

GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT

**RAJYA SABHA**  
**STARRED QUESTION NO. 71**  
TO BE ANSWERED ON 25/07/2025

**DELAY IN WAGE PAYMENT AND EXCLUSION OF WORKERS UNDER MGNREGA**

71 Shri Pramod Tiwari:

Will the Minister of Rural Development be pleased to state:

- (a) whether delay in Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) wage payment continues to be a significant issue;
- (b) if so, the details thereof;
- (c) whether there is increasing demand for jobs under the scheme;
- (d) if so, the steps proposed to be taken to revise the wage structure to match inflation;
- (e) whether crores of registered workers have been excluded from MGNREGA by imposing the condition of Aadhaar based payment; and
- (f) if so, the details thereof?

**ANSWER**  
MINISTER OF RURAL DEVELOPMENT  
(SHRI SHIVRAJ SINGH CHOUHAN)

(a) to (f): A Statement is laid on the Table of the House.

Statement referred to in reply to Parts (a) to (f) of Rajya Sabha Starred Question No. 71 for 25.07.2025.

(a)&(b): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand-driven wage employment Scheme. As per the provisions of the Act, beneficiaries are entitled to receive wage payments within 15 days of work completion. In order to ensure timely payment, the Government of India has issued a comprehensive Standard Operating Procedure (SOP) to all States/UTs, which defines fixed timelines for each stage of the wage payment process—from muster roll uploading to FTO(Fund Transfer Order) approval. During the FY 2025-26 (as on 21-07-2025) an amount of Rs. 44,479.79 Cr has already been released to States/UTs, out of which Rs.36,616.99 Cr is for payment of wages. Further, all pending liabilities of wages for FY 2024-25 has already been released in the beginning of FY2025-26. Here it is also mentioned that the Ministry along with the States/UTs has been making concerted efforts for improving the timely payment of wages. States/UTs have been advised to generate pay orders in time.

The Ministry has taken various steps to ensure timely payment of wages to workers under Mahatma Gandhi NREGS. These include:

- Improvement of National Electronic Fund Management System (Ne-FMS)
- Intensive consultation with State Governments and other stakeholders for ensuring timely payment of wages, verification of pending and delay compensation claims etc.
- Formulation of Standard Operating Procedure for monitoring of timely payment and payment of delay compensation.
- Reviewing the status of timely payment and payment of delay compensation with the States/ UTs during periodic meetings, Performance Review Committee meetings, Mid-term Reviews etc.

Further, continued efforts have been undertaken by the Ministry through various technological interventions for ensuring timely payments of wages. Some of the key interventions include:

- **Direct Benefit Transfer (DBT):** Wages are transferred directly from the central account to workers' bank accounts, minimizing the role of intermediaries and reducing fund misappropriation. This has proven to be effective in enhancing transparency and preventing leakages. Almost 100% of the funds are managed electronically with the wage payment made entirely through Direct Benefit Transfer (DBT) protocol.
- **Aadhaar Payment Bridge System (APBS):** APBS conversion is a major reform process where wages are credited directly into the bank accounts linked with Aadhaar number of the workers under Mahatma Gandhi NREGS, preferably Aadhaar Based Payments, cutting several layers in the delivery process. APBS helps in better targeting, increasing the efficiency of the system and reducing the delays in payments, ensuring greater inclusion by curbing leakages thereby promoting greater accountability and transparency.

During the current financial year 2025-26 (as on 21.07.2025), 99.44 % Fund Transfer Orders (FTOs) are generated within 15 days from the closure of muster rolls under Scheme.

(c)&(d): The number of registered households increased from 14.81 crore in FY 2023–24 to 15.99 crore in FY 2024–25 reflecting enhanced awareness, accessibility, inclusion, and trust in the Scheme among rural households. The demand for the unskilled manual work under the scheme depends upon the local conditions and is seasonal in nature.

As per Section 6 (1) of Mahatma Gandhi National Rural Employment Guarantee Act (Mahatma Gandhi NREGA), 2005, the Central Government may by notification specify the wage rate for unskilled work for its beneficiaries. Accordingly, the Ministry of Rural Development notifies Mahatma Gandhi NREGA wage rate for every financial year for States/UTs. To compensate the Mahatma Gandhi NREGA workers against inflation, the Ministry of Rural Development revises the wage rate every year based on change in Consumer Price Index for Agricultural Labour(CPI-AL). The wage rate is made applicable from 1st April of each financial year.

Using the present methodology of wage rate calculation, the central government has notified the wage rate and it has increased by around 5% (average) over the last year and around 29% (average) in the previous 5 years. However, State Governments can provide wages over and above the wage rate notified by the Central Government from its own sources.

(e)&(f): Aadhaar Payment Bridge System (APBS) conversion is a major reform process where wages are credited directly into the bank accounts linked with Aadhaar number of the workers, cutting several layers in the delivery process. APBS helps in better targeting, increasing the efficiency of the system and reducing the delays in payments, ensuring greater inclusion by curbing leakages and thereby, promoting greater accountability and transparency. Aadhaar Payment Bridge System (APBS) is merely a mode of payment and the demand for work cannot be denied due to non-linking of account number with APBS.

One of the several benefits of APBS conversion is to minimize the rejection of transactions due to the frequent changing of bank accounts maximizing the performance of DBT. During period from 1st January, 2024 to 25th February, 2025 the scale of rejected transactions for reasons such as no such account or account closed etc. has drastically come down from 8.50% (in case of earlier NACH payment mode) to a mere 0.41% in case of APBS system. This clearly establishes the benefits of the ABPS systems for the welfare of the beneficiaries.

The Ministry continues to monitor its implementation and takes necessary measures to address any challenges faced by workers in receiving their entitlements, ensuring that no eligible beneficiary is deprived of their rightful wages. As and when any issue is flagged by the State/UT or any other stakeholders, same is resolved on priority basis.

\*\*\*\*\*