

## **RAJYA SABHA**

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### **\*SYNOPSIS OF DEBATE**

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**(Proceedings other than Questions and Answers)**

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**Friday, September 06, 2013/Bhadrapada 15, 1935 (Saka)**

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### **MATTERS RAISED WITH THE PERMISSION OF THE CHAIR**

#### **I. Meeting of Home Minister with the Representatives of Gorkha Jan Mukti Morcha of Darjeeling**

**SHRI DEREK O'BRIEN** : On September 3, while the Chief Minister of Bengal is making her 21st visit to Darjeeling for peace and development, in spite of assurance given in writing by the Prime Minister, the Union Home Minister in Delhi is meeting the GJMM Delegation on 3rd September without any notice whatsoever to the State Government. The North-Eastern States are bordering with Nepal, Bhutan and Bangladesh. All meetings on Darjeeling need to be held on a tripartite basis. This was the agreement. This is a continuous political interference of the Central Government in the internal affairs of the State. When the Prime Minister has given the Chief Minister an assurance, the Home Minister is having meeting behind his back. We demand the Home Minister to come to this House and explain how this meeting took place without any consultation with the State Government. The situation is sensitive and dangerous and this is playing with fire.

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**\*This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.**

**THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI RAJEEV SHUKLA), responding to the matter, said:** The hon. Home Minister is not available. I can only say that there is no question of bypassing a State Government. The Government always abides by what the hon. Prime Minister Commits. So, I assure the hon. Member that I will convey his feelings to the Home Minister.

**II. Adverse Impact on the Quality of Teaching due to large number of Teaching Vacancies in Universities.**

**SHRI D.P. TRIPATHI :** I want to raise a very serious question regarding the vacancies of the teaching faculty in the Central and State Universities. The situation is becoming very bad. The Department of Higher Education and the UGC appear to be completely oblivious about the gravity of the problem. Out of 16,324 sanctioned posts of the teaching faculty in the Central Universities, 6,254 are lying vacant. Most of the vacancies are at the level of Professors and Associate Professors. The serious point is that even those, who join these institutions, leave in one or two years. In 47 State Universities in the country, 32 per cent positions are vacant. Private universities, despite the orders of various courts and the Supreme Court, are working as money-making machines and centres of academic exploitation. There have been various attempts to ensure that the recruitment of the teachers is streamlined, but it has no impact.

**DR. NAJMA A. HEPTULLA:** Yesterday, the country celebrated the Teachers' Day. This is very important.

**THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI RAJEEV SHUKLA), responding to the matter, said:** I would further add to it by saying that there are two issues in this. One is the pending vacancies and the other is the quality of teaching. I will definitely convey the sentiments of the hon. Members to the Minister of Human

Resources Development. We seek cooperation of the State Governments also because education is the State subject. So, the Central Government and State Governments must ensure that the quality of teaching is improved and vacancies are also filled.

*(The entire House associated.)*

### **III. Injustice to OBCs in Faculty Appointments in IIT, Madras**

**SHRI V. HANUMANTHA RAO:** Recently, the High Court of Madras in its judgement has expressed its displeasure over the way in which the faculty appointments were made in the IIT, Madras and directed the Registrar to forward the copy of the judgement to the Director of CBI, New Delhi to commence enquiry into the appointments made in IIT, Madras. The judgement exposes the irreparable damage done by the former Directors and officials to IIT, Madras, by resorting to discriminatory methods in selection of faculties.

This judgement has come after a legal battle of nearly 17 years. There is discrimination in these institutions against the deprived sections, and they are not able to challenge the administration for fear of action. The Government, particularly, related Ministry has to take seriously these adverse judgements and to ensure that the IIT, Madras does not further prolong the matter by resorting to appeal methods and wasting the public money and the wrong-doers, whoever it may be, are punished.

*(Dr. T.N. Seema and Dr. M.S. Gill associated.)*

### **IV. Regularization of Sand Mining**

**SHRI NARENDRA KUMAR KASHYAP:** Illegal mining is the biggest problem of the country. Mining mafia is not only causing loss to our revenue through illegal mining but also creating problems for every section of the people. Many political people are also involved in this. Government would have to take a decision as the people are not getting sand for construction of their houses and shops. I demand that government take a decision by formulating a concrete

policy to save the revenue of the country and to take a strict action against sand mining mafia.

*(Shri Ananda Bhaskar Rapolu, Dr. M.S. Gill, Prof. S.P. Singh Baghel, Shri Munkad Ali and Shri Brijlal Khabri associated.)*

**V. Execution of an Indian Author, Sushmita Banerjee  
by Taliban in Afghanistan**

**SHRI KUNAL KUMAR GHOSH:** I wish to make a mention of the brutal murder of an Indian citizen in Afghanistan, by Taliban. Sushmita Banerjee, known as “Kabuliwalar Bangali Bahu” was executed late on Wednesday. The Talibans attacked her house, tied up her husband, Jaanbaz Khan, and other family members, dragged her out and pumped several bullets into her from close range. She was doing a lot of social work, especially for the uplift of women and healthcare and she was also making a film. The Talibans did not allow such kinds of progressive works and instructed her to stop all her activities.

We strongly protest the murder of Sushmita Banerjee and I appeal to the Government to convey our protest and anger to the Government of Afghanistan and take appropriate steps. I salute Sushmita, who, against all odds, continued her fight through social works in Afghanistan, even at the cost of her own life.

**SHRI D. RAJA:** Some time back, there was an attack on our Embassy in Kabul leading to some casualties. This raises certain questions.

**DR. NAJMA A. HEPTULLA:** This is very bad message going on to the world for telling the truth about the situation.

**THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI RAJEEV SHUKLA), responding to the matter, said:** On behalf of the Government, I condemn this dastardly murder and it confirms how Talibani forces are still pursuing their agenda. The Ministry of External Affairs is

seized with the matter and the Government of India is taking it up with Afghan Government.

*(The entire House associated.)*

#### **VI. Situation in Syria and Remarks of British Prime Minister**

**SHRI P. RAJEEVE:** The U.S. President, Barak Obama, has announced that he will conduct military strike against Syria after U.S. Congress approves this action. The U.S.A. has taken over all the powers of the United Nations. The Security Council has not passed a resolution authorising the use of force against Syria. They have added that Syria has used chemical weapons against their citizens. There is no substantial evidence on that. They used the same argument to attack Iraq. US is trying to attack Syria. We demand that while discussing the Syria issue in G-20, our Prime Minister should demand for United States calling off its military aggression against Syria.

The British Prime Minister, during a discussion in their Parliament, stated that India is supporting this aggression but the High Commission remarks are very soft. These types of soft remarks of India actually curtail the prestige of our country all over the world. So, we should condemn the act of United States of America. Thank you.

*(Shri Prasanta Chatterjee, Shri D. Raja, Shri C.P. Narayanan, Shri T.K. Rangarajan, Dr. T.N. Seema, Shri Balbir Punj, Shri Ali Anwar Ansari, Shri Ahmad Saeed Malihabadi, Shri Shivanand Tiwari, Shri Prem Chand Gupta, Shri K.C. Tyagi, Shri Rajpal Singh Saini, Shri K.N. Balagopal and Shri M.P. Achuthan, associated.)*

#### **VII. Need to set up a Bench of Odisha High Court in Western Part of Odisha**

**SHRI DHARMENDRA PRADHAN:** Agitation is going on in 10 districts of Odisha since last 15 days. Public of Odisha has been demanding to set up a bench of Odisha High Court in Western part of Odisha for last two decades. Urbanization, industrialization and

litigation are increasing there and most of the native are backward and tribal. I demand through you from law department to intervene in this matter and set up a separate bench in western Odisha.

*(Shri Parshottam Khodabhai Rupala, Shrimati Maya Singh, Dr. Chandan Mitra, Shri Kiranmay Nanda, Shri Jagat Prakash Nadda and Shri Vinay Katiyar associated.)*

#### **VIII. Pathetic Condition of Patients at AIIMS and Safdarjung Hospital**

**SHRI ANIL DESAI:** I want to draw the attention of the House to the pathetic condition of patients and their relatives at AIIMS and Safdarjung Hospital in Delhi. There are no facilities which should have been provided at this premier health institute of the country. The directions are being brazenly violated and there is nobody to answer to this. I would like to ask the hon. Health Minister whether he has taken the cognizance of those events which are happening not only in Delhi but even in the State of Maharashtra also, wherever Government hospitals or Government health care institutions are there. If poor people or people from the far-flung places come there for treatment, they are languishing in a very bad shape. If we do not look into these kinds of incidents and if we do not take corrective measures, I think, whatever Bills are passed or whatever we do in order to improve the situation, it will not serve the purpose.

*(Dr. Bharatkumar Raut associated.)*

#### **IX. India's Rising Current Account Deficit**

**SHRI VIVEK GUPTA:** Instead of taking preventive measures and immediate actions for controlling rising current account deficit, we only get assurances. Several items are attracting export duty or export tax and the country is losing precious foreign exchange. I see no effort on the part of the Government to revisit these road blocks to exports. The Government should temporarily remove these road blocks so that we can get precious foreign exchange earnings back. The effort of the Government to check the import of gold is

laudatory. But if the RBI can use some of its reserves, it will temporarily provide relief. The Government has been liberalising the FDI in multi-brand retail and so many other sectors. But, we are yet to see any concrete investments in any of these sectors and no foreign exchange is flowing in. Our Rupee has depreciated, causing great hardships to the people. Our gross fixed capital formation was only 1.7 per cent during the last year. I would like the Government to look into these areas and do something about it.

*(Shri Ananda Bhaskar Rapolu associated.)*

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## GOVERNMENT BILLS

### **The Pension Fund Regulatory and Development Authority Bill, 2013**

**THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM), moving the motion for consideration of the Bill, said:** This Bill was referred to the Standing Committee on Finance. The Government has decided to accept all recommendations of the Committee, except one, which is regarding facility of repayable advances from the pension accounts of subscribers, but withdrawals have been permitted.

Based on the recommendations of the Standing Committee, the salient features of the Bill are as follows: The foreign investment policy for pension funds is provided for in the Bill itself. The membership of the PFRDA may be confined to professionals having expertise in economics, finance or law only. It has been provided in the Bill that the interests of subscribers will be protected by ensuring safety of the contribution of subscribers and by keeping the operational costs in check. The subscribers seeking minimum assured returns will be allowed to invest their funds in such schemes. It has been provided that, at least, one of the pension fund managers shall be from the public sector. The concerned section has been amended to provide for the Advisory Committee to give advice *suo-motu*. The Government has already launched "Swavalamban" for unorganised

sector workers, and a large number of people have joined.

**SHRI PIYUSH GOYAL:** I rise to speak in support of the Bill. I am glad that the Bill has finally been brought in, but even then, as we look at the Bill today, we find there are certain things on which this Bill could have probably done better. Today we have a situation where the government employees are coming under the new pension scheme but their interests are not equally been protected as they should have been protected. I would like to request the Finance Minister to make sure that none of the provisions under this new Act contravenes the original law and regulations made there under and also to ensure that the benefits that the people were able to enjoy under the old scheme continue.

I request the Hon'ble Minister to give an assurance to this House that you will ensure a basic level and a minimum pension will be guaranteed to everybody who comes under the new Pension Scheme. This is a demand of the labour from all across the country. And at the same time, it will not add much financial burden on the exchequer. I would urge upon the Government to provide for the minimum Pension of five thousand rupees, keeping in new the double digit inflation. You should have also accepted the recommendation of the standing committee which was regarding allowing the withdrawal and advance facility.

The subscriber should be allowed the facility of withdrawal or excess loan on the rates of 8 or 9 percent, on which he gets the return on his fund. FDI in Pensions funds is immaterial. We are capable of handling pension fund ourselves and we can live without FDI in pensions. I will request the Hon'ble Minister to ensure that FDI in Pension is not allowed.

I would like to say that the money which each person put in pension fund, should go into a guaranteed return scheme by default. I think that there should be a over all limit. If this Government makes some serious efforts, more people can be brought under it. The limit of self reliant scheme should be increased to 2 or 2 and half thousand rupees. I hope the hon. Minister will make sure that the people are not

made to pay tax after the amount comes back to them. I want an assurance from the Minister for a minimum pension of Rs. 5,000. I would seek the support of the entire House that a minimum pension should be guaranteed to anybody.

**SHRI RAMA CHANDRA KHUNTIA:** I support the Bill. Saying that the Congress-led UPA has not done anything, is wrong. There are many points which the Government has to consider and discuss with the trade unions in order to resolve them. Will the Government come forward to see that his fund will not be misused? I want a clear answer from the Minister. I also agree that there should be minimum guarantee for subscribers so far as the pension is concerned. I request the hon. Minister that EPF pension should be made minimum Rs. 1000. I want that part-time members could be workers' representatives so that they have a say in the Authority. I expect this would definitely be very useful.

**SHRI VEER SINGH:** I would like to say that the Government employees in the entire country are highly agitated about this Bill. Pension is their right. There is a conspiracy to snatch this right. No option of family pension has been kept in this new pension scheme. I would like to say that the provision to discontinue the family pension should be reviewed. There should be a provision for good pension to the family. Using employees' money in the share market should also be reviewed. Number of permanent Members should be increased from 3 to 5. On both posts SC, ST members should be there. One woman member should also be there. Age limit should be increased from 62 to 65. With few of my suggestions, I support this Bill.

**SHRI TAPAN KUMAR SEN:** I rise to oppose the Bill. The entire trade union movement is considering it a great betrayal to them. The Government must take a note of it. I would like to say that this Bill seeks to retire the very concept of pension as an assured source of human survival. They need to survive but that right is being snatched by this Bill. Pension is a social security. The tragic part is that every other thing is assured, except the worker's pension. A very

insignificant part of the unorganized sector workers are enrolled in the Swaavalamban Scheme. All the foreign financial agents have gone bankrupt in their own countries. Would the foreign agencies come into this country for the benefit of the people? What would be the fate of our pension fund? Workers would not accept such a deception. Even the Prime Minister has admitted that this is the time for difficult reforms. Exercise and experiment your difficult reforms on the beneficiaries of the easy reform-days but spare the working community.

**SHRI ANIL DESAI:** Though the scheme was being operated by the Government, the working class in the private and huge unorganized sector remained out of the ambit of this Pension Scheme. New Pension Scheme is based on a concept of defined contribution which will be coming from employees. The main worry of employees is as to how their contribution would be deployed by the Government. They are also worried about the minimum guarantee of return. The provision for FDI also is there which is absolutely unnecessary. The impetus should have been given to the state-owned companies.

**SHRI SUKHENDU SEKHAR ROY:** I oppose the Bill. The Bill says that it is meant to promote old-age income security, but we find that this is a Bill to promote old-age income in securities. Pension being given to the working class has been withdrawn through this Bill. The Government is working as an agent of multi-national corporates. This is the need of the hour that this reformist Government should work on reforming its reforms. In this Bill a word 'Commission' is introduced, if I am correct, it should be 'summons'. There is a provision in this Bill for attachment of bank account of intermediaries. But it is also said in the proviso that only those accounts relating to pension will be attached. In the Bill it is said that there would not be any assurance of benefits except

market-based guarantee mechanism. It is surprising that the government has provided a provision of the Bill to play with the money of the workers.

**SHRI NARESH AGARWAL:** Pension is being abolished with this Bill. While making laws, this Government is anti-poor and pro-capitalist. This Bill is anti workers. It should be withdrawn. In this Bill, the government should provide a minimum guarantee that if a worker invests his money in equity, then he should be given assurance of a minimum amount as pension. The pension should be met proportionate to inflation. Skilled labour should also be guaranteed with a minimum wage.

**SHRI N.K. SINGH:** I have six points to make. A large number of the population, particularly in the unorganised sector, are outside the purview of any pension system. So, the first important challenge is how to reach to those. We require most sophisticated marketing technology and skills. This Bill provides a very opening in this direction. The equity is limited to 15 per cent for non-Government employees. I believe that this 15 per cent limit needs to have a second look. The treasury bonds which the Government floats is one way of guaranteeing minimum rate of return. I believe that raising the FDI from 26 per cent to 49 per cent would have been the right way to go.

**SHRI N. BALAGANGA:** Any pension scheme must ensure a minimum return to the pensioner. I again insist that the new scheme must be inflation-indexed. Looking at the past 20 years of the Indian stock market and other investment opportunities, I demand an explicit guarantee from the Government for the pension wealth. Old age requires a lot of medical attention. Please see to it that some link can be made between the pensioner and the general medical insurance. We have to be very alert about FDI and FII in pension funds. This House must ensure that external factors do not erode the wealth of our helpless pensioners.

**SHRI T. M. SELVAGANAPATHI:** Reform is always a double-edged weapon. But the Government has taken a dangerous weapon. This inalienable right is put to a heavy risk. You are subjecting the social security component to the market risk. If there is a major market crash, then, what will happen to the future of the crores of employees of this country? This 26 percent FDI is in the name of reform. The economy is in a serious crisis. It was recommended that Government must devise a mechanism to enable the subscriber to be ensured of minimum assured guarantee returns. But this has been out rightly rejected. If this minimum guarantee is not ensured, it will be a futile exercise.

**SHRI SHASHI BHUSAN BEHERA:** This is very important Bill. This Bill certainly aims for the benefit of the employees and the working class. The most important part of this Bill is that it is for the unorganized sectors of our country. The unorganised sector are not getting any returns. If we allow FDIs in pension sector, it will create suspicion. The employees and the working class is agitating. If Government invites FDI in this pension sector, then 26 per cent cap must be there. We can extend our equity issues from 20 years to 30 years or 50 years, so that our money will be guaranteed by our own companies. If the Government is so interested, we can also invite the Indian insurance companies.

**DR. YOGENDRA P. TRIVEDI:** My party welcomes this Bill. It is necessary to be understood that this Pension Fund is a suraksha fund. It is necessary to monitor this Fund from time to time. I am happy that this Fund will be monitored by the Government. It should not have the fate of the UTI. You must have experts on your investment panel, to see that the moneys of the poor people are not put at risk. Not only the deposited money but the moneys which are withdrawn also, should be exempt from tax. This is going to compete with other insurance companies. So their schemes, plans and strategy should be also taken into consideration. You may provide that in the event of his impairment or physical disability or death, pensioners family will be provided with certain minimum amount.

**SHRI M. P. ACHUTHAN:** I am sure that this Bill is going

to be passed. But by this enactment the Government is going to deny the millions of employees in India age-old social security benefit. Pension is not a charity. It is one of the social security measures guaranteed in a welfare State. You are going to demolish this very concept of a welfare State. They want to deposit the pension fund with the FDI. The employees are agitating against it. Please give an assurance that you will guarantee the minimum pension linked with last drawn pay and assure that whatever may be the fluctuations in the stock market, the Government will guarantee the actual return to the employees and the workers.

**SHRI PRAKASH JAVDEKAR:** The worker needs all kinds of securities. You have taken away even that under the new pension scheme by a small amount of social security. You are saying that Government liability will be limited to employers' contribution only, nothing more. You are shirking off your responsibility instead of universalization. The Government is paying 1.16 percent in the pension fund to pay a pension of Rs.1,000 which you have to increase only 0.5 percent. That also you have not given. Unless the Government itself contributes to it, the worker will not get justice. Even he will not get minimum pension. If you are not doing so, you are refusing security. You are not giving the choice which you are talking about. LIC has to fight everyday for the decisions of the IRDA. You have kept the option of guarantee of minimum pension. I request you to complete the half work done by you.

**DR. BHALCHANDRA MUNGEKAR:** Objectives of compulsory insurance are sought to be fulfilled by this Bill. There are two major schemes. One is contributory benefit scheme and the other is the pension scheme. When we are talking of the 50 percent of the last drawn pay, we are talking only of the 10 or 8 percent of the organised sector. Remaining 90 percent of the unorganised sector workers are absolutely beyond the ambit of any social security scheme. It is for the

first time that this scheme is trying to bring them within the ambit of some sort of social security. This country needs fund for development. We are having the problems of current account deficit; fiscal account deficit and rupee depreciation. All these problems are to be simultaneously addressed.

The scheme gives every subscriber an individual pension account, portability of account and allocation of his funds across various pension schemes and better returns. As far as risk factor is concerned, let us not have any apprehensions. Let us not underestimate the judgement capacity of the ordinary citizens of the country. I consider it 'innovation', and, I think, this innovation is worth trying. The entire theory of economic development is the theory of innovations, and every innovation carries risk. Apprehension should not prevent us from making innovations. I request hon. Finance Minister to bring down this minimum annual contribution limit from Rs. 6000 per annum to Rs. 2000 per annum so that every possible person is able to join the scheme. The risk is very much there. So I would submit for the consideration of the hon. Finance Minister that let there be some risk aversion fund so that people can get the protection. Even with 26 per cent foreign direct investment in place, I would not suggest going in for 49 per cent investment at this stage at all the people who would be coming into this country must have a track record. Genuine workers' representatives would be sane enough to raise the voice of the workers and protect their interests.

**SHRI RAM KRIPAL YADAV:** Hon. Minister you may be knowing that all the trade unions have opposed this. So I request you to remove all these apprehensions, the way you are ensuring the employees and the other sections, the Government should also take care of other sections who are untouched and are living in difficulty in their old age. Today through this new

Bill, multinational companies are allowed to come in but they are eyeing not to provide the benefit of social security pension to the common people but to utilize the amount collected in the pension fund. People are having apprehension that if the money is put in share market then due to the speculative market, whether the money will remain with them or not, whether they will get pension or not. I request you to kindly remove all these apprehensions and assure them that they will get their pension from the deposited amount in any condition.

**SHRIMATI KUSUM RAI:** After having a look at the provisions of this Bill, the question mark is raised on the intention of the government in regard to pension of the government employees. The trend of uncertainties suddenly comes to the market. I urge upon the Government that the proposed bill should be amended and the provision of at least 12-15 percent assured return should be made. As per this Bill, under the NPS the Government employees would not get dearness allowances. Kindly assure the provision of family pension along with D.A. under NPS. I urge upon the government that the provision of gratuity should be continued to the retiring employees under the NPS. The government should clarify the period of pension and it should be continued upto the last day of retired government employee.

**THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM), replying to the debate, said:** The NPS came into force on 1.1.2004 and all Government servants in the Central Government, recruited after 1.1.2004, are governed by this scheme. Thousands have been recruited and appointed under this scheme. The clock cannot be turned back. Many agencies have been appointed for all Government servants recruited after 1.1.2004, who are under this scheme. Twenty-six States have joined the scheme voluntarily on different dates, and

have also enrolled their employees as subscribers except four States. They have collected money and they have contributed the money to the Pension Fund set up under the Pension Fund Regulatory and Development Authority. The total number of State Government employees, covered under the scheme as subscribers, is 17,75,056 as on 13<sup>th</sup> of August, and their money to the extent of Rs. 12,975 crore is now being managed under the scheme.

In the Standing Committee, all parties, other than the Left Parties, appeared to have supported this Bill, not once but twice. We have accepted all but one recommendation. There are a very large number of Central Government employees who are contributing. It is being managed by the Fund Manager. As far as private sector funds are concerned, there are eight managers. The custodian is the Stockholding Corporation of India Ltd. The supervision is by the NPS Trust. The trustee bank is the Axis Bank.

Therefore, there is enough in the structure of the NPS that ensures that these funds will be managed well and managed safely. The NPS today compares very well with any other return that you can get in any other comparable investment instrument. It gives a return which is certainly better than the EPF return. The purpose NPS is that you save while you earn and you accumulate those savings and accumulated savings are managed professionals so that that enhances the accumulation. What we are introducing now is an option or opportunity for people to save their retirement. Therefore, we must maximize the accumulation. We have accepted the recommendation of the Standing Committee that there may be emergencies in which you have to withdraw. Regulations will be framed for withdrawals. Accumulations will increase. The minimum annual contribution under the NPS is Rs. 6,000. These are called the

mandatory savings. For the Swavalamban, which is for the unorganized sector, we have kept it at the bare minimum, which is Rs. 1000 and the Government of India contributes Rs. 1000. A couple of State Governments have also come forward to contribute another Rs. 1000. It is for three years that the Swavalamban has been promised by the Central Government. But, what happens to a Government servant who joined after 1.1.2004 and who may die prematurely or may become invalidated? This has been addressed by Office Memorandum dated 5<sup>th</sup> of May, 2009 and the position has been made clear that the New Pension Scheme is replacement for pension under normal circumstances. The New Pension Scheme replaces the retirement pension that Government is paying. Rickshaw-pullers today do not get any pension. It is for him that we have got the Swavalamban. The Civil Code allows the courts to issue commissions. So, the provision here is no different from the provision of any Acts. Regarding the provisions of opportunity to invest in 30 or 40 year bonds, you know that the bond market in India is still not a very well developed market. Pension today is taxed. But the NPS will not be taxed. That is not possible, besides there is a matter of principle. Regarding concerns about the security, safety and returns, I can say that the current system is unsustainable system. Unfunded pensions are dangerous. They can completely destabilize your economy. The underlying principle of a defined contribution system is saving as you earn. The saving is then handed over to the professional managers who will then accumulate and enhance accumulation

Two Standing Committee have bestowed their attention. We have accepted it. I hope it should be passed in the Rajya Sabha unanimously or, at least, by a very large majority. How does it return on invested funds compare with a pension which is not a return but which is simply a proportion of your last drawn

salary? The two are not comparable. Sweden is a country with a small population and a very large per capita income. We cannot compare India with Sweden. We cannot take on liabilities which are far beyond our financial capacity. For Government servants, we have taken a certain liability, and, therefore, we are switching over to a system where Governments contribute and Government servants contribute. This is accumulated and, hence, we give a pension. In the unorganized sector, the best we can do, at the moment, is the National Social Assistance Programme. The whole idea is that what you save today is invested and it earns an income.

*The motion for consideration of the Bill, was adopted.*

*Clauses etc., were adopted.*

*The Bill was passed.*

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**SHUMSHER K. SHERIFF,**

*Secretary-General.*

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\*\*Supplement covering rest of the proceedings is being issued separately.