will the Minister of FINANCE be pleased to state:

- (a) whether the nationalized and private banks are unwilling to sell National Pension Scheme (NPS) to poor persons;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken or proposed to be taken to bring poor persons under NPS?

Answer

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

(a) & (b): The Interim Pension Fund Regulatory and Development Authority (PFRDA) has authorised 40 institutions including public sector banks, private banks and the Department of Posts as Points of Presence (POPs) for selling the New Pension System (NPS) to the citizens of India. Further, PFRDA has introduced a low cost version of NPS known as NPS-Lite for economically disadvantaged citizens under which institutions known as Aggregators would be responsible for enrollment under the NPS and collection and transmission of funds to the NPS fund managers. Under the NPS-Lite, all PoPs are automatically eligible to be registered as Aggregators. Since its introduction on 1st May, 2009, the enrollments under NPS have shown a slow but steady progress.

(c): Government and PFRDA have taken various steps to increase the coverage under the NPS, which inter-alia, include enrollment of a wide range of financial institutions and the Department of Posts as PoPs, providing direct monetary incentive for promoting the NPS, identifying different beneficiary groups for targeted campaigns, and wide publicity to the NPS through media coverage and other means of publicity. In addition, PFRDA has also planned a multi-pronged strategy for promotion of the NPS which includes development of easy to understand publicity material, and a calibrated media campaign to increase awareness about NPS. Further, to address the longevity risk of poorer sections of the country and to encourage the workers from the unorganized sectors to voluntarily save for their retirement, the Government of India has announced Swavalamban Scheme in the Union Budget 2010-11. This is a voluntary defined contribution scheme, which any citizen of India in the unorganized sector can join. Under the Swavalamban, the Government of India shall contribute 1000 per NPS account each year during the current year and the next three years. The benefit will be available to persons who join the NPS with a minimum contribution of 1,000 and maximum contribution of 12,000 per annum in accordance with the provisions of the Operational Guidelines for Swavalamban Scheme.