

**GOVERNMENT OF INDIA  
MINISTRY OF RURAL DEVELOPMENT  
DEPARTMENT OF RURAL DEVELOPMENT**

**LOK SABHA  
UNSTARRED QUESTION NO. 4150  
ANSWERED ON 19/08/2025**

**WAGE DISPARITY UNDER MGNREGS**

**4150. Shri VishaldadaPrakashbapuPatil:**

**Will the Minister of RURAL DEVELOPMENT be pleased to state:**

- (a) the details of reasons for the significant gap between Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) wages and agricultural labour wages in most of the States, with MGNREGS wages on average of Rs. 105 lower than daily wages for agricultural labour;**
- (b) the steps taken by the the Ministry to address this wage disparity and ensure that MGNREGS wages are more closely aligned with actual agricultural labour wages to support better rural livelihoods;**
- (c) whether the Ministry has considered increasing the budgetary allocation for MGNREGS at the outset of the financial year in line with the recommendations of the Parliamentary Standing Committee on Rural Development; and**
- (d) the details of measures implemented to ensure timely payment of wages and delay compensation to MGNREGS beneficiaries, given that only Rs. 2.5 lakh out of Rs. 24 lakh approved delay allowance has been paid in 2023-24, as of November 21, 2023?**

**ANSWER**

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

**(a)&(b): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) is a demand driven wage employment Scheme. It provides livelihood security, i.e. fall back options for livelihood for the rural households, when no better employment opportunity is available.**

**As per section 6(1) of Mahatma Gandhi NREGA, the Central Government may, by notification, specify the wage rate for unskilled work for Mahatma Gandhi NREGS workers. Accordingly, the Ministry of Rural Development notifies the wage rate for unskilled workers under Mahatma Gandhi NREGA every financial year. To compensate the Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) workers against inflation, the Ministry of Rural Development revises the wage rates every financial year based on the Consumer Price Index for Agricultural Labourer (CPI-AL).**

**Using the above methodology, Central Government has revised the notified wage rate for FY 2025-26 which is around 5% (average) more than of FY 2024-25. The latest revised notified wage rate has been made applicable from 1st April, 2025. However, State Governments can provide wages over and above the wage rate notified by the Central Government from its own resources.**

**(c): Department related Parliamentary Standing Committee on Rural Development and Panchayati Raj has given recommendations regarding increasing the budget allocation.**

**For the financial year 2024-25, budget allocation of ₹86,000 crore was made for the scheme, which was the highest ever allocation for scheme at the Budget Estimate (BE) stage since inception. In the financial year 2025-26, the Government has retained this allocation at ₹86,000 crore, ensuring continued support for rural employment.**

**Here it is also stated that keeping in view demand driven nature of the Scheme, the Ministry of Rural Development closely monitors demand for employment at ground level and seeks additional funds from the Ministry of Finance, as and when required.**

**(d): 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 approval. 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 benefits are credited directly into the bank accounts based on the Aadhaar 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.**
- National Mobile Monitoring System (NMMS): Real-time attendance capture through geo-tagged photographs at the worksite ensures accurate and timely recording of attendance, which helps in timely payment of wages.**

**As per the provisions mentioned in Schedule-II of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (Mahatma Gandhi NREGA), wage seekers shall be entitled to receive payment of compensation for the delay, at the rate of 0.05% of the unpaid wages per day of delay beyond the sixteenth day of closure of muster roll. Delay compensation rules are notified by the State Government concerned. The amount due for compensation is duly verified and approved, and then paid by the State Government.**

**The Ministry regularly reviews the performance of the implementation of Mahatma Gandhi NREGS (including delay compensation), including payment of delay compensation in States/UTs through various fora viz., Mid-Term Review, Labour Budget meetings, Labour Budget Revision meetings, Programme Review meetings.**

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