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PENSION SYSTEM IN INDIA: POLITICAL AND ECONOMIC ISSUES

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ABSTRACT

Pension schemes have a very positive impact on the poor people of the country for enhancing the poverty. The analysis reveals that the lack of awareness, problems of funds, inappropriate planning and policies, and corruption etc. are the main problems accord under national pension system in the whole country. Major political and economic issues exhausted the power of pension schemes. The study finds that, the aged group of people becomes helpless to sprint the daily household tasks after retirement, exclusive of supplementary family support. The Study suggests strong political will and administrative commitment for efficient implementation, greater monitoring and regular reforms can change the pension system. Important changes on the policy and narrow fronts, healthier promotion and better pricing of goods can give this sector a much-needed improvement.

KEYWORDS

pension schemes, national social assistance programme (NSAP), reforms, social security.

INTRODUCTION

India, like most other developing countries, does not have a universal social security system to protect the elderly against economic deficiency. The debate on social security reforms have taken the centre stage in developed and developing countries as one of the most critical policy issues. The policy makers and economists intensely debating for an appropriate mechanism to confront the complex issues related to demographic burden to owing to aging, growing inability of the government to finance unfunded pensions, pressure on government budget due to increasing costs of retirement benefits. Pension reforms, have therefore become a hot pursuit for planners economists and policy makers in the country (Sadhak, 2004).

Multiplicities of problems plague the pension system in India. The ongoing disintegrate of the traditional old age maintained mechanism and the rise in elderly population highlights the need for intensification the recognized channels of retirement savings. The essential, more immediate reasons for pension reform are also well known tilted coverage of the obtainable benefit schemes favoring organized workforce while informal employment is on the rise, aggravation financial situation of government pension schemes against a surroundings of rising system expenditure, inequitable management of private sector workers vis-a –vis public sector employees, an under developed private pension market, and lastly they require to increase the domestic rate of savings from beginning to end higher contractual savings (Goswami, 2001). The pension (social security) system suffers from many short comings, like poor coverage, increased burden on the exchequer long term fiscal un-sustainability, absence of formal social security coverage to the unorganized and organized sector. The central government, states and union territories provide pension benefits to the public employees. Adding together, a large number of public and local bodies and autonomous institutions run their own pension schemes guaranteed by the government. The central government without help of administers divide pension programs for civil employees, defense staff and workers in railways, post, and telecommunications departments. These benefit programs are characteristically run on a pay-as-you-go, defined-benefit basis. The schemes are non-contributory i.e. the workers do not make a payment throughout their working lives. As a substitute, they pass by the employer's contribution into their provident fund account. The total pension expenditure is stimulating in the annual revenue expenditure account of the government. The occupied superannuation benefit is a monthly pension fixed at fifty percent of the average monthly earnings during the last year of service. The pension is indexed to provide an authentic allowance to the retirees. Public employees, in addition to their pension benefits are also sheltered under the General Provident Fund (GPF) scheme. The GPF is a non-contributory program where only employees themselves contribute a minimum of six percent of their monthly earnings. The accumulation underneath the GPF account is returned to the worker in lump sum at the time of retirement (Goswami, 2001).

Article 41 of the Constitution of India states "the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want". Social Security invalid and old age pensions figure as Items 23 and 24 of the Seventh Schedule of the Constitution of India in the Concurrent List. Several State Governments started social pension schemes for vulnerable groups, long before the Central Government (Report of the task force, 2013). The Employees Provident Fund Organization (EPFO) is a statutory body of the Government of India under the Ministry of Labour and Employment. It administers a compulsory contributory provident fund scheme, pension scheme and an insurance scheme. It is one of the largest social security organizations in India in terms of the number of covered beneficiaries and the volume of financial transactions undertaken. The EPFO's apex decision making body is the Central Board of Trustees (CBT). Pension system refers to the various mechanisms by which society protects its members from economically and socially, and other exigencies encountered by individuals or group are faced certain disadvantaged. An important first step towards a unified and inclusive pension policy framework for formal and informal sector workers was taken in 2004 when the government decided to bring new government employees into the New Pension System.

NEED OF THE PRESENT STUDY

The motivations for present study have provided by a universal lack of awareness on the subject of pensions in the society. Through the rate of growth in the ageing population be converted into faster than the young population, there is an imperative necessitate to move around about the future of retirement planning. Additional motivations for this study are the exclusive nature of society and family. The joint family system has windswept due to a boost in immigration from native places, therefore creating the vague family system. In such circumstances, the aged group of people becomes helpless to sprint the daily household tasks after retirement, exclusive of supplementary family support. Consequently, the researcher through the challenge to generate social awareness with respect to retirement planning in proceed and located a full platter of pensions, which would definitely help the people to overcome the anxiety in life after retirement.

Pension Structure - pension can be paid by two main ways, the first is called Pay as You Go where the young workers agree to pay the pension of retired people in lieu of a guarantee that their younger generation will track the suit. The structure is an unfunded scheme and has been principally accepted in several countries. In the second system, every individual of each generation contributes a share of their current income to a fund which accrues over a period of time. The returns on such assets or a segment on such accumulated assets is used for paying pensions. In equally of the ways there exist two significant characteristics, time and risk. This is because both provide an economic role of transferring income from working years to post retirement years. There is some risk that the authentic pension payments received will be less than those predictable when the plan was initiated (Sanyal and Singh,2013).

World Banks Three Pillars - In general, in the writing on pensions, three pillars are traditionally discussed (World Bank, 1994). The first pillar is provided by the state as part of its social security system. There are two types of pension categorization under this pillar. First, universal, where all the inhabitants are measured as eligible for pension benefits. Second, means-tested where a pension is provided to a resident after a resources (income, asset, participation in the labor force, retirement from paid employment, etc.) analysis. The first pillar is financed by collecting tax (part of the social security tax that the government raises) from workers and paying it out instantly to pensioners (PAYG System). The outgo mode in this system is in general Defined Benefit (DB) but in current times countries like Sweden and Poland are trying out with non-financial (or notional) defined contribution (NDCs) (Sanyal and Singh, 2013).

The second pillar is provided by the companies in the form of job-related pension schemes or plans sponsored by the employer. Job-related pension schemes are funded, a fund of pension assets accrues from the assistance paid by the employer (the scheme sponsor) and worker (the scheme member) and from the investment returns on these contributions. The pension is paid from the accrued fund once the associate retires. The outgo mode in this system, until recently was a Defined Benefit (DB) which is now changing to Individual Retirement Accounts (IRAs).

The third pillar represents supplementary savings for retirement where other assets can also be second-hand to provide income in retirement. To demonstrate, after retirement, individuals can sell, borrow or rent their homes to increase their expenditure power. Individuals can also choice to work after attaining retirement. This is from time to time called a fourth pillar of pension. This phenomenon can take place either by a choice or a compulsion as some persons prefers an unhurried entry into retirement at the same time others need means to meet their ends (Sanyal and Singh, 2013).

PROPOSED PENSION MODEL FOR INDIA

The recent initiates of the Government of India appear to indicate that we may follow the World Bank model for Pension Reforms in India. The viable model may be as under:

Pillar-I; Very modest means tested tax financial pension for people living below poverty line.

Pillar-II; D.C. fully funded individual retirement accounts with funds management entrusted to Private fund managers as recommended by the OASIS committee.

Pillar-III; Building pensions through occupation and personal pension initiatives through the liberalized life insurance industry (Sonig, 2002).

INDIAN PENSION SYSTEM: India has an extensive tradition of old age income support system. The perception of old age security in India dates back to the 3rd century B.C. According to Sukraniti, a king had to pay half of the wages for people who had completed forty years of service (Gayithri, 2007). Practices of civil service pension were evident way back in 1881 when the retirement benefits were provided by the Royal Commission on Civil establishments during the British colonial rule. The Government of India Acts of 1919 and 1935 made further requirements. These schemes were later consolidated and extended to provide retirement benefits to the whole public sector working population. Post-independence, several provident funds were also set up to make longer coverage in the middle of the private sector workers (Goswami, 2001). The Indian pension system classified as follows;

1. **Civil Service Pension Schemes-** central and state government employees accept pension under these schemes. The pension payments under these schemes were distinct benefits and were related to final salary. They were paid out of recent revenues of respective central and state governments. In recent times these schemes are shifting from Defined Benefit (DB) scheme to a defined contribution (DC) scheme for the new entrants (New Pension System) whereas the old scheme immobile provides pensions for employees who connected with the civil service preceding to 2004 and the armed forces.
2. **Employee's Provident Fund Organization Schemes (EPFO)-** The Employees' Provident Fund (EPF) came into existence on November 15, 1951. It was replaced by the Employees' Provident Funds Act, 1952. The Act and Schemes are framed and managed by a tri-partite Board known as the Central Board of Trustees, Employees' Provident Fund, consisting of legislative body of Government (both Central and State), employers and employees. The Board manages a contributory provident fund, pension scheme and an insurance scheme for the labor force occupied in the organized sector in India. It is one of the world's largest organizations in terms of customers and the amount of financial transactions undertaken by it. The Board is assisted by the EPFO and concluded three schemes; first, Employees' Provident Fund Scheme (EPFS), 1952 which is a mandatory saving scheme for old age/ contingencies. Second, Employees' Pension Scheme (EPS), 1995 which provides pension to members, widows, widower, children, orphans, physically disabled members and dependent parents or nominee. And third, Employees' Deposit Linked Insurance Scheme (EDLIS), 1976 which makes provision for insurance benefits to beneficiaries of members who died in harness.
3. **Occupational Pension Schemes-** The public sector enterprises have comparable type of pension provision, like civil servants. These systems are at present time changed and most of them have become contributory. The private sector enterprises also provide pensions and contribute in these types of schemes. On the other hand, the mode of payment of pensions varies from endeavor to endeavor. The enterprises sometime manage the fund themselves and sometimes mutually with pension providing companies.
4. **Public Provident Fund-** the Public Provident Fund initiated in 1968 stands as a charitable tax-advantaged defined contribution (DC) saving opportunity with personalized accounts. This scheme has been release to all general public (except non-resident Indians) but since it uses income tax rebates as incentives for clienteles, it has primarily paying attention for formal sector workers, who pay income taxes. The minimum contribution is Rs 500/- per annum and the maximum contribution is Rs.1, 00,000/- per annum. Withdrawals are allowed from the sixth year and a subscriber is permitted to withdraw the entire fund after the expiry of a period of fifteen years. As well as loan conveniences are offered from third financial year up to fifth financial year.
5. **National Pension Scheme-** National Pension Scheme has evolved over the years, after 2003. NPS was made operational from December 22, 2003 for all new recruits of central government employees (except for the armed forces) amalgamation service on or after January 1, 2004. The NPS originated based on the Old Age Social and Income Security project (GOI, 2000), Report of the Working Group (GOI, 2001) and Report of the High Level Expert Group (GOI, 2002) commissioned by the Central Government. These reports led to the setting up of a Pension Fund Regulatory and Development Authority (PFRDA) in October 2003 and introduction of a PFRDA bill in Parliament in 2005. An addition of the NPS occurred on May 1, 2009 when this scheme was comprehensive to all citizens. On December 1, 2010, the voluntary pillar was introduced. As of May 7, 2013, only 4,90,988 individuals have subscribed to the scheme, of which more than fifty percent are civil servants for which the scheme is mandatory (Sanyal and Singh,2013). To support general public from unorganized sector to open a pension account, government has started a new program, *swavalamban*, in which contributes Rs. 1000 per annum for each NPS account in 2010-11 to 2012-13.
6. **Micro Pension and Other Alternatives-** Micro-pensions are provided by micro-finance institutions. Micro-pensions stick to the requirements of very precise individual groups or local communities in substitute of low contributions and low quality. In stipulations of coverage, the largest part successful examples are Self-Employed Women's Association (SEWA). In 2009, 50,000 self-employed women were enrolled in SEWA's micro-pension scheme. On the other hand, micro-pensions are targeted to particular groups and can definitely be regarded as evaluate to achieve assured economically deprived groups but not the masses. Further alternatives are long-term saving options accessible by banks, and pension schemes accessible by insurance companies that offer the investor with a choice of funds.
7. **National Social Assistance Programme (NSAP)** -The National Social Assistance Programme (NASP) is a welfare programme being administered by the Ministry of Rural Development. This programme is being implemented in rural areas as well as urban areas. It was only in the year 1995 that the National Social Assistance Programme (NSAP) was introduced as a centrally sponsored scheme and this was converted into Additional Central Assistance (ACA) scheme in the year 2002. When NSAP was introduced in 1995, it had three components: (a) National Old Age Pension Scheme (NOAPS) providing a monthly pension of Rs. 75 to destitute of 65 years or higher; (b) National Family Benefit Scheme (NFBS) providing one-time assistance of Rs. 5000 in the case of death due to natural causes and Rs. 10000 in the case of death due to accidental causes of primary breadwinner in the age group of 18-64 years in a below poverty line household; and (c) National Maternity Benefit Scheme (NMBS) providing a lump sum cash assistance of Rs. 300 to pregnant women of 19 years and above for up to the first two live births in a below poverty line household in the whole India. NMBS was later transferred to the Ministry of Health and Family Welfare from 2001-2002. On 1st April, 2000, a new scheme with the objective of providing food security to the destitute called Annapurna was introduced to benefit justified to beneficiaries who could not be given assistance under the National Old Age Pension Scheme. In 2007 NOAPS was renamed as Indira Gandhi National Old Age Pension Scheme (IGNOAPS) and made applicable to all aged persons belonging to families living below the poverty line, instead of restricting it to destitute aged persons (Report of the task force, 2013). Further, in 2009, two more pension schemes for widows and the disabled were introduced in India. It is a centrally sponsored scheme with 100 per cent central assistance provided to states and union territories.

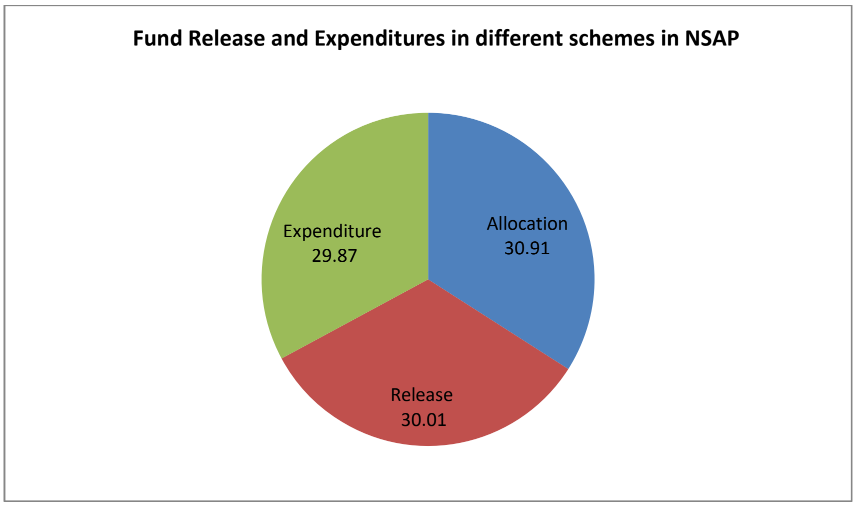
TOTAL FUNDS RELEASED UNDER NSAP- The total requirement of funds for the current proposal comes to RS. 3861.09 crore per annum. However, after taking into account the existing rate of assistance and number of beneficiaries, the net additional requirement for implementing the announcement comes to Rs. 1325.10 crore per annum (Annual Report, 2013). Table number 1.2 shows that total number of beneficiaries under NSAP in India and fund release under these programmes. Table shows the allocations Rs. in crore under NSAP from 2002-03 to 2012-13. In all these years total allocation almost increases. Funds releases Rs. 5162.00 crore in 2010-11 to Rs. 6596.47 in 2011-12 but funds decreased in Rs 5859.50 in 2012-13. Total expenditure also decreased in Rs. 4855.77 in 2012-13 from Rs. 6188.67 in 2011-12 under this programme. Figure 1 presents the share of different schemes under NSAP in government of India's funds and expenditure.

TABLE 1.1: FUNDS RELEASE AND EXPENDITURE UNDER NASP IN INDIA

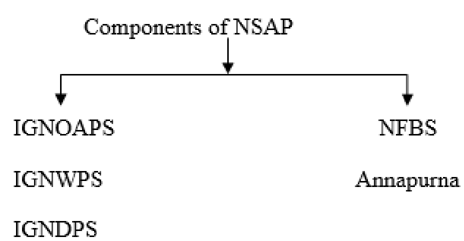
Years	Allocation Rs.in Crore	Release Rs. in Crore	Total Exp. Rs. In Crore
2002-03	680.00	657.09	594.06
2003-04	679.87	602.26	655.97
2004-05	1189.87	1032.01	868.37
2005-06	1190.00	1189.71	1033.89
2006-07	2489.61	2489.61	1968.28
2007-08	2891.48	2889.73	3123.08
2008-09	4500.00	4500.00	3961.51
2009-10	5200.00	5155.50	4914.88
2010-11	5162.00	5162.00	5352.36
2011-12	6596.47	6596.47	6188.67
2012-13	8447.30	5859.50	4855.77
CAGR %	30.91	30.01	29.87

Source: Annual report 2012-13, ministry of rural development GOI

FINGER 1: PERCENTAGE OF CAGR OF FUND RELEASE AND EXPENDITURE UNDER NSAP IN 2002-03 TO 2012-13



NSAP AT PRESENT HAS THE FOLLOWING COMPONENTS



Indira Gandhi National Old Age Pension Scheme (IGNOAPS) – Old age social security plays a pivotal role in a welfare state and one of its major components is pension. The developed countries generally provide pension to those who contribute for pension whereas in majority of the developing countries pensions are provided on a discretionary basis which reduces the overall coverage of pension. India is no exception to this phenomenon and has a low coverage of pension too (Sanyal and Singh,2013). IGNOAPS is a national old age pension scheme in India. It was launched by ministry of rural development since 1964, as old age pension scheme. All persons of 60 years and above (revised downwards from 65 in 2011) and belonging to below the poverty line category according to the criteria prescribed by the government of India time to time, are eligible to be a beneficiary of the scheme. Improve central assistance under IGNOAPS from Rs. 200 per month to Rs. 300 per month for the age group 60-79 to make it equal to pensions under the other two schemes for this age group with effect from the financial year 2013-14. This amendment will need an additional expenditure of Rs 1762 crore per annum. These will assistance the obtainable 1.47 crore old age pensioners in this age group.

Indira Gandhi National Widow Pension Scheme (IGNWPS)- In practically all the states of India, there has been in existence a scheme since early 1 960s, addressing the destitute old and widows. The coverage of the scheme, in terms of the proportion of the population covered, differs from state to state principally because of the ceiling, on the maximum number to be covered, imposed explicitly or implicitly, by state governments out of financial consideration (Gulati and Gulati, 1995). IGNWPS is implemented by ministry of rural development, government of India. The pension is given to the widows aged between 40 and 64 years of age. The applicant should be a household below the poverty line as per criteria prescribed by the government of India. The pension amount is Rs. 200 per month per beneficiary and the concerned state government is also urged to provide the equal amount to the person. The pension will be discontinued if there is the case of remarriage or once the widow moves above the poverty line. Now a pension of Rs. 300 per month (from fiscal 2012-13) to be granted to widows aged 40-59 living below poverty line conditions. Pradhan of gram panchyat shall review the list of widows and report in case of remarriage. It is estimated that during the year 2011-12, 29 lakh beneficiaries would be covered the scheme.

Indira Gandhi National Disability Pension Scheme (IGNDPS)- persons with disability in India face many challenges. In India, the disability sector in general estimates that 4-5% of the population is disabled. The Department acts as a Nodal Agency for matters pertaining to disability and Persons with Disabilities including effecting closer coordination among different stakeholders: related Central Ministries, State/UT Governments, NGOs etc. in matters pertaining to disability. Further government of India gives the central assistance of Rs. 200 per month per beneficiary to be granted to physically/ mentally handicapped individual in the age group of 18-64 years and belonging to a household living below the poverty line as per criteria prescribed by government of India. On reaching 60 years of age, the disabled who were getting pension under IGNDPS continue to get pension under IGNOAPS. It is estimated that during the year 2011-12, 14 lakh beneficiaries would have covered under the scheme. According to Census 2011, there are 2.68 crore Persons with Disabilities in India (who constitute 2.21 percent of the total population). Out of the total population of Persons with Disabilities, about 1.50 crore are male and 1.18 crore female. These include persons with visual, hearing, speech and loco-motor disabilities; mental illness, mental retardation, multiple disabilities and other disabilities (Annual Report, 2013-14).

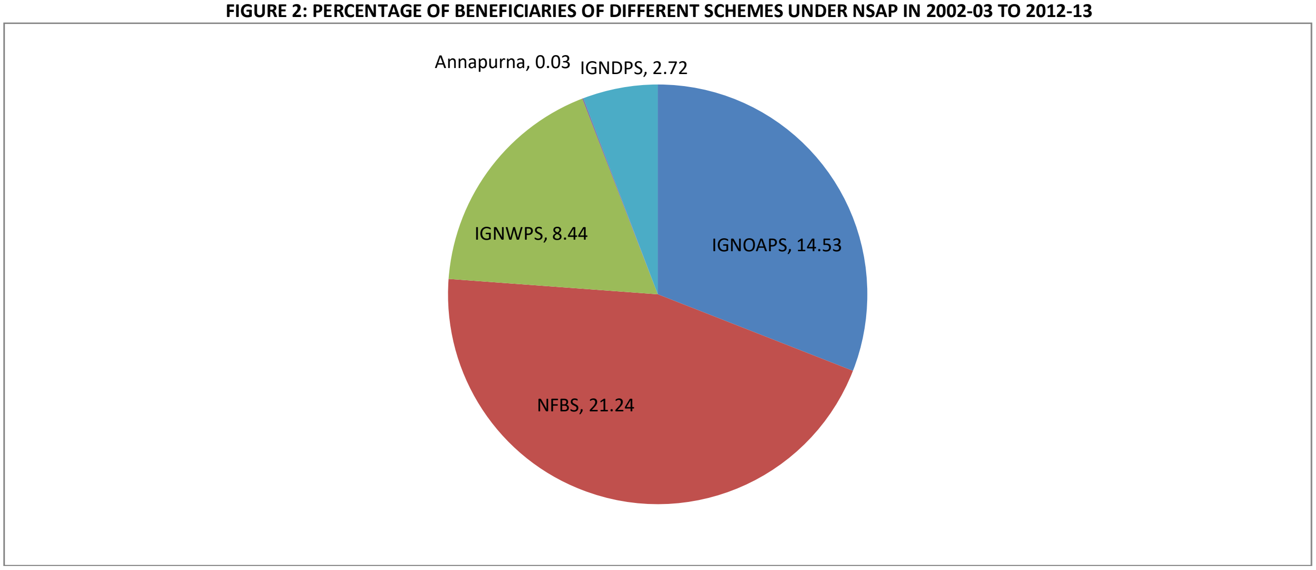
Table 1.2 shows that the total number of Beneficiaries under NOAPS, NFBS, and Annapurana increased from 2002-03 to 2012-13, ratio of disable persons increase 729345 in 2010-11 to 794249 in 2011-12 but this ratio decreased in 2012-13 to 743806 persons in Lakh. under IGNWPS total number of beneficiaries increased from 3213467 in 20019-10 to 4130876 in 2012-13 in the whole country. This table present the condition of all beneficiaries that is increased from 2002-03 to 2012-13. Table shows that in every year number of beneficiaries increased but expenditure of funds decreased. This tendency shows that our plan interrelated to pension scheme are extremely pathetic. Figure 2 present the CAGR share of beneficiaries in thses schemes at the national level.

TABLE 1.2: TOTAL NO. OF BENEFICIARIES UNDER NASP IN INDIA

Years	NOAPS	NFBS	Annapurna	IGNWPS	IGNDPS
2002-03	6697509	85209	776173	-	-
2003-04	6624000	209456	1057155	-	-
2004-05	8079386	261981	820583	-	-
2005-06	8002598	276737	851654	-	-
2006-07	8708877	243972	871424	-	-
2007-08	11514026	334153	1051030	-	-
2008-09	15020640	423292	1011240	-	-
2009-10	16356058	342809	1015655	3213467	699680
2010-11	17081556	335044	958419	3425390	729345
2011-12	21384404	330240	778682	3628467	794249
2012-13	22318295	2910109	824001	4130876	743806
CAGR%	14.53	21.21	0.03	8.44	2.72

Source- annual report 2012-13, ministry of rural development GOI

FIGURE 2: PERCENTAGE OF BENEFICIARIES OF DIFFERENT SCHEMES UNDER NSAP IN 2002-03 TO 2012-13



National Family Benefits Scheme (NFBS) - A grant of Rs 5000 in case of death due to natural causes and Rs 10,000 in case of accidental death of the "primary breadwinner" is provided to the bereaved household under this scheme. The primary breadwinner as specified in the scheme, whether male or female, had to be a member of the household whose earning contributed substantially to the total household income. The death of such a primary breadwinner occurring whilst he or she is in the age group of 18 to 64 years i.e., more than 18 years of age and less than 65 years of age, makes the family eligible to receive grants under the scheme. As per the present estimates, the number of cases to be covered under NFBS is 4.50 lakh. If the benefit is to be extended as recommended, the number is estimated to double to 9 lakh. The additional financial implication would be Rs. 900 crore per annum (ministry of rural development, 2013-14).

Annapurna- scheme is a centrally sponsored scheme which has been executed since 1st April, 2000 in India. This scheme aimed at providing food security to meet the requirement of those senior citizens who, though eligible, have remained uncovered under the NOAPS. Under the Annapurna Scheme 10 kg of food grains per month are provided free of cost to the beneficiary. The numbers of persons to be benefited from the scheme are, in the first instance, 20 per cent of the person's eligible to receive pension under NOAPS in States/ UTs.

PENSION SCHEME: POLITICAL AND ECONOMIC ISSUES

The main purpose of any social security system is the condition of a socially sufficient and reasonable retirement protection system on a sustainable basis. Political leaders and economist as a complete have a strong concentration in ensuring not only that each provident and pension fund organization is managed professionally and competently but also that their broader concerns about economic possessions and future development of the pension system of the country (Asher, 2003). The ministry of finance in 1999 instituted a high level expert group to study the pension accountability of the government of India; even though the OASIS recommendations were dismissed similar recommendations emerged for reforming civil service pensions were announced in 2003. In 2004 an interim normal, the Pension Fund Regulatory Development Authority (PFRDA) was established; on the other hand, it failed to receive legislative support in parliament till 2013 because of pointed political opposition from members of the coalition government. United Progressive Alliance (UPA) government introduces the new pension scheme on 1st April, 2008 that state government would also accept the scheme as states have differing fiscal capacities and were under pressure to finance current pension expenditure as of August 2013, 26 out of 28 states have notified their version of the national pension scheme for the civil servants but only 23 of them have been made operational (Bali, 2014). The lok sabha passed the pension fund regulatory and development authority bill 2011 which pension bill has been execution flames since 2005 when it was first introduced in the parliament. It was again reintroduced in 2011. Finance minister P. Chidambaram said 26 states have joined national pension scheme and it would help enlarge pension benefits for more people. The pension bill could assist channelize funds into building long term assets for the country including the infrastructure sectors. The UPA government desires to simplicity rules for insurance and pension sector to permit them to invest in infra-structure till 2017. Consistent with India's federal structure its pension system has evolved gradually with individual programs being added in an ad hoc manner by both central and state governments. The pension system has lacked a universal program. Presently programs are administered by both central and state governments and by challenging government agencies including the ministry of finance ministry of labour and ministry of rural development (Bali, 2014).

In the election time 2014 all the political parties initiate positive scheme to win the next election in a country. UPA-II government passed the pension bill to ensuring the old age people in the entire country. In the general election 2014 Bharatiya Janata Party started his political campaign with "sabka saath, sabka vikas", "ek bharat-shreshtha bharat". BJP party says that he committed to the welfare of senior citizens, particularly their pension security, and will obtain actions to agreement with the issues related to the pension scheme in the whole country. To provide financial support invest in setting up and improving old age homes and improve the social security system. After winning the 2014 election prime minister Narendra Modi launch the three major social security on May 2015 in Kolkata; namely, The Pradhan Mantri Suraksha Bima Yojana (PMSBY), The Pradhan Mantri Jeevan Jyoti Bima Jojana (PMJJBY), and The Atal Pension Yojana (APY). These schemes are aimed at providing affordable universal access to essential social security protection in a convenient manner. Finance Minister Mr. Arun Jaitley say this major schemes launched by the BJP government, these scheme were announced in the union budget on 28 February 2015, by the finance minister. Mr. Rahul Ghandi says that all the schemes and programmes started by the UPA-I and II government but now BJP government just change her name and launched it again in a country. The two schemes PMSBY and PMJJBY will provide insurance envelop in the case of death as well as death/disability due to an accident. The pension scheme APY will attend to old age income security needs. PMSBY will offer a renewable is year accident death cum-disability cover of Rs. 2 lakh for partial/perma-nent disability to all saving banks account holders in the age group of 18-70 years for a premium of Rs. 12 per annum per subscriber. PMJJBY will offer a renewable one year life cover of Rs. 2 lakh to all saving banks accounts holders in the age group of 18-50 years covering death due to any reason for a premium of Rs. 330 per annum per subscriber. The centre and state government and union territories provide pension benefits to the community workers. In accumulation a large number of public and local bodies and autonomous institutions run their own pension system guaranteed by the government. The central government alone administers separates pension programs for civil employees, defense staff and workers in railways post and telecommunications departments. There benefit programs are classically run on a pay-as-you-go defined benefit basis (Goswami, 2001). Both developed and developing country are facing the problem of pension reforms but there is no suitable model of reforms and every country has adopted its personal pension system, that is depends on socio-economic and political needs. Indian pension system face many short coming like poor coverage, lack of funds and knowledge, and offensive planning. Pension system must be fiscally and politically sustainable to achieve their income maintain objective. Unsustainable pension system can be a barrier to fiscal stability, economic growth and poverty reduction. Over the past two decades need for pension reforms has become more urgent in customer countries, because demographic aging and the unprofessional conduct of pension systems have put a damage on government budgets which threatens to challenge macroeconomic stability and retirement income security (World Bank, 2006).

Pensions Reforms in India- similar to other countries India is also confronted with the problem of growing ageing and according to ballpark figure of Indian over 60 will grow from 76 million in 2000 to more than 218 million by 2030. Social Security System that prevails in India has not been very valuable to provide coverage to the presented population as well as to tackle the challenges emerging due to ageing and fiscal constraints. A serious consideration and debate is going in India to restore Indian Social Security System, and to put in place mechanism of, pension Security (Sadhak, 2004). The current levels of cash transfer under NSAP are small amounts and insufficient. It is a national responsibility to provide social security to the poor based on a norm which has to be linked to the minimum wage or poverty line cut off form. The national minimum wage which is not statutory was fixed at Rs.66 per day in 2004, and the current value would be around Rs.130. It has been argued that Old Age Pension should be at least half this amount which would make it Rs.1950 per month. If the poverty line fixed by the Tendulkar Committee is taken, averaging it across the rural and urban areas and factoring inflation, it would come to around Rs.950 per month. Correspondingly, assistance under National Family Benefit Scheme was fixed at Rs. 10,000 in 1995 which was around 80% of the per capita GDP. If that principle is adopted, the current value would come to around Rs.60, 000 (Report of the task Force, 2013). The last decade has been an observer to comprehensive reforms in the financial sector in India. The limitations of the current structure of the pension system and bring some critical issues pertaining to reform into focus. The failure of these reform initiatives therefore underlines the need for a lasting reform, adequately supported by a systematic approach. Three main issues are; first, the direct challenge for India is to design and implement a pension reform strategy capable of restoring the long run financial feasibility for public scheme. Second, important is to provide better returns to private workers through recreation of investment norms. And thirdly, the elimination of the huge majority of unorganized and informal workers under the current system is a serious negative aspect (Goswami, 2001). There is a need for making a positive step in the way of reforming the pension sector in India by the Central and State Governments.

Definitely, social security measures are very important for the common public who do not have sufficient sources to hold them for various reasons. These measures are generally comprised of employment security, health security, unemployment allowance, old age pension, maternity benefits, disability pension, dependency benefits, etc. Adequate social assistance should be given to the needy persons, who are satisfying the prearranged circumstances, preferably by the government out of its own revenue resources. The following suggestions are emerged for making improvement in the pension schemes in India.

- In view of the growing cost of living, prices of necessary commodities such as the food items and expenditure on health care, a larger majority of beneficiaries found the amount of obtainable pension Rs. 250/- per month per person as inadequate. Hence it is suggested that amount of Rs. to be increased for the accomplishment of all requirements of all the beneficiaries.
- The process to be appropriate for the schemes should be made simple and easier. On-line applications should be allowed at the earliest.
- For superior transparency in the selection procedure of the beneficiaries of all the pensions' schemes, the whole data for all the applicants (successful and unsuccessful) is uploaded on the department website after six month or every year. Such information interrelated to pension schemes show in every month at the level of village by panchyats and the level of wards by the municipal corporation in the urban areas.
- Beneficiaries of the scheme were receiving the money due to them under the scheme/s too late. To keep away from this ambiguity, it is suggests that there must be a fixed regularity of payment and every pension must be credited into the beneficiaries' bank account or post-office account by 7th of subsequent month.
- A greater part of the people in the country generally is dependent and measured as a financial burden on the family, their self esteem; health and all other common requirements well-being are low. Therefore, the government could believe universal pension and insurance reporting for all people to give them wisdom of significance and thoughts as a vital participant in nation building.
- The state should take satisfactory steps to fulfill all essential needs as well as food commodities to the needy poor, old people and to other defenseless sections of the society. There is also a need to have hygienic and suitable old age homes for the elderly where extraordinary care, medical assistance and shelter could be provided to them on a long root.
- Pension security measures must be made a individual face of the state and be made an significant component of social welfare programmes of the govern-ment.
- There is need to frequently supervise and evaluate the working of all pension security schemes for their superior achievement and also in the benefit of economic effectiveness. And a need to generate better awareness about these schemes among the selected representatives and beneficiaries.

CONCLUSION

The earlier studies discussed here built a strong case in favour of various social security and complementary pension schemes in India and across all other countries. Study examined some of the modern trends in the pension schemes need for reforms. The problem of aging population and other structural short coming are looking the old people commonly those who belonged to the working and non-working. The road ahead has a lot of challenges, which involve to be tackled efficiently for the system to increase to cover the unorganized sector, agriculture workers, provisional and casual workers and self-employed persons. Many political parties make an agenda for the pensions system in the election time. Many political factors are responsible for the frailer of this system in the whole country. The lack of proper information regarding the programmes is the main problem in the country. So provide the proper information regarding the programmes to each beneficiary by the village level, block level and district level.

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