

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**CHAIRMAN, PFRDA URGED BANKERS TO PROPAGATE GROWTH OF
PENSION; ASKED BANKERS TO TAKE SWAVALAMBAN SCHEME IN A
MISSION MODE AND WORK TOWARDS ACHIEVING THE TARGETS IN THE
STIPULATED TIME**

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Shri Hemant G Contractor, Chairman, Pension Fund Regulatory Development Authority (PFRDA), urged the bankers to propagate growth of pension and mentioned that they were best placed for this task with their branch network, human resources and other capabilities. He informed that the target of opening of 70 accounts per branch has been allocated to the Banks, amounting to a total target of 56 lacs Swavalamban accounts for the FY 2014-15. Shri Contractor was speaking at a conference of Aggregators organized here today by PFRDA. The objective is to focus on progress of Swavalamban accounts opened by Public Sector Banks/Regional Rural Banks/MFI's and NBFCs working as Aggregators to old age income security with a view to achieving long term financial inclusion to the target groups.

Shri Contractor also informed that the Swavalamban scheme has been made an integral part of Pradhan Mantri Jan Dhan Yojana (PMJDY). He asked the bankers to take Swavalamban Scheme in a mission mode and work towards achieving the targets in the stipulated time.

Earlier speaking on the occasion, Dr. Anup Wadhawan, Joint Secretary, Department of Financial Services, Ministry of Finance, called upon the banks to give impetus to opening of Swavalamban accounts, which is of immense importance for old age income security and is being monitored by the Government as an important initiative. He emphasised the importance of Aggregators as critical elements to achieve the target under Swavalamban, which is part and parcel of Pradhan Mantri Jan Dhan Yojana (PMJDY). He advised the banks to distribute the targets to State, district, block and sub-service area level and have a close monitoring on regular basis which will help them to achieve the target.

Dr. B.S. Bhandari, Member (Economics), dwelt upon the need for the expansion of the pension scheme to the unorganised sector of the workforce. He informed the gathering that the pension reforms in India have been driven by the fiscal unsustainability of the defined benefit pension scheme on the one hand and coverage of pension provision to the large unorganised sector on the other. Only 12% of the working population are covered under formal pension system. Further, there should be concerted efforts to promote financial inclusion which involves ensuring access to financial services such as savings and investment, pension and credit. From the demand side, awareness creation and financial education are

necessary. Banks should leverage their existing branch network, customer data base, etc. in the Micro, Small and Medium Enterprises (MSME), and agriculture & rural sector to promote NPS Lite/Swavalamban. Training of Bank officials, capacity building and publicity of the scheme need also to be attended to.

Panel discussions were held on strategy for effective capacity building programme in Banks, on integrating NPS-Swavalamban under PMJDY programme, expansion of coverage of Swavalamban by MFIs and NBFCs, for effective implementation of NPS-Swavalamban.

Swavalamban is a Government of India initiative in which the Government co-contributes Rs. 1000/- per annum to all eligible Swavalamban pension accounts. So far, more than 35 lakhs subscriber have opened account under this scheme. Public Sector Banks/Regional Rural Banks/Micro Finance Institutions and Non Banking Financial Companies with their vast reach and customer base have been registered as Aggregators for promotion of Swavalamban Scheme.
