

### **New Pension Scheme**

†1422. SHRI JAY PRAKASH : Will the Minister of FINANCE be pleased to state:

- (a) the number of persons who adopted New Pension Scheme (NPS) as on 31 July, 2010;
- (b) whether it is a fact that common man has shown no enthusiasm towards this scheme;
- (c) if so, whether Government is taking any steps to make this scheme more attractive; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) Since its introduction for the Central Government employees (except the armed forces) on 1st January, 2004, and for all citizens on 1st May, 2009, the enrollments under New Pension System (NPS) have shown a steady progress. As on 31.07.2010, a total of 10,38,360 subscribers were registered under the NPS consisting of 6,48,250 subscribers of the Central Government, 3,69,424 of the State Governments, 9,923 of Autonomous bodies, 9,719 from un-organised sector and 1,544 of Corporate sector.

(c) and (d) To enable the subscribers to have easy access to the NPS, the Interim Pension Fund Regulatory and Development Authority (PFRDA) has authorised 40 institutions including public sector banks, private banks and the Department of Posts as Points of Presence (PoPs) for selling the NPS to the citizens of India. Further PFRDA has introduced a low-cost version of NPS known as NPS-Lite for economically disadvantaged citizens under which institutions known as Aggregators would be responsible for enrollment under the NPS and collection and transmission of funds to the NPS funds managers. Under the NPS-Lite, all PoPs are automatically eligible to be registered as Aggregators.

Government and PFRDA have also taken various other steps to increase the coverage under the NPS, which inter-alia, include enrollment of a wide range of financial institutions and the Department of Posts as PoPs, providing direct monetary incentive for prompting the NPS, identifying different beneficiary groups for targeted campaigns, and wide publicity to the NPS through media coverage and other means of publicity. In addition, PFRDA has also planned a multi-pronged strategy for promotion of the NPS which includes development of easy to understand publicity material, and a calibrated media campaign to increase awareness about NPS. Further, to address the longevity risk

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†Original notice of the question was received in Hindi.

of poorer sections of the country and to encourage the workers from the unorganized sectors to voluntarily save for their retirement, the Government of India has announced Swavalamban Scheme in the Union Budget 2010-11. This is a voluntary defined contribution scheme, which any citizen of India in the unorganized sector can join. Under the Swavalamban, the Government of India shall contribute Rs. 1000 per NPS account each year during the current year and the next three years. The benefit will be available to persons who join the NPS with a minimum contribution of Rs. 1000 and maximum contribution of Rs. 12,000 per annum in accordance with the provisions of the Operational Guidelines for Swavalamban Scheme.

#### **Formation of FSDC**

1423. SHRI N.K. SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether it is the Government's intention to establish the Financial Stability Development Council (FSDC) as announced in the budget 2010-11;

(b) the objectives of FSDC as laid down by the Ministry;

(c) the time by when such council is expected to come into force; and

(d) the authorities that are being consulted for formation of such council?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) Yes, Sir.

(b) The objectives of FSDC would be to deal with issues relating to :

- Financial stability
- Financial sector development
- Inter-regulatory coordination
- Financial literacy
- Financial inclusion
- Macro prudential supervision of the economy including the functioning of large financial conglomerates
- Coordinating India's international interface with financial sector bodies such as the Financial Action Task Force (FATF) and Financial Stability Board (FSB).