

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UN STARRED QUESTION NO. 2477
TO BE ANSWERED ON MARCH 09, 2018/PHALGUNA 18, 1939 (SAKA)
SOCIAL SECURITY PENSION

2477. Shri Satish Chandra Dubey

Will the Minister of FINANCE be pleased to state

- (a) whether funds allotted by the Government as Social Security Pension is less as compared to the inflation and if so, the details thereof;
- (b) whether the Government proposes to increase the amount of pension in proportion to inflation and if so, the details thereof;
- (c) whether the people belonging to low income group and middle income group have been excluded from the ambit of Social Security Pension scheme due to complex rules and if so, the details thereof; and
- (d) whether the Government proposes to bring the people of low income group and middle income group under the Social Security Pension scheme by amending the rules and if so, the details thereof?

ANSWER

The Minister of State in the Ministry of Finance
(Shri Shiv Pratap Shukla)

(a) & (b) As per Ministry of Labour and Employment, to provide for the institution of provident funds, pension fund and deposit-linked insurance fund for the workers in the organized sectors, the Government has framed three Schemes under the Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952, which include (a) The Employees' Provident Funds (EPF) Scheme, 1952; (b) The Employees' Pension Scheme (EPS), 1995; and (c) The Employees' Deposit-Linked Insurance (EDLI) Scheme, 1976.

The Employees' Pension Scheme (EPS), 1995, is a self-funded Scheme with contribution from employer @8.33 per cent of wages (up to Rupees Fifteen Thousand). Further, Government contributes 1.16 per cent of wages in EPS, 1995, up to a salary limit of Rs. 15, 000/- per month.

As per Ministry of Rural Development, the Government implements National Social Assistance Programme (NSAP), which is a social security/welfare programme for the persons belonging to below poverty line (BPL) household and implemented in the rural as well as urban areas of the Country. Under National Social Assistance Programme (NSAP) following three pension schemes are being administered: a) Old Age Pension, b) Widow Pension, c) Disability Pension.

In respect of these three pension schemes targeted beneficiaries are provided with monthly financial assistance ranging between Rs.200-500 depending on the age of the beneficiary and category of the pension. Being a welfare measure, the pension schemes under National Social Assistance programme are not linked to price index.

The Pension Fund Regulatory and Development Authority implemented Atal Pension Yojana (APY), a voluntary, periodic contribution based pension scheme since May, 2015, which is open to all saving bank/post office saving bank account holders in the age group of 18 to 40 years. Under APY, the government guarantees the minimum pension of Rs. 1000 per month or Rs. 2000 per month or Rs. 3000 per month or Rs. 4000 per month or Rs. 5000 per month, after the age of 60 years until his/her death, depending upon the pension plan chosen by the subscriber.

(c) & (d) As per Ministry of Labour and Employment, the members whose monthly wage is up to Rs.15, 000/- are already covered under EPS, 1995. This ceiling was revised from Rs. 6500/- per month to Rs.15, 000/- per month w.e.f. 01.09.2014.
