

A BILL TO PROVIDE FOR THE **FRAMING** OF CO-CONTRIBUTORY PENSION SCHEME TO PROMOTE OLD AGE INCOME SECURITY AMONG WOMEN MEMBERS OF SELF HELP GROUPS IN URBAN AND RURAL AREAS AND TO PROTECT THE INTERESTS OF SUBSCRIBERS AND FOR MATTER CONNECTED THEREWITH OR INCIDENTAL THERETO.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixtieth Year of the Republic of India as follows:-

CHAPTER-I

PRELIMINARY

Short title, extent and commencement.

1. (1) This Act may be called the Andhra Pradesh Self Help Groups (SHG) Women Co-contributory Pension Act, 2009.

(2) It extends to the whole of the State of Andhra Pradesh.

(3) It shall come into force on such date as the State Government may, by notification in the Andhra Pradesh Gazette, appoint.

Definitions.

2. In this Act unless the context otherwise requires,-

(a) "Authority" means an appropriate regulatory authority established by law including the Insurance Regulatory and Development Authority and the Pension Fund Regulatory and Development authority;

(b) "Contribution" means a periodic payment by a subscriber into the individual pension account as may be prescribed;

(c) "Co-contribution" means a periodic cash transfer by the government as may be prescribed;

(d) "Government" means the State Government of Andhra Pradesh;

(e) "guidelines" means guidelines framed by the nodal implementation agency to implement the provisions of the scheme;

(f) "individual pension account" means an account opened as per the scheme;

(g) " minimum pension" means a minimum monthly payment to be notified by the government from time to time and payable under the scheme to subscribers on crossing the retirement age, subject to conditions to be notified;

(h) " Nodal Implementation Agency" means the Society for Elimination of Rural Poverty and any other such agency that may be notified by the government and empowered to implement and administer the scheme;

(i) "Notification" means a 'notification' published in the Andhra Pradesh Gazette and the word notified shall be construed accordingly;

(j) "Pension" means the periodic payment to a subscriber on crossing the retirement age;

(k) "Pension fund manager" means the Life Insurance Corporation of India or any other Public Sector undertaking, regulated by an authority **as may be prescribed by the Government;**

(l) "Prescribed" means prescribed by rules made under this Act;

(m) "retirement age" means the age **as may be prescribed by the Government** at which the subscriber starts drawing the monthly pension;

(n) "Scheme" means the Self Help Group Women Co-contributory Pension Scheme **as framed under section 3 of the Act;**

(o) "SHG" means a Rural or Urban Self Help Group of Women formed by the promotional efforts of development agencies of the Government as notified in the scheme and registered with the Nodal implementation Agency;

(p) "Subscriber" means a woman member of an Urban or Rural Self Help Group who is permitted and chooses to subscribe to the scheme.

CHAPTER-II THE SCHEME

3. (1) The Government may by notification frame a scheme to be called the Andhra Pradesh Self Help Group (SHG) Woman Co-contributory Pension Scheme.

Framing of Scheme.

(2) The Government may by notification add to, amend or vary the scheme.

CHAPTER-III SELF HELP GROUPS WOMEN CO-CONTRIBUTORY PENSION SCHEME.

4. (1) A woman who is a member of a Self Help Group, and an active member for a minimum period of one year and is aged between 18 years and below the retirement age is eligible to subscribe to the scheme;

Co-Contributory
Pension

(2) Every subscriber shall pay contribution to the scheme.

(3) The subscriber shall be entitled to a periodic Co-contribution by the Government, subject to prescribed conditions;

(4) The pension Fund Manager shall invest the amount on behalf of the subscriber for payment of monthly pension on retirement.

Pension Account.

5. (1) Every subscriber shall have an individual pension account;

(2) The member shall furnish such documents as may be prescribed by the nodal implementation agency, as proof for eligibility for enrollment in the scheme.

(3) A subscriber shall not exit from the scheme, except as may be specified in the rules governing the scheme.

(4) The subscriber's individual pension account shall be closed in case she does not fulfil the prescribed conditions of the scheme, and the available contributions of the subscriber and earnings from such contributions in the account shall be transferred to the subscriber.

(5) on the death of the subscriber the available contributions and accrued earnings on such contributions shall be paid as a lump sum to the nominee of the subscriber;

Benefit of Pension

6. A subscriber who attains the retirement age and fulfilled the prescribed conditions shall be entitled to receive a monthly pension. Other than the minimum monthly pension prescribed by the government, there is neither any implicit nor explicit assurance of returns on investment of subscriber contributions or the Government Co-contributions.

CHAPTER-IV
DUTIES, POWERS AND FUNCTIONS OF THE NODAL
IMPLEMENTATION AGENCY.

Nodal Implementation
Agency.

7. (1) Subject to the provisions of this Act and any other law for the time being in force, the Nodal Implementation Agency shall administer, promote and ensure orderly function and growth of the pension scheme to which this Act applies and to frame guidelines for implementing the scheme.

(2) Without prejudice to the provisions contained in sub-section (1), the powers and functions of the Nodal Implementation Agency shall include,-

(a) protecting the interests of subscribers;
(b) laying down norms for collection and accounting of contributions and their transfer to pension funds;

(c) standardising dissemination of information about the scheme and performance of pension funds and returns on investment there from;

(d) appointment of Life Insurance Corporation of India or any other Public sector undertaking regulated by the authority, as the pension fund manager;

(e) enter into a Memorandum of Understanding (MOU) with the pension fund managers for fund management, management of individual pension accounts;

(f) appointing the implementation support agency/agencies, banks and any other such person or entity responsible for enrolling subscribers, collecting and recording contributions and information from subscribers, transmitting information and fund to pension fund manager, and discharging such other duties and functions, as may be assigned to it by the Government from time to time;

Funds to the Nodal Agency..

8. (1) The government may make to the Nodal Implementation agency grants of such sums of money as it may think fit for being utilised for the purposes of implementation of the provisions of this Act.

(2) The Fund shall be utilised for meeting,-

(a) the salaries, allowances and other remuneration of the members and officers and other employees of the Nodal Implementation Agency;

(b) other expenses of the Nodal Implementation agency in connection with the discharge of its function, implementation of the scheme, delivery of services and benefits of subscribers and for the purposes of this Act.

CHAPTER-V MISCELLANEOUS

Accounts and Audit.

9. The Government shall appoint auditors on periodical basis for verifying the records of Self Help Groups, Nodal Implementation Agency and all other concerned agencies for ensuring proper conduct and maintenance of the scheme.

Grievances and Disputes.

10. The Government shall constitute a Grievance and Dispute resolution mechanism for settling various issues between the beneficiaries, Nodal Implementation Agency, pension fund managers, other support agencies and others concerned with the scheme.

Co-Contributory Pension Advisory Board.

11. The Government shall constitute a Co-contributory Pension Advisory Board not exceeding 20 members of which 10 members shall be from among officials and experts drawn from the fields of rural and urban poverty alleviation, Finance, Insurance, Legal, etc.,

and 10 members from among Self Help Group members from district level Self Help Group federations to exercise powers and to advise on matters as may be prescribed.

Power to remove difficulties.

12. (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may by order published in the Official Gazette make provisions not inconsistent with the provisions of the Act as appear to them to be necessary and expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of the Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before the Legislature of the State of Andhra Pradesh.

13. (1) The Government may by notification in the official Gazette, make rules to carryout the provisions of this Act.

Power to make rules.□

(2) Every rule made under this Act shall immediately after it is made, be laid before each House of the State Legislature if it is in session and if it is not in session, in the session immediately following for a total period of fourteen days which may be comprised in one session or in two successive sessions, and if, before the expiration of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or in the annulment of the rule, the rule shall with effect from the date of notification of such modification or annulment in the Andhra Pradesh Gazette, is notified, have effect only in such modified form or shall stand annulled, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The Government intended to provide Co-contribution Pension Scheme for Women members of the Self Help Group (SHG) in Rural and Urban Areas promoted by the development agencies of the Government, the main object of the scheme being to provide old age income security for the SHG Women who cross the minimum retirement age, when their earnings from their livelihood would reduce considerably. The pension would enable them to lead their life in old age with dignity and security.

All SHG Women between 18 and below the retirement age are eligible for membership of the scheme. Every member would also become eligible for minimum monthly pension after attaining the retirement age. The monthly pension amount would be more than minimum if they join at a young age. The money would be transferred on a regularly basis to a pension fund manager, like Life Insurance Corporation of India or other public sector entities authorised to offer pension schemes, which would maintain the Corpus fund and invest it wisely. The Society for Elimination of Rural Poverty (SERP), which is the Nodal Implementing agency, would provide the list of members who made the contribution to the Government which would in turn deposit their share as a Co-contribution with the pension fund manager periodically. The SERP will also appoint implementation support agency, Bank and any other such person or entity responsible for enrolling subscribers, collecting and recording contribution and information from subscribers transmitting information to the pension fund manager, etc.

It is expected that about 1.00 crore women in SHGs in Rural and Urban areas of the State are likely to be enrolled under the scheme and would be benefited by the scheme.

This Bill seeks to achieve the above objects.

FINANCIAL MEMORANDUM

The Government of Andhra Pradesh is proposed to set up "Self Help Groups (SHG) Women Co-contributory Pension Scheme with the co-contribution funds of Government of Andhra Pradesh. The total recurring and non-recurring costs are estimated to be Rs.365.00 crores (Rupees three hundred and sixty five crores only) to be provided in the form of grant for the year 2009-10 and will be met by the Government of Andhra Pradesh.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clauses 1, 2, 3, 12 and 13 of the Bill authorize the Government to make rules or to issue notifications in respect of the matter specified therein and generally to carry out the purposes of the Act. All rules so made which are intended to cover the matter of mostly of procedural in nature are to be laid on the Table of both House of the State Legislature and will be subject to any modification made by the Legislature.

The above provisions of the Bill regarding delegated legislation are thus of normal type and are mainly intended to cover matters of procedure.

MEMORANDUM UNDER RULE 95 OF THE RULES OF PROCEDURE AND
CONDUCT OF BUSINESS IN THE ANDHRA PRADESH LEGISLATIVE
ASSEMBLY.

The Andhra Pradesh Self Help Group (SHG) Women Co-contributory Pension Bill, 2009 after it is passed by both Houses of the State Legislature may be submitted to the Governor for his assent under article 200 of the Constitution of India.