GOVERNMENT OF INDIA
MINISTRY OF RURAL DEVELOPMENT
DEPARTMENT OF RURAL DEVELOPMENT

RAJYA SABHA
UNSTARRED QUESTION NO. 775
TO BE ANSWERED ON 24/07/2026

VB-G RAM-G WAGE ALLOCATION SHORTFALL FOR TAMIL NADU

775 Shri Praveen Chakravarthy:

Will the Minister of Rural Development be pleased to state:

(a) the reasons for Tamil Nadu receiving a wage increase of around 3 percent under the newly notified VB-G RAM-G Act, 2025, against increases exceeding 15 percent for several northern and north-eastern States;
(b) the outstanding MGNREGA wage dues to Tamil Nadu as of the latest available date; and
(c) whether Tamil Nadu's historically high MGNREGA performance was factored into the 16th Finance Commission-linked devolution formula used to determine the State's normative allocation under the new scheme?

ANSWER
MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI KAMLESH PASWAN)

(a): As per Section 10 of the Viksit Bharat - Guarantee for Rozgar and Aajeevika Mission (Gramin) , (VB-G RAM G) Act, 2025, the Government of India has notified the wage rates for unskilled labour with effect from 1st July 2026. The wage rates have been determined by inflation indexing the prevailing wage rates as notified under section 6 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005. Further, ₹300 has been taken as interim base wage rate, ensuring that no notified wage rate is below ₹300 per day for the purposes of the VB-G RAM G Act, 2025.

(b): Under Mahatma Gandhi NREGS, the wage payments are directly credited by the Central Government to the accounts of the beneficiaries through Direct Benefit Transfer protocol. At the beginning of each financial year, admissible pending liabilities of the previous years, if any, are duly reimbursed by the Government of India. Accordingly, all due and admissible pending wage liabilities upto FY 2025-26 have already been cleared.

As on 19.07.2026 pending wage liability in respect of state of Tamil Nadu is Rs. 430.24 crore.

(c): As per sub-section (4) of section 22 of the VB-G RAM G Act, 2025, the Central Government shall determine the State-wise normative allocation for each financial year based on objective parameters as may be prescribed by the Central Government. Here it is stated that Normative Allocation rules have not yet been finalised and an interim allocation of ₹7,585.49 crore has been made for the State of Tamil Nadu for the current financial year (01.07.2026 to 31.07.2027)

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