

ATAL PENSION YOJANA, A CASE STUDY AT MEGALAHUNDI VILLAGE

Shalini S

Guest Faculty, Dr. B. R. Ambedkar Post Graduate Centre,
University of Mysore, Suvarnangotri, Chamarajanagar 571313
Email ID: shalini571993@gmail.com

Pooja S

Guest Faculty, Dr. B. R. Ambedkar Post Graduate Centre,
University of Mysore, Suvarnangotri, Chamarajanagar 571313
Email ID: poojageetha9@gmail.com

Thejaswini M

Guest Faculty, Dr. B. R. Ambedkar Post Graduate Centre,
University of Mysore, Suvarnangotri, Chamarajanagar 571313
Email ID: thejaswinim.0412@gmail.com

ABSTRACT:

Financial security is essential for successful life of every person. In India 93% of the total workforce belongs to Unorganised sector (Economic survey 2019), Majority of the organised sector workers get old age benefits like pension, but the unorganised sector workers are not able to get those benefits. Pension is essential to all the people to secure their life in future. Therefore, many private companies introduced pension schemes to provide social security to the people and to encourage the unorganised sector workers to voluntarily save for their old age, but that also not reached much due to lack of accessibility and high premium. On the other hand, the central government has introduced pension plan named Atal Pension Yojana (APY) which aimed to provide social security to the unorganised sector worker with minimum contribution. The present study conducted in Meghalundi village reveals most of the respondents are aware about pension plans but less aware about APY. Therefore, the government need to create awareness about APY and Motivate them invest to avail the benefit to secure old age.

Key words: Pension plans, Atal Pension Yojana, Unorganised sector workers.

INTRODUCTION

India is largest populated country it has rich human resources which are working in organised sectors as well as unorganised sectors. The organised sector provides various facilities, from monetary benefits to fringe benefits which include social security, health securities, and life securities etc. The organised sector provides the after retirement benefit facilities to strengthen the life of the workers after retirement. But the people works in unorganised sectors like building and other construction workers, road side vendors, and small sector workers, etc, are not provided with any basic facilities to strengthen the life at the old age.

In India majority of the people are working in unorganised sectors for their livelihood. There is more number of both public and private companies that are engaged in providing pension facility for the purpose of to protect the life of the people at old age.

Pension is a fixed amount, given to a person who has retired from regular employment, paid at regular intervals to a person or to the persons surviving dependents.

The workforce who are engaged in unorganised sector getting very less amount of wages which is not enough to buy any pension scheme because the premium charges is very high in private sectors and the insurance company is not accessible. So the central government introduced the Atal pension yojana (APY), which provides the retirement benefits after 60 years, with the small contribution in every month. The main aim of this scheme is to protect the life of people at their age of 60.

Atal pension scheme was introduced by our honourable Prime Minister Narendra Modi on 2015 may, it will administrated by Pension Fund Regulatory authority(PFRDA). APY is applicable to those who between 18-40years of old, the contribution amount is minimum of Rs. 40 and the contribution will be based on age and joining date of the customer.

The study concentrates on the Megalahundi village, Chamarajanagar taluk & district, Karnataka state in India which is basically a backward area. The people in the village are not aware about APY, the APY scheme not implemented effectively. So there is need to create awareness among the minds of villagers.

STATEMENT OF THE PROBLEM

Atal Pension Yojana is a central government sponsored scheme, introduced to strengthen the standard of living of the people in India who belongs to weaker section of the society and to the workers of unorganised sectors after the age of 60. It aims to facilitate the people who are works in unorganised sector and not get cover under any pension scheme. APY provides the pension benefits and also to see that the unorganised sector is to enjoy social security with minimum contribution per month. This scheme is started and governed under the PFRDA with the enrolment agency that is the register authority. In India majority of the people works in unorganised sector and they are also comes under below poverty line and they do not enjoy any social security's as available to organised sectors. The central government bring many insurance schemes to strengthen the life of weaker section people, but the people do not utilise the facilities provided by the government, because of lack of awareness. So there is a need to create awareness about APY scheme.

SCOPE OF THE STUDY

Pension plan plays a very important role to secure the future life of an individual at the age of 60. This study is mainly concentrate on micro savings and significance of APY, the study focus on the rural area like Megalahundi village, which is backward area and have more number of people, engaged in agricultural activity and works in unorganised sector. The study also concentrates on the level of awareness about the APY in the minds of respondents and also to identify the existing problems in implementing the APY scheme.

OBJECTIVE OF THE STUDY

- To assess the level of awareness of APY in the rural area.
- To identify the existing problems in implementing the APY scheme.

RESEARCH METHODOLOGY

The present study based on primary data as well as secondary data. The study depends mainly on the primary data collected through a well framed and structured questionnaire to elicit the well-considered opinion of the respondents. Secondary data collected from articles, publications, journals and web sources.

SAMPLE DESIGN

- Sampling Technique:** Convenient sampling will be arrived at the sample size
- Sampling size:** The sample size consisted of 50 respondents.

RESULTS AND DISCUSSIONS:

Table.1 Showing Demographic details of the respondent

| Demographic Variables | | Frequency | Percentage |
|-------------------------------|------------------|-----------|------------|
| Gender | Male | 46 | 92 |
| | Female | 04 | 08 |
| | Total | 50 | 100 |
| Age | 20 – 30 | 24 | 48 |
| | 31 – 40 | 17 | 34 |
| | 41 – 50 | 05 | 10 |
| | 51 – 60 | 04 | 08 |
| | Total | 50 | 100 |
| Marital status of respondents | Married | 39 | 78 |
| | Unmarried | 11 | 22 |
| | Total | 50 | 100 |
| Occupation of respondents | Farmer | 27 | 54 |
| | Daily wager | 16 | 32 |
| | Private employee | 05 | 10 |
| | Business | 02 | 04 |
| | Total | 50 | 100 |
| Qualification | Below SSLC | 33 | 66 |
| | PUC | 01 | 02 |

| | | | |
|--|--------------|-----------|------------|
| | Degree | 05 | 10 |
| | Illiterate | 11 | 22 |
| | Total | 50 | 100 |

Source: Primary

Interpretation: The above table shows that most of the respondents i.e. 96% are male, 48% of the respondents are aged between 20-30 years and 78% of respondents are married. The study reveals that 54% of the respondents are Farmers and 66% of respondent's education qualification is below SSLC.

Table.2 showing details of Atal Pension Yojana of the respondents

| Atal Pension Yojana Details | | Frequency | Percentage |
|---|--------------------|-----------|------------|
| Annual Income (in rupees) | Blow 10000 | 35 | 70 |
| | 10000-20000 | 12 | 24 |
| | 20000-30000 | 01 | 02 |
| | Above 30000 | 02 | 04 |
| | Total | 50 | 100 |
| Savings | Up to 15% | 25 | 50 |
| | 15% - 30% | 22 | 44 |
| | 30% - 45% | 02 | 04 |
| | 45% and above | 01 | 02 |
| | Total | 50 | 100 |
| Aadhar Card | Yes | 50 | 100 |
| | No | 00 | 00 |
| | Total | 50 | 100 |
| Bank Account | Yes | 41 | 82 |
| | No | 09 | 18 |
| | Total | 50 | 100 |
| Reasons for not having Bank A/C | Lack of awareness | 02 | 22 |
| | Lack of accessible | 03 | 33 |
| | Not willing | 04 | 45 |
| | Total | 09 | 100 |
| Level of awareness about Investments | Aware | 43 | 86 |
| | Partially Aware | 00 | 00 |
| | Un Aware | 07 | 14 |
| | Total | 50 | 100 |
| Patron of Investment | Insurance | 06 | 14 |
| | Bank deposits | 17 | 40 |
| | Physical assets | 20 | 46 |
| | Securities | 00 | 00 |
| | Total | 43 | 100 |
| Awareness Level of | Aware | 40 | 80 |

| | | | |
|---|---------------------------------------|-----------|------------|
| pension plans | Partially Aware | 04 | 08 |
| | Un Aware | 6 | 12 |
| | Total | 50 | 100 |
| Invested in Pension plans | Yes | 03 | 06 |
| | No | 47 | 94 |
| | Total | 50 | 100 |
| Perception towards pension plans are benefited | Agree | 24 | 48 |
| | Strongly agree | 05 | 10 |
| | Neutral | 15 | 30 |
| | Disagree | 6 | 12 |
| | Strongly disagree | 00 | 00 |
| | Total | 50 | 100 |
| Requirement of pension scheme | Salaried person | 05 | 11 |
| | Businessman | 02 | 05 |
| | Agriculturist | 03 | 07 |
| | All the people | 34 | 77 |
| | Total | 44 | 100 |
| Purpose of investment in pension scheme | Future security | 22 | 50 |
| | Savings | 20 | 45 |
| | To avoid taxation | 00 | 00 |
| | All the above | 02 | 05 |
| | Total | 44 | 100 |
| Level of awareness about APY | Aware | 18 | 41 |
| | Partially Aware | 06 | 14 |
| | Un Aware | 20 | 45 |
| | Total | 44 | 100 |
| Source of information about APY | Friends& relatives | 02 | 11 |
| | Agents | 01 | 06 |
| | Media/ advertisement | 13 | 72 |
| | Any other | 2 | 11 |
| | Total | 18 | 100 |
| Knowledge about subscription to APY | Govt. Employees | 00 | 00 |
| | Unorganised sector workers | 12 | 67 |
| | Farmers | 00 | 00 |
| | Anyone(Except govt employee) | 06 | 33 |
| | Total | 18 | 100 |
| Agree with Age limit of APY | Agree | 10 | 56 |
| | Disagree | 08 | 44 |
| | Total | 18 | 100 |
| Suggestion to age limit of APY | Increase the age limit | 06 | 75 |
| | Make available to below 18 years also | 02 | 25 |

| | | | |
|--|---------------------------------|-----------|------------|
| | Total | 08 | 100 |
| Agree towards benefit of APY | Agree | 06 | 33 |
| | Disagree | 12 | 67 |
| | Total | 18 | 100 |
| Knowledge towards contribution to APY | Known | 06 | 33 |
| | Unknown | 12 | 67 |
| | Total | 18 | 100 |
| Investing in APY | Yes | 03 | 17 |
| | No | 15 | 83 |
| | Total | 18 | 100 |
| Reasons for not investing in APY | Not willing | 05 | 29 |
| | Limited income | 07 | 39 |
| | Not accessible to insurance co. | 02 | 10 |
| | Any other | 04 | 22 |
| | Total | 18 | 100 |

Source: Primary

Interpretation: From the above table clears that most of the respondents i.e. 70% are have below 10,000 rupees annual income, 50% of the respondents are save up to 15% of their income. All respondents are have Aadhar card, 82% of the respondents are have bank account. The study reveals that remaining respondents are not willing to open bank account. The study found that 86% of the respondents are aware about investments among them 46% are invested in physical assets. The study clears that 80% of the respondents are aware about pension plans but 94% of the respondents are not invested in pension plans. The study stated that majority of the respondents i.e. 48% are strongly agree pension plans are benefited, 77% respondents states it required to all the people and 50% of the respondents opinioned that pension plans used future purpose. The study state that 45% of the respondents are unaware about APY scheme among them 72% of the respondents states that they known the information from media/ advertisement and 67% of the respondents are unorganized sector workers are have knowledge regarding subscription to APY. The study reveals that 56% of the respondents are agree with the age limit of APY, out of disagree 75% of the respondents are suggested to increase the age limit. The study states that 67% of the respondents are agree with the benefit of APY but 67% of the respondents are unknown about contribution of APY. The study clears that 83% of the respondents are not invested in APY and out of this 39% of the respondents are states limited income is the reason for not invested in APY.

FINDINGS

1. The study states that most of the people engaged in agricultural and allied activities and their annual income is below 10000 and they save up to 30% from their earnings.
2. Majority of the people are aware about investment plans and pension plans, but very less number of respondents are invested.
3. The study reflects that the main purpose of investment in pension scheme is to secure their future.

4. The study states that the respondents are agreeing with the essentiality of pension scheme and they states pension is essential to all people.
5. The study finds that more number of respondents are not aware about APY, and very less number of respondents are invested in APY.
6. Majority of the respondents who are aware about APY are not aware about the minimum contribution amount and benefits of APY.
7. The study finds that the main reason for not investing in APY is because of low income level and lack of awareness.

CONCLUSION

The majority people of Megalahundi village are unaware about Atal Pension Yojana. So the government needs to educate them about APY, and make people to avail these benefits provided by Government and get social security and secure their old age. The study found the reason behind not invested in APY or any other pension plan is limited income of the village people, they are basically agriculturist or agriculture labour, so the level of income or earnings are very low. Their first priority is fulfilling daily needs, this is the reason they are not interested in investments. Therefore we suggest that Government provide better opportunity to increase the earning capacity of village people, and make them financially strong and stable through various schemes. And also we suggest that low premium and attractive returns in APY will increase the enrolment of APY.

References:

- Dabashis Basu (2015), why atal pension yojana may struggeles: Business Standard
- Rupjyoti Bhattacharjee, Sendi Seb Rengma(2020), Attitude towards Atal Pension Yojana scheme : Indian Journal of Health & Wellbeing 11(01)
- Sudindra V R(2016), A Feasibility analysis of Atal Pension Yojana: International Journal of Advanced Research
- <http://www.vitt.in/pension.html>
- <http://www.bankbazaar.com/life-insurance/pesion-plans/top-10-pension-plans.html>
- <http://india.gov.in/spotlight/national-pension-system-retirement-plan-all>
- <http://beforeitsnews.com/economy/2015/05/concern-about-atal-pension-yojana-2724002.html>.
- <http://www.wbsonline.com/resources/pros-and-cons-of-retirement-plans/>