

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3991

ANSWERED ON:03.12.2010

PENSION TO PLANTATION AND NREGA WORKERS

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Will the Minister of FINANCE be pleased to state:

- (a) the salient features of the New Pension Scheme (NPS);
- (b) the extent by which this is likely to address the problem of the National Rural Employment Guarantee Act (NREGA) workers and other labour employed in the plantation sector;
- (c) whether it is proposed to widen the coverage of this scheme;
- (d) if so, the details thereof and response therefrom, State-wise alongwith the reasons for weak response; and
- (e) the other schemes that are proposed to be incorporated in the above project to help the workers?

Answer

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

(a) to (c) : The defined contribution based New Pension System (NPS) was introduced by the Government from January 1, 2004 for new entrants to the Central Government service, except the Armed Forces, replacing the then existing defined benefit pension system. The design features of NPS include its reliability, self-sustainability and cost-effectiveness. The NPS has been extended to the general public from 1st May, 2009 on a voluntary basis.

Further, to address the longevity risk of workers in un-organised sector, to encourage them to voluntarily save for their retirement and to lower the cost of operation of the NPS for such subscribers, the Government of India (Gol) has announced a 'Swavalamban' Scheme in the Budget 2010-11, whereby, Gol will contribute a sum of Rs. 1,000 per year to each NPS account opened in the year 2010-11. The 'Swavalamban' Scheme will be available for persons who are not part of any statutory pension / provident fund scheme of the Government and who join NPS with a minimum contribution of Rs. 1,000/- and a maximum contribution of Rs. 12,000/- per year during the financial year 2010-11. The Scheme will be available for another three years and is targeted to benefit around 10 lakh NPS subscribers of the un-organised sector during the year 2010-11. All workers of unorganised sector including the workers engaged in NREGA projects and plantation sector, not covered by the statutory pension / provident fund schemes of the Government, would also be eligible to avail the benefits of Swavalamban Scheme, in accordance with the provisions of the Operational Guidelines on Swavalamban available in public domain at www.pfrda.org.in.

(d): Since inception in January, 2004, the enrollments under NPS have shown a steady progress. So far, 27 State / Union Territory (UT) Governments have notified NPS for their employees.

Various States are at different stages of NPS implementation. As on 12.11.2010, a total of Rs. 666.10 crore has been contributed by 9 State / UT Governments in NPS, as under:-

Sl. No. State / UT Contribution Deposited with
Trustee Bank (Rs. in crore)

1. Bihar 2.67

2. Chhattisgarh 217.95

3. Haryana 72.33

4. Jharkhand 178.95

5. Karnataka 79.11

6. Madhya Pradesh 80.23

7. Punjab 0.28

8. Puducherry 26.43

9. Uttarakhand 8.15

TOTAL 666.10

The other States / UTs have not yet commenced upload of funds to the NPS architecture. Reasons of not notifying NPS or not completing the process of data / fund transfer to NPS by the States / UTs are internal to them and may vary across the States. The Interim Pension Fund Regulatory and Development Authority (PFRDA) has no specific information in this regard.

As on 31.10.2010, a total of 11.33 lakh subscribers are registered under NPS with a corpus of Rs. 6,036.12 crore.

(e); To increase the benefits of Swavalamban, Gol has also requested the State / UT Governments to announce similar co-contributory Schemes for various occupational groups in unorganised sector. In response, the State Governments of Haryana and Karnataka have announced co-contributory pension scheme for some specified occupational groups. The benefits of these Scheme would be available to the subscribers of Swavalamban Scheme over and above their own contributions and the contribution of the Central Government.