



## PM Shram Yogi Maandhan Yojana

**For Prelims:** [Parliamentary Standing Committee](#), [Pradhan Mantri Shram Yogi Maandhan Yojana](#), [Life Insurance Corporation of India](#), [Atal Pension Yojana](#), [e-Shram portal](#)

**For Mains:** Social Security Schemes for Unorganised Workers, Role of Parliamentary Committees in Policy Evaluation, Financial Inclusion.

[Source: FE](#)

### Why in News?

A [Parliamentary Standing Committee \(PSC\)](#) report has raised concerns over the underperformance of the [Pradhan Mantri Shram Yogi Maandhan Yojana \(PM-SMY\)](#), a pension scheme for workers in the [unorganised sector](#).

- What is the Pradhan Mantri Shram Yogi Maandhan Yojana?
- **About:** It is a **Central Sector Pension Scheme** launched in 2019, administered by the **Ministry of Labour and Employment**, and [Life Insurance Corporation of India \(LIC\)](#) acts as the Pension Fund Manager.
- **Target Beneficiaries:** The scheme targets [unorganised workers](#) aged 18 to 40, such as street vendors, domestic workers, construction labourers, and agricultural workers, with a monthly **income up to Rs 15,000**.
- **Contribution:** Workers are required to make monthly contributions (premium) ranging from **Rs 55 to Rs 200**, depending on their entry age, with the government matching their contribution.
- **Pension Benefits:** The scheme promises a pension of **Rs 3,000 per month** after the **worker turns 60**. However, if the worker dies before 60, there is **no lump sum payment to their family**.
  - In case of the subscriber's demise, their spouse will receive 50% of the pension amount as family pension.

### What are the Highlights of the PSC Report on PM-SMY?

- **Poor Performance of PM-SMY:** The PM-SYM scheme has seen dismal performance due to low enrolment and reduced government funding.
  - Government contributions halved over two years, with actual expenditure dropping to **Rs 162.51 crore in FY 2023-24 from Rs 324.23 crore in FY 2021-22**.
    - The reduction in expenditure reflects a **drop in contributions from both workers and the government**, further undermining the scheme's viability.
  - The **PM-SYM aimed to enroll 100 million workers by 2023** but reached only **5 million by FY24**, covering less than **1% of the 565 million-strong unorganised workforce**.
    - However, the government has extended the scheme for another year, until 2025-26, while awaiting a revision to enhance its appeal.
- **Reasons for Poor Performance:**
  - **Income Challenges:** Irregular income and unstable employment make it **difficult for**

**unorganised workers**, especially daily wage earners, **to afford the monthly premium** of Rs 55- Rs 200, further reducing their ability to participate.

- **Impact of Covid-19:** The pandemic worsened the financial situation for many unorganised workers, hindering their ability to contribute to the scheme.
- **Structural Barriers:** Lack of a formal **employer-employee relationship in the unorganized sector** leads to challenges for workers in accessing the scheme due to insufficient **documentation and awareness**.
- **Existing Pension Alternatives:** The presence of other pension schemes like [Atal Pension Yojana \(APY\)](#) may cause confusion, leaving workers uncertain about which one to opt for.
- **Recommendations for Revamping the Scheme:**
  - **Expand Entry Age:** Increase the eligibility age from 40 years to 50 years to include older unorganised workers.
  - **Scheme Merger:** Combine PM-SMY with **APY** and [Pradhan Mantri Laghu Vyapari Maan-Dhan Yojana](#) for better alignment and coverage.
  - **e-Shram Portal:** The [e-Shram portal](#), with a database of over 305 million workers, can play a critical role in onboarding beneficiaries for PM-SMY.
    - Integrating **PM-SMY with the e-Shram database** could streamline enrolment and ensure wider reach.
  - **Direct Benefit Transfer (DBT):** Introduce [subsidies](#) to cover contributions for workers who cannot afford to pay out of pocket.
  - **Awareness Campaigns:** Launch targeted outreach programs to improve awareness and reduce misinformation about the scheme.

## Parliamentary Committees

- **About:** Parliamentary Committees (PC) are panels of [Members of Parliament \(MPs\)](#) appointed or elected by the House or nominated by the Speaker/Chairman.
  - These committees draw their authority from **Article 105 (privileges of MPs)** and **Article 118 (rules for procedure and conduct of business)**.
- **Need:** Due to limited time in [Parliament](#), PCs are essential for **detailed discussions, expert input, and cross-party consensus**.
  - They thoroughly examine Bills, and policies, ensuring effective legislative work and avoiding political polarisation.
- **Types of Parliamentary Committees:**
  - **Standing Committees** are **permanent and ongoing bodies** within Parliament that play a crucial role in legislative work.
    - These include Financial Committees (scrutinize expenditure), Departmental Committees (oversee ministries), Enquiry Committees (investigate issues), Scrutiny Committees (ensure policy accountability), Day-to-Day Business Committees (manage procedures), and House-Keeping Committees (handle logistics).
  - **Ad Hoc Committees** are temporary panels formed for specific tasks, including Inquiry Committees and Advisory Committees for expert recommendations.
    - They dissolve once their task is completed.

## Who are Unorganised Workers?

- **About:** The term unorganized worker, as defined under the [Unorganized Workers' Social Security Act, 2008](#), refers to home-based workers, self-employed workers, or wage workers in the unorganized sector.
  - Additionally, **workers in the organized sector are also classified as unorganized** if they are not covered under **key labor laws**, including the [Employees' Compensation Act, 1923](#), Industrial Disputes Act, 1947, Employees' State Insurance Act, 1948, Provident Funds Act, 1952, Maternity Benefit Act, 1961, or the Payment of Gratuity Act, 1972.
- **Initiatives for Unorganized Workers:**
  - [e-Shram Portal](#)

- [Atal Pension Yojana](#)
- [Pradhan Mantri Jeevan Jyoti Bima Yojana \(PMJJBY\)](#)
- [Pradhan Mantri Shram Yogi Maan-dhan \(PM-SYM\)](#)
- [Mahatma Gandhi Bunkar Bima Yojana](#)
- [Pradhan Mantri Kaushal Vikas Yojana](#)
- [Ayushman Bharat-Pradhan Mantri Jan Arogya Yojana \(AB-PMJAY\)](#)

**Drishti Mains Question:**

Discuss the challenges faced by the Pradhan Mantri Shram Yogi Maandhan Yojana and suggest measures to improve its effectiveness.

## UPSC Civil Services Examination Previous Year Question (PYQ)

### Prelims

**Q. Pradhan Mantri MUDRA Yojana is aimed at (2016)**

- (a) bringing the small entrepreneurs into formal financial system
- (b) providing loans to poor farmers for cultivating particular crops
- (c) providing pensions to old and destitute persons
- (d) funding the voluntary organizations involved in the promotion of skill development and employment generation

**Ans: (a)**

**Q. Regarding 'Atal Pension Yojana', which of the following statements is/are correct? (2016)**

1. It is a minimum guaranteed pension scheme mainly targeted at unorganized sector workers.
2. Only one member of a family can join the scheme.
3. Same amount of pension is guaranteed for the spouse for life after the subscriber's death.

**Select the correct answer using the code given below:**

- (a) 1 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

**Ans: (c)**