

No. Z-23015/02/2023-RW (E-14908)  
GOVERNMENT OF INDIA  
Ministry of Labour and Employment  
Directorate General (Labour Welfare)

Shram Shakti Bhawan  
New Delhi - 110001,  
Dated the 2<sup>nd</sup> September, 2024

To

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

Sub:- Information sought under Right to Information Act., 2005 - reg.

I am directed to refer to your RTI application No. RTI/DGLHQ/R/T/24/00207 filed under RTI Act, 2005 dated 29-07-2024 on the above cited subject. The point-wise reply/comments in r/o Rural Welfare Section, Ministry of Labour & Employment on your Application is as under:-

1. Copy of the cabinet note is annexed at Annexure-I.
2. Copy of the minutes of the cabinet meeting is annexed at Annexure-II.
3. & 4. The total number of enrolment in the Prime Minister Karma Yogi Maan-Dhan (PM-KYM) Scheme till July, 2024 is 53,674, for whom total of Rs. 16.85 crore has been released till July, 2024.
5. & 6. Out of 53,674 enrolment in the Prime Minister Karma Yogi Maan-Dhan (PM-KYM) Scheme 19,242 are active subscribers of the PM-SYM scheme till July, 2024.
7. Year-wise information on the budget allocation and actual expenditure for the scheme from its launch to July, 2024 is given as under:

Year	Funds Allocated in Budget (Rs. In crore)	Actual expenditure (Rs. In crore)
2019-20	750	156
2020-21	180	5.94
2021-22	150	0.24
2022-23	50	0.021
2023-24	3	0.0048
2024-25	0.01	0.0005

2. If you are not satisfied with the above-mentioned reply, you may prefer an appeal before the appellate authority within one month from the date of receipt of this letter.

Name of the Address of the First Appellate Authority	Shri Deepangkar Guha, Deputy Secretary, Room No. 507, Shram Shakti Bhawan, Rafi Marg, New Delhi-110001
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Yours sincerely,

  
(Sanjay Kaushik)

CPIO & Deputy Director

Copy to: RTI Cell, MoLE

**SECRET**

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

Copy No.

New Delhi, the 31<sup>st</sup> May, 2019**NOTE FOR THE CABINET**

**Subject: Introduction of Pradhan Mantri Karma Yogi Maan-dhan ( PM-KYM), a pension scheme for shopkeepers/ retail traders and self-employed persons -reg.**

**1. Introduction:**

The present proposal seeks approval of the Cabinet for introduction of Pradhan Mantri Karma Yogi Maan-dhan ( PM-KYM), a pension scheme for shopkeepers/ retail traders and self-employed persons for providing monthly minimum assured pension of Rs. 3000/- for the entry age group of 18-40 years. It is a voluntary and contribution based central sector scheme. This Ministry has already been implementing Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM), a pension scheme for Unorganized Workers with effect from 15<sup>th</sup> Feb, 2019 as a central sector scheme. The Life Insurance Corporation of India (LIC) has been functioning as Pension Fund Manager. The contribution under the scheme is 50 % by the subscriber and matching contribution of 50 % by the Government of India.

**2. Background**

The latest Annual Employment and Unemployment Survey, on all India basis has been conducted by Labour Bureau pertaining to the year 2016-17. As per this survey, the estimated figure of employment in retail trade in the age group 15-40 years, is around 2.5 crore. The present scheme is proposed for targeted subscribers of 3.0 crore taking into account the increase in population and increase in loans under the scheme of MUDRA. To provide old age protection in the form of monthly assured pension, it is proposed to introduce a pension scheme for shopkeepers/retail traders and self-employed persons.



SECRET

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

**3. Eligibility criteria:**

- 3.1 All shopkeepers/retail-traders/ self-employed persons in the age group of 18-40 years are eligible to be the member of the scheme. This will be based on self-declaration.
- 3.2 A shop keeper/ retail-trader /self-employed person if registered with GSTN, his/ her firm's annual turnover should not exceed Rs 1.5 crore.
- 3.3 He/she should not be an income tax payee.
- 3.4 He/she should not be a member of EPFO/ESIC/NPS/PM-SYM.

**4. Proposal**

- 4.1. To provide monthly minimum assured pension of Rs 3000/- on attaining the age of 60 years to the shop keepers/retail-traders/ self-employed persons as per eligibility criteria mentioned in the preceding para.
- 4.2 The key features of the scheme are as under:
  - (i) This scheme will be applicable to persons of age group from 18 to 40 years with monthly minimum assured pension of Rs 3,000/- on attaining the age of 60 years.
  - (ii) It is a central sector scheme.
  - (iii) LIC will be the Pension Fund Manager and Central Record keeping agency. It will also be responsible for Pension pay out.
  - (iv) The contribution in the scheme could be monthly/quarterly/half-yearly/ or yearly. In special cases, the Ministry may permit bulk contribution for a period longer than a year.
  - (v) Provision for beneficiary's contribution to be paid, fully or partially, by other Ministries/Departments/Welfare Boards/ other agencies of Central/ State Governments, to enhance the outreach of the Scheme.
  - (vi) The Scheme is based on self-declaration.
  - (vii) The Central Government's share will be matching to the subscriber's contribution.

SECRET

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

- (viii) During the receipt of pension, if the subscriber dies, the spouse of the beneficiary shall be entitled to receive 50 % of the pension received by the beneficiary as family pension.
- (ix) If a subscriber has given regular contributions and dies before attaining the age of 60, his/her spouse will be entitled to continue the scheme subsequently by payment of regular contribution for the remaining period or exit by receiving the beneficiary's contribution with interest as decided by the Ministry. In case spouse joins the scheme, the pension pay out shall start to the spouse as it would have commenced to the original subscriber.
- (x) After death of pensioner and his/ her spouse, the corpus will be credited back to the fund.
- (xi) The guidelines would be formulated on exit provisions/ premature closure, rate of interest on the amount to be refunded on premature closure/exit, nomination facility, transfer of a subscriber from organised to unorganised sector and vice-versa, from one scheme to other scheme, etc. with the approval of Union Minister of Labour & Employment.
- (xii) The operational guidelines for the scheme including those relating to mode of payment, the tenure of deposit, auto-debit and other related matters for its smooth implementation will be issued with the approval of Union Minister of Labour & Employment.
- (xiii) The scheme will be Aadhaar based. For this, Ministry of Labour and Employment will become Global AUA.
- (xiv) The prospective subscriber shall be able to access the scheme either through portal/mobile app or visiting nearest Common Service Centres or e-services centre of state governments.
- (xv) The CSC-SPV will be responsible for registering the shopkeeper/retail-trader and self-employed persons through its country wide more than 3.25 lakh centres. The Common Service Centres (CSC e-Governance Services India Ltd.) under MeitY, Government of India will be paid @ Rs. 30/- per enrolment charges or as decided mutually between MoLE and MeitY. This will be as per arrangement made in the PM-SYM scheme.
- (xvi) To set up an Empowered Committee under the Chairmanship of Cabinet Secretary with Secretaries of Labour & Employment, Rural Development, Agriculture, Housing & Urban Affairs, MSME, MeitY, Mines, Department of Expenditure, Department of Financial Services and any other concerned Secretary as members to review and



SECRET

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

monitor implementation of the scheme through appropriate implementation strategies.

4.3 The detailed contribution chart under the scheme is as under:

Entry Age	Superannuation Age	Member's contribution (Rs.)	Govt's contribution (Rs.)	Total contribution (Rs.)
(1)	(2)	(3)	(4)	(5)
18	60	55	55	110
19	60	58	58	116
20	60	61	61	122
21	60	64	64	128
22	60	68	68	136
23	60	72	72	144
24	60	76	76	152
25	60	80	80	160
26	60	85	85	170
27	60	90	90	180
28	60	95	95	190
<b>29</b>	<b>60</b>	<b>100</b>	<b>100</b>	<b>200</b>
30	60	105	105	210
31	60	110	110	220
32	60	120	120	240
33	60	130	130	260
34	60	140	140	280
35	60	150	150	300
36	60	160	160	320
37	60	170	170	340
38	60	180	180	360
39	60	190	190	380
<b>40</b>	<b>60</b>	<b>200</b>	<b>200</b>	<b>400</b>

~~SECRET~~

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

4.4 The present subsidy from the Government in the form of matching contribution to the subscribers' account will remain with LIC and *would* be responsible for funds management and its investment as per Government of India's guidelines.

4.5 The contribution rates in table given in para 4.3 above, are based on assumptions of yield on investment at the rate 8% per annum and exit / withdrawal rate of 10% per annum. In case of premature closure of an account, the government's contribution will lapse to the corpus of fund. However, LIC would approach Ministry of Finance, in case of requirement of any gap funding.

## 5. Financial Implications

5.1 The proposed pension scheme is a voluntary contributory pension scheme where a subscriber shall contribute an amount equivalent to contribution indicated in the table given above which is linked to the age of subscriber at the time of joining. For example, a subscriber is required to contribute Rs 55/- at the age 18, Rs 100/- per month at age of 29 years and Rs 200/- at the age of 40 years. The contribution can be made monthly, quarterly, half-yearly or yearly. In case of bulk contribution, in special cases, the Govt could permit contribution for a period longer than a year. The Government shall also contribute matching amount i.e. equivalent to the contribution made by the individual subscriber.



SECRET

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

5.2 The estimated funds requirement for the five years for implementation of the scheme may be as under:

Financial Year	Estimated number of subscriber joining the scheme (cumulative) (in crore)	Central Govt. share towards matching contribution (Rs. in Crore)	Administrative expenses – 0.5% of the outgo of Govt. contribution (in crore)	Cost of CSC SPV @ Rs. 30 per enrolment	Cost for transactions to be charged by NPCI @ Rs. 0.70 per transaction (in crore)	Funds required for IEC activities (Rs. in Crore)	Total budget requirement (Rs. in Crore)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2019-20 (9 months)*	0.5	450**	2.25	15	4.2	40	511.45
2020-21	1	1200	6	15	8.4	40	1269.40
2021-22	1.5	1800	9	15	12.6	40	1876.60
2022-23	2	2400	12	15	16.8	40	2483.80
2023-24	2.5	3000	15	15	21	40	3091.00
2024-25 onwards	3	3600	18	15	25.2	40	3698.20
<b>Total</b>		<b>12450</b>	<b>62.25 #</b>	<b>90</b>	<b>88.2</b>	<b>240</b>	<b>12930.45</b>

\* It is expected that the scheme will be rolled out (beginning of enrolment) with effect from 1<sup>st</sup> July 2019.

\*\* The matching contribution of the Government has been estimated at a rate of Rs. 100 per subscriber which is at the average entry age of 29 years, for the eligibility period of 18-40 years of age for getting enrolled into the scheme. The same calculations have been made in PM-SYM.

# Refer paragraph 5.6 of the note.

92/  
~~SECRET~~

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

5.3. The above table does not take into account, the expenditure on account of bank charges. It is expected that Department of Financial Services will facilitate waiver of bank charges such as auto debit, mandate registration and return charges etc. Further, NPCI's charge has been taken as Rs. 0.70 /- per transaction only (or as charged by them from time to time as mutually decided) as has been charged by them under PM-SYM.

5.4. Administrative expenditure is likely to be 0.5% of the outgo of Government contribution.

5.5. It is proposed to create a Project Management Unit (PMU) in the Ministry of Labour and Employment to administer the scheme of the PM-SYM and PM-KYM. The services of 5 young professionals and 4 experts including IT expert and IEC expert will also be hired for a period of 5 years on contract basis.

5.6. Ministry may have flexibility under administrative expenses to be front-loaded in the initial years (col.4 of the Table at para 5) due to heavy expenses in IEC activities at the beginning of the scheme, keeping the total administrative expenses in five years within the overall limit of 0.5%.

## 6. Justification

Most of the shopkeepers/retail traders and self-employed are working as shop owners, rice mill owners, oil mill owners, workshop owners, commission agents, brokers of real estate, owners of small hotels and restaurants. The operations of such small traders are generally characterized by family owned establishments, small scale of operations, labour intensive, inadequate financial aid, seasonal in nature and extensive unpaid family labour. The earning as well as saving of these class persons is low therefore they may not have access to social security cover like pension. Therefore, the current proposal seeks to provide minimum monthly assured pension of Rs 3,000/- per month.



93

F.NO. L-11011/04/PM-KYM/2019

SECRET

GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

## 7. Inter-Ministerial Consultation

Due to paucity of time, Inter-Ministerial consultations have not been possible. Therefore, the Cabinet may consider waiving off the prior consultation and appraisal through EFC. However, the proposal will be submitted to EFC for appraisal subsequently. Its recommendations, if any, shall be suitably incorporated in implementation mechanism/ operational guidelines of the scheme.

## 8. Approval Sought

The approval of the Cabinet is sought for:

- (i) Implementation of Pradhan Mantri Karma Yogi Maan-dhan (PM-KYM), a pension scheme for shopkeepers/ retail traders and self-employed persons, as a voluntary and contributory pension scheme for entry age of 18 to 40 year with a provision of Rs. 3,000/- monthly pension on attaining the age of 60 years subject to exclusion criteria.
- (ii) Implementation of the Common Service Centres (CSC -e Governance Services India Ltd.) under MeITY, Government of India as enrolment agency for the Scheme at the rate of Rs. 30/- per enrolment. Also, Involvement of the State Nodal Agencies of the State governments who are dealing with PM-KYM for the purpose of enrolment of the beneficiaries.
- (iii) Financial outlay of Rs. 12930.45 crore for a period of 6 years as Central Government share for the implementation of the Scheme.
- (iv) Setting up of an Empowered Committee under the Chairmanship of Cabinet Secretary with Secretaries of Labour and Employment, MeITY, Department of Expenditure, Department of Financial Services and any other Secretary concerned as members to review and monitor implementation of the Scheme through appropriate implementation strategies and to approve any modifications in the Scheme within the

94  
~~SECRET~~

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

overall financial parameters of Scheme approved by the Cabinet, for effective implementation.

- (v) Formulation of guidelines for smooth implementation of scheme.
- (vi) Setting up of a Project Management Unit (PMU) of PM-KYM for implementation including IEC activities and incur administrative expenses @ 0.5% of the outlay.
- (vii) Exemption from the EFC in view of paucity of time and urgency of the matter. However, the proposal will be submitted for appraisal to the EFC subsequently and its recommendations shall be incorporated in the implementation mechanism of the scheme.


9. **Statement of Implementation Schedule**

The Statement of Implementation Schedule in respect of the above proposal has been given in the **Appendix-I (Page-10)** to this Note.

10. **Statement of Equity, Innovation and Public Accountability**

The Statement on Equity, Public Accountability and Innovation is at **Appendix-II (Page-11)** to this Note.

11. The Note has been approved by Minister of State (I/C), Ministry of Labour and Employment.

  
(Ajay Tewari)  
Joint Secretary to the Government of India  
Ministry of Labour and Employment  
Tel. No. 011-23384891  
Date 31.05.2019



95

F.NO. L-11011/04/PM-KYM/2019

SECRET

GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

**APPENDIX - I**

(Refer para 9, page 9 of the Note)

**STATEMENT OF IMPLEMENTATION SCHEDULE**

Subject: Introduction of Pradhan Mantri Karma Yogi Maan-dhan ( PM-KYM), a pension scheme for shopkeepers/ retail traders and self-employed persons -reg.

Gist of decision required	Project benefits/results	Time-frame and manner of implementation/reporting to Cabinet Secretariat
The Government proposes to introduce a pension scheme for shopkeepers/ retail traders and self-employed persons.	The shopkeepers/ retail traders and self-employed persons would get social security in the form of monthly assured pension of Rs.3,000/-, on attaining the age of 60 years	After approval of the Cabinet, the scheme would be launched from 1 <sup>st</sup> July, 2019.

  
(Ajay Tewari)

Joint Secretary to the Government of India  
Ministry of Labour and Employment  
Tel. No. 011-23384891  
Date 31.05.2019

96  
SECRET

F.NO. L-11011/04/PM-KYM/2019  
GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
DIRECTORATE GENERAL OF LABOUR WELFARE

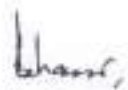
APPENDIX-II

(Refer para 10, page 9 of the Note)

STATEMENT OF EQUITY INNOVATION AND PUBLIC ACCOUNTABILITY

Subject: Introduction of Pradhan Mantri Karma Yogi Maan-dhan ( PM-KYM), a pension scheme for shopkeepers/ retail traders and self-employed persons -reg.

S.No.	The required goal	How does the proposal advance this goal?
1.	Equity or Inclusiveness	Availability of monthly assured pension to the shopkeepers/ retail traders and self-employed persons on attaining the age of 60 years. Promotes financial and social inclusion.
2.	Innovation	Availability of monthly assured pension to the shopkeepers/ retail traders and self-employed persons on attaining the age of 60 years. Promotes financial and social inclusion.
3.	Public Accountability	Monthly pension would be electronically transferred directly to the beneficiary's account.



(Ajay Tewari)

Joint Secretary to the Government of India  
Ministry of Labour and Employment  
Tel. No. 011-23384891  
Date 31.05.2019



Action taken to implement the decision may be communicated to the Cabinet Secretariat with reference to the Implementation Schedule attached to the agenda note.