Bill No. 146 of 2022

THE MAINTENANCE AND WELFARE OF PARENTS AND SENIOR CITIZENS (AMENDMENT) BILL, 2022

By

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to amend the Maintenance and Welfare of Parents and Senior Citizens Act, 2007.

BE it enacted by Parliament in the Seventy-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Maintenance and Welfare of Parents and Senior Citizens (Amendment) Act, 2022.

Short title and commencement.

(2) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

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Amendment of section 21.

2. In section 21 of the Maintenance and Welfare of Parents and Senior Citizens Act, 2007, after sub-clause (*iii*), the following clause shall be inserted, namely: —

56 of 2007.

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"(*iiia*) every senior citizen with an annual income of less than rupees eight lakhs shall be entitled to a fixed pension amount not exceeding rupees twenty thousand per month from the Senior Citizen Welfare Fund, established under the Finance Act 2015, in such manner as may be prescribed:

Provided that no pension shall be paid to a senior citizen, if such senior citizen or his immediate family member,—

- (a) has paid income tax during the last three financial years; or
- (b) is a permanent employee of any State Government, the Central Government or any Public Sector Undertaking.".

STATEMENT OF OBJECTS AND REASONS

As per estimations carried out in 2019, it was found that by the year 2050, India would be home to 319 million elderly people, *i.e.*, 19.5 per cent of the population. The country's pension system, as it stands today, covers only 35 per cent of senior citizens. If it continues to operate at such rate, by the year 2050, 20 million, or 61.7 percent of India's elderly population will be without any income security. The rising life expectancy have resulted in an increase in population aged 80 years and above, accounting for nearly 1.1 crore people. When coupled with the ever-increasing trend of family nuclearization, age-related difficulties, and increased dependence on others, the economic vulnerability of senior citizens remains unquestionable. The Covid-19 pandemic has made it even more emergent to financially strengthen the elderly and senior citizens.

A recent study concluded by the Institute for Competitiveness (IFC), conducted on behalf of the Economic Advisory Council to the Prime Minister suggested that the government should launch a pilot project on the universal pension income programme for all old people living in the districts identified under the Aspirational District Programme. It must also ensure that the pension is at least 50 per cent. more than the minimum wages in the country. The findings of the study also suggest that the scheme must be non-contributory and the overall pension amount be financed equally by the Central and the State Government. The pension amount must be based on budgetary taxation instruments and credited through direct benefit transfers.

Research has also found that universal pension is a flat benefit that is based not on means test such as income or asset, participation in labor force, retirement from paid employment, etc. It is the easiest to administer and has low administrative cost as compared to other schemes. It is also a recognized international best practice, with countries like Mauritius, Namibia, Botswana, Antigua, Bolivia, and Nepal having a universal pension scheme in place. All these countries have smaller economies than India, and belong to the band of countries that are termed developing.

It is time now, that India emulate a policy to support its aging population during their silver years. Article 21 of the Indian Constitution recognizes the right of all citizens to lead a life of human dignity. As was observed in the landmark case of Francis Coralie Mullin v. Union Territory of Delhi, the right to live includes the right to live with human dignity and all that goes along with it, viz., the bare necessities of life such as adequate nutrition, clothing and shelter over the head and facilities for reading writing and expressing oneself in diverse forms, freely moving about and mixing and mingling with fellow human beings and must include the right to basic necessities the basic necessities of life and also the right to carry on functions and activities as constitute the bare minimum expression of human self.

Thus, it becomes essential that pension be provided to senior citizens universally to uphold their fundamental right to life with dignity. Furthermore, the Constitution of India casts a duty upon the State to make effective provisions for securing public assistance in cases of old age as under article 41. Article 46 requires the State to promote the economic

interests of the weaker sections of the society with special care, protecting them from social justice and all forms of exploitation. By way of this amendment, an attempt is being made to fulfil these positive obligations on the State as enshrined under the Directive Principles of State Policy so as to allow all elderly people and senior citizens to come out of their lives of financial instability, dependence, and vulnerability.

Hence this Bill.

New Delhi;

KULDEEP RAI SHARMA

16 February, 2022.

FINANCIAL MEMORANDUM

Clause 2 of the Bill provides for payment of fix pension amount not exceeding rupees twenty thousand to every senior citizen with an annual income of less than rupees eight lakhs from the Senior Citizen Welfare Fund.

The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. It is likely to involve a recurring expenditure of about rupees two hundred crore per annum.

A non-recurring expenditure of about rupees one hundred crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill provides for making rules for the manner for providing pension from Senior Citizens Welfare Fund. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

ANNEXURE

Extract from the Maintenance and Welfare of Parents and Senior Citizens Act, 2007

(ACT No. 56 of 2007)

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- 21. The State Government shall, take all measures to ensure that—
- (i) the provisions of this Act are given wide publicity through public media including the television, radio and the print, at regular intervals;
- (ii) the Central Government and State Government Officers, including the police officers and the members of the judicial service, are given periodic sensitization and awareness training on the issues relating to this Act;
- (iii) effective co-ordination between the services provided by the concerned Ministries or Departments dealing with law, home affairs, health and welfare, to address the issues relating to the welfare of the senior citizens and periodical review of the same is conducted.

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for publicity, awareness, etc., for welfare of senior citizens.

Measures

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further to amend the Maintenance and Welfare of Parents and Senior Citizens Act, 2007.