

Orientation Programme on Atal Pension Yojana under SIDBI-PSIG Programme in Bhubaneswar, Odisha

Proceeding of the Orientation Programme

10th February 2016 (10am-1.30pm) Hotel New Marrison, Bhubaneswar

The Orientation Programme on Atal Pension Yojana (APY) under SIDBI-PSIG Programme in Odisha was organized at Hotel New Marrison, Bhubaneswar, Odisha. The programme was chaired by Sri Rajesh Kumar, State Director PSIG, SIDBI Odisha and Sri Bishwanath Lal, Lead District Manager, State Bank of India, Khurda to familiarise and discuss the key issues and challenges faced by the Bankers while executing APY on ground level.

At the outset Sri Rajesh Kumar, State Director PSIG, SIDBI Odisha addressed all the participants from different Banks, MFIs and SHPI present in the meeting. (List of participants in Annexure)

Sri Narendra Nayak, Associate Director, Access Assist, Odisha, highlighted on DFID, UK supported PSIG Programme implemented by SIDBI in association with Access-Assist which aims to increase access of financial services to 12 million low income clients in 4 State of UP, MP, Bihar and Odisha.

Sri Bishwanath Lal, Lead District Manager, State Bank of India, Khurda highlight about the main features of APY scheme and how different stakeholders can help in its outreach.

A presentation on APY was done by Sri Ashish Kumar, Resource Person/Trainer from CENTRUM Learning, a deputed resource organisation by PFRDA, discusses the following inputs on APY:

(a) **Need of pension product:** The gradual collapse of the traditional old age support mechanism and rise in elderly population highlights the need of formal channels of retirement savings. Around 90% working force are engaged in unorganised sector and is totally out of the purview of the old age security. Government of India now provides an opportunity to revamp the untouched pension sector by initiating Atal Pension Yojana in May'15 regulated by Pension Fund Regulatory and Development Authority (PFRDA).

(b) **Key Features of APY:**

- Defined benefit pension ranging from 1000-5000 per month after retirement
- GOI co-contribution in pension account at end of the FY
- Eligibility criteria of joining APY is Min-18 and Max-40
- Withdrawal and exit process
- Regulatory authority-PFRDA
- Role and responsibility of Central Record Keeping Agency-NSDL

(c) **Role of Stakeholders:** Active participation of banks/MFIs/NGOs/BCs required for mobilizing subscribers. It is essential to ensure that subscribers receive good quality of education and information on pension product and accumulation.

(d) Issues and Challenges: The following issues and concerns were expressed by the participants;

- Lack of awareness and demand for pension scheme is bottleneck to achieve the desire goal.
- High premium amount is a pull factor for the persons especially belongs to the age group of 30-40.
- Monthly subscription increases the probability of defaulters, especially for seasonal farmers and income uncertainty among unorganised sector workers.
- Beneficiaries are unable to view their pension accounts.
- Risk associated in relation to death, illness or non-payments issue de-motivate to enrol in the scheme.

Some queries/doubts raised during the session:

- Is voluntary exit allowed in APY?
- In which circumstance one can exit from NPS lite/APY
- How one can view his/her pension account?
- Is there any provision for getting account statement?
- What will happen to the amount accumulated in pension account, if s/he defaults for a long time?
- What is the procedure for migration from NPS- lite to APY?

(e) Suggestions and Recommendations:

- Annual subscription should be offered
- Loan availability against their deposit in APY account
- Age restriction may be extended up to 50 years
- Relaxation in penalty should be revised
- Passbook facility should be initiated to know their account balance. Provision to reflect and record APY status can also be explored in the PMJDY account
- Additional co-contribution as given by some states under NPS-Lite can attract public to join APY
- IEC material for promotional activity in local language and undertaking financial literacy and sensitization programme for poor should be developed

Concluding remarks:

Sri Sreedhara Behera, General Manager, RBI stated what should be done and the step required for implementing the policy. Thorough the interaction with each and every participant, the problems associated with execution of the scheme was discussed.

Sri Santanu S. Barua, Deputy General Manager, SIDBI expressed his concern on slow progress on APY enrolment and compares the current scenario of old age security in India with other developed countries. Sri Barua also advised bankers to take active participation in enrolment process without compromising proper education.

All the participants present in the meeting assured their full cooperation and support in achieving the desire goal and appreciated the efforts set by the ACCESS-ASSIST team and proposed to conduct such

type of programmes in periodical manner to understand the operational bottlenecks and resolution of the same

The orientation programme ended with a vote of thanks by Sri Narendra Nayak, Associate Director, ACCESS-ASSIST to the chair and all the participants

ANNEXURE:

| Sl. No. | Name | Organisation |
|----------------|--------------------------|--|
| 1 | Pravakar Jha Pal Singh | Bank of Baroda |
| 2 | V.Kameswar Acharya | Sr. Manager, Central Cooperative Bank |
| 3 | K.C Naik | DO, Andhra Bank |
| 4 | Sujit Kumar Behera | Manager-FI, Bank of India |
| 5 | Ramkrishna Mandal | AGM, IDBI Bank |
| 6 | Pradyumna Kumar Sahu | State Bank of India |
| 7 | Ravindra Kumar | Divisional Manager, Canara Bank |
| 8 | Bijay Kumar Pattnaik | Nodal Officer- FI, Odisha Gramya Bank |
| 9 | Manoj Kumar Das | Zero Mass |
| 10 | Basanta Kumar Dash | Branch Manager, Mahashakti Foundation |
| 11 | Subash Chandra Sahu | Union Bank of India |
| 12 | Nrusingha Charan Mohanta | Punjab National Bank |
| 13 | Amit Kumar Chatarjee | IDBI Bank |
| 14 | Anamika Mohanty | Adhikar Microfinance Pvt. Ltd. |
| 15 | Simanchala Sahu | Adhikar Microfinance Pvt. Ltd. |
| 16 | Pritirekha Mallick | Swamsree Mahila Sambaya, Cuttack |
| 17 | Laxmidhara Sahu | Secretary, Artya Sangha |
| 18 | Ratikanta Biswal | Artya Sangha |
| 19 | Pravas Kumar Pattnaik | Artya Sangha |
| 20 | Ajaya Kumar Nanda | Syndicate Bank |
| 21 | B.D. Routray | Indian Overseas Bank |
| 22 | S.K. Mohanty | LIC |
| 23 | Anuj Singh | Indian Bank |
| 24 | Juicy Nayak | Corporation Bank |
| 25 | Kamlesh Mohapatra | LIC |
| 26 | Pabitra Mohan Bal | |
| 27 | Ashish Kumar | CENTRUM |
| 28 | Himanshu Sekhar Das | |
| 29 | Catholic Syriom | |
| 30 | Surendra Nath Behera | United Bank of India |
| 31 | P.K.Patnaik | State Bank of India |
| 32 | T.K Nayak | Laxmi Vilas Bank |
| 33 | Satyajit Pati | AXIS Bank |
| 34 | Rajesh Kumar | PSIG SIDBI |
| 35 | Santanu S Barua | DGM, SIDBI |
| 36 | Ch. Venu Madhab Rao | AGM, SIDBI |
| 37 | Debasish Pradhan | AM, SIDBI |
| 38 | Narendra Nayak | Associate Director, ACCESS-ASSIST |
| 39 | Ankita Mohanty | Sr. Project Coordinator, ACCESS-ASSIST |