

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

**LOK SABHA
UNSTARRED QUESTION NO. 1570
ANSWERED ON 09/12/2025**

REVISION OF MGNREGS WAGES IN KERALA

1570. Shri Kodikunnil Suresh:

Will the Minister of RURAL DEVELOPMENT be pleased to state:

- (a) whether the Government proposes to revise and enhance the wage rate under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) in Kerala, considering that the present notified wage remains below the State's agricultural and rural labour wages;**
- (b) whether the State Government of Kerala has formally requested a wage hike under MGNREGS and the action taken thereon;**
- (c) the steps taken by the Ministry to ensure timely wage disbursement to MGNREGS workers in Kerala and the current status of pending wage payments, if any;**
- (d) whether the Ministry has assessed the impact of low wages on worker participation, women's labour force engagement and livelihood security in the State; and**
- (e) the details of MGNREGS wage revisions for Kerala during the last ten years along with corresponding labour budget allocations, year-wise?**

ANSWER

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

(a) & (b): 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 including Kerala. 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.

In case of Kerala, the notified wage rate for the State of Kerala for unskilled workers under Mahatma Gandhi NREGS for the financial year 2024-25 was ₹346, which has been revised to ₹369 for the financial year 2025–26. This reflects an increase of approximately 6.65% in the wage rate.

Further, it is also submitted that State Governments can provide wages over and above the wage rate notified by the Central Government from its own sources.

(c): 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 scheme. 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.

As on 03.12.2025, an amount of Rs. 329.42 crore is pending liability for Wage component in the Kerala State under Mahatma Gandhi NREGS.

Here it is also submitted that the wage payments are directly credited by the Central Government to the accounts of the beneficiaries through Direct Benefit Transfer protocol. Sanctions for wage payments are issued daily by the Ministry through the Public Finance Management System (PFMS) based on fund transfer orders received from the States/ UTs after following due procedures. 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 2024-25 have already been cleared (except in case of State of West Bengal).

(d): Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS) which is a demand driven wage employment Scheme provides for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. It provides livelihood security, i.e. fall back options for livelihood for the rural households, when no better employment opportunity is available.

(e): Persondays generated and the notified wage rate of unskilled workers for the State of Kerala under Mahatma Gandhi NREGS for the last ten financial years from 2015-16 to 2024-25 are given below:

| Financial Year | Persondays Generated (In lakh) | Notified wage rate for Kerala for unskilled workers (In Rs.) |
|-----------------------|---------------------------------------|---|
| 2015-16 | 741.74 | 229 |
| 2016-17 | 684.62 | 240 |
| 2017-18 | 619.59 | 258 |
| 2018-19 | 975.26 | 271 |
| 2019-20 | 802.30 | 271 |
| 2020-21 | 1023.00 | 291 |
| 2021-22 | 1059.66 | 291 |
| 2022-23 | 965.78 | 311 |
| 2023-24 | 994.59 | 333 |
| 2024-25 | 907.54 | 346 |
