

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4070
ANSWERED ON:03.12.2010
NEW PENSION SCHEME
Ramasubbu Shri S.

Will the Minister of FINANCE be pleased to state:

- (a) the total amount outstanding in the credit of New Pension Scheme;
- (b) whether the NPS has failed to pick up;
- (c) if so, the reasons therefor;
- (d) whether any steps have been taken to overhaul the system;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

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

(a) to (c): Since its introduction for the Central Government employees (except the armed forces) on 13th January 2004, and for all citizens on 1st May, 2009, the enrollments under New Pension System (NPS) have shown a steady progress. So far, 27 State / Union Territory (UT) Governments have notified NPS for their employees. As on 31.10.2010, a total of 11.33 lac subscribers are registered under NPS with a corpus of Rs.6,036.12crore.

(d) to (f): To enable the subscribers to have easy access to the NPS, 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 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.

Government and PFRDA have also taken various other 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 targetted 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 Rs.1,000 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 Rs. 1,000 and maximum contribution of Rs. 12,000 per annum in accordance with the provisions of the Operational Guidelines for Swavalamban Scheme.