

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

**LOK SABHA  
UNSTARRED QUESTION NO. 1638  
ANSWERED ON 10/02/2026**

**ARREARS OF WAGES UNDER MGNREGS**

**1638. Shri K Sudhakaran:**

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

- (a) whether the Government is aware that as of early 2026, Kerala faces wage arrears of over Rs. 248 crore under Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), causing severe distress to 26 lakh active workers;**
- (b) the reasons of the Government for notifying a daily wage of Rs. 369–Rs. 370 for Kerala in financial year 2025-26, which is less than half the actual market rate for rural labour in the State, leading to a mass exodus of workers from the scheme;**
- (c) whether the introduction of the Viksit Bharat Guarantee for Rozgar and Ajeevika Mission (Gramin) Bill, 2025, which mandates a 60:40 funding pattern, effectively penalizes efficient States like Kerala by shifting a Rs. 1,600 crore annual financial burden onto the State exchequer; and**
- (d) whether the new provision to "pause" work for 60 days during agricultural seasons violates the rights-based "demand-driven" essence of the original 2005 Act?**

**ANSWER**

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

**(a): Under Mahatma Gandhi National Rural Employment Guarantee Scheme (Mahatma Gandhi NREGS), the Wage payments are directly credited by the Central Government to the accounts of the beneficiaries through Direct Benefit Transfer protocol. As Sanction for payment of Wages are issued by Ministry daily through PFMS (Public Finance Management System), after receipt of funds transfer orders from States/UTs after following the due procedures, the fund release status keeps updating on a daily basis. 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.**

**The pending liabilities for the wage component under Mahatma Gandhi NREGS in respect of Kerala as on 09.02.2026 are Rs 209.32 crore.**

**Further, it is also stated that during the current financial year 2025-26 (as on 08.02.2026), an amount of Rs. 2617.69 crore has been released for the wage component to Kerala.**

**(b): 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 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 Rs. 346, which has been revised to Rs. 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 their own sources.**

**(c): The concern that a 60:40 Centre–State financial sharing pattern would impose an excessive burden on States is not borne**

**out by the historical and policy context of rural employment programmes in India.**

**Historically, many major rural employment schemes in the country have operated on shared funding models between the Centre and the States. For example:**

- The National Rural Employment Programme (NREP) followed a 75:25 sharing pattern.**
- The Rural Landless Employment Guarantee Programme (RLEGP) adopted a 50:50 model.**
- The JawaharRozgarYojana (JRY) operated on an 80:20 basis.**
- Schemes such as SGRY, EAS, and JGSY were also implemented on a Centre–State sharing pattern, generally in the ratio of 75:25.**

**Presently, almost all Centrally Sponsored Schemes (CSS) across sectors are being implemented on the 60:40 sharing model. The 60:40 pattern adopted under this Act is therefore consistent with the broader framework of Centrally Sponsored Schemes.**

**This model promotes cooperative federalism by making States active partners in rural development. The journey from Viksit Gram Panchayats to a Viksit Bharat requires strong State ownership and accountability, and the shared funding framework reinforces this partnership approach.**

**Further, special protective provisions have been made for North-Eastern and Himalayan States and Union Territory (Himachal Pradesh, Uttarakhand and Jammu & Kashmir), where a 90:10 Centre–State sharing pattern applies, ensuring that financially constrained States are not placed under undue stress.**

**In addition, the Act clearly provides that in the event of natural disasters, pandemics, or other extraordinary circumstances, State Governments may recommend special operational relaxations to the Centre. The Central Government is empowered to allow expansion of permissible works, relaxation in documentation procedures, and temporary enhancement of employment provisions in such situations. The framework is thus not rigid, but responsive, flexible, and sensitive to emerging needs.**

**Overall, the funding pattern is designed to balance fiscal responsibility, State participation, and national rural development priorities.**

**(d): The provision regarding a pause of an aggregate of 60 days during peak agricultural seasons has been introduced to maintain balance in the rural economy and to support agricultural operations, which remain the primary source of livelihood in rural India.**

**Nearly 86% of farmers in the country belong to the small and marginal categories. During peak sowing and harvesting periods, these farmers require labourers for timely agricultural operations. The provision has therefore been designed keeping these ground realities in view.**

**Under this framework, States are empowered to notify, based on local agro-climatic conditions, a cumulative period of an aggregate of 60 days during peak sowing and harvesting seasons when works under the programme may be temporarily paused. This is intended to ensure that agricultural activities are not adversely affected due to labour shortages.**

**It is important to clarify that the statutory guarantee of 125 days of employment remains fully intact. The provision relates only to timing and sequencing of works, not to any reduction in the employment entitlement. The objective is to strengthen both rural livelihoods and agricultural productivity in a complementary manner.**

**Thus, the measure is aimed at harmonising wage employment with the needs of the agricultural sector so that both can grow together, ultimately benefiting rural households.**

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