



Awareness of Atal Pension Yojana Scheme Among college students with reference to Mumbai suburbs.

Majithia Hardik Hasmukh Bhai^{1*}, Dr. Nishikant Jha.², Dr. Hitesh Suthar³

^{1*}Research Scholar at Shri Jagdishprasad Jhabarmal Tibrewala University

²Vice Principal & HOD of BAF in Thakur College of Science & Commerce

³Associate Professor, Atharva School of Business

Citation: Majithia Hardik Hasmukh Bhai, et al (2024), Awareness of Atal Pension Yojana Scheme Among college students with reference to Mumbai suburbs, *Educational Administration: Theory and Practice*, 30(11) 1577-1582

Doi: 10.53555/kuey.v30i11.9686

ARTICLE INFO

ABSTRACT

The Atal Pension Yojana (APY), which the Indian government has established, would provide substantial benefits upon retirement or attaining the age of sixty, provided that participants remain committed to the program. Prime Minister Narendra Modi of India introduced the Atal Pension Yojana in 2015 to replace and enhance the Swavalamban Yojana of the previous administration, which was unpopular with the intended demographic. For people mostly engaged in the unorganized and informal sectors, the Atal Pension Yojana (APY) provides a guaranteed income as a pension plan. Finding out how much college students know about the Atal Pension Yojana is the goal of the study. The Atal Pension Yojana in Mumbai was examined in this study using a descriptive research style and a quantitative research technique. To collect the primary data, a survey was conducted utilizing a Google form and a basic random sampling approach. The sample size for the study consists of around 150 students from various Mumbai institutions. The program's goal is to encourage saving, particularly among unorganized workers, so that they may become financially independent in retirement by receiving a pension that is determined by their contributions to the program. The program also aims to provide access to financial inclusion for those who were not previously a part of the official banking system. In addition to providing information on the Atal Pension Yojana, this survey aims to assess college students' understanding of and attitudes about the program.

KEYWORDS: Retirement, Pension, Old Age Pension, Workers, Social Security, Unorganized Sector.

INTRODUCTION:

The Indian government is focusing on encouraging contributions to the Atal Pension Yojana (APY) from individuals working in the unorganized sector and the economically disadvantaged, as they face significant concerns about their financial security during retirement. According to the 66th Round of the National Sample Survey (NSS) from 2011-12, workers in this sector account for 88% of India's total workforce of 47.29 crore, yet they lack access to proper pension schemes. The APY aims to address this gap by providing a government-backed pension plan, ensuring these workers have a secure source of income once they retire.

Recent data from the National Statistical Office (NSO) based on the 2021-2022 National Sample Survey shows a notable increase in the uptake of the Atal Pension Yojana across various demographic groups. The survey highlights a rising trend in the number of subscribers, particularly among younger individuals. A significant 78% of new enrollees are choosing a monthly pension of ₹1,000, signaling a shift in preferences since the scheme's introduction. This increase in participation indicates growing awareness and acceptance of the scheme.

The popularity of the APY reflects its potential to provide long-term financial security to individuals who otherwise might not have access to a formal pension. By offering a fixed pension upon retirement, the scheme not only encourages individuals to save regularly but also reduces the financial risks associated with outliving their savings. The APY plays a crucial role in developing a culture of saving for retirement, particularly among

those in vulnerable sectors, thereby promoting financial inclusion and ensuring a more secure future for the underserved population.

The government has introduced the Atal Pension Yojana (APY) to ensure financial security for workers in the unorganized sector upon retirement. This scheme is designed to provide substantial benefits once participants reach the age of 60, provided they remain committed to the program. The Atal Pension Yojana, which is managed by the Pension Fund Regulatory and Development Authority (PFRDA), aims to bring workers from the informal sector into the formal National Pension System (NPS).

Under the scheme, participants can receive a guaranteed monthly pension ranging from ₹1,000 to ₹5,000, depending on their contribution, which is determined at the time of enrollment. To be eligible for the Atal Pension Yojana, individuals must be between 18 and 40 years of age. The pension amount is contingent on the individual's commitment to the plan, which requires a minimum contribution period of 20 years.

To make the scheme more attractive, the government offers an incentive where it contributes up to ₹1,000 annually (whichever is lower) to the pension of eligible recipients. This contribution is aimed at boosting the scheme's returns and encouraging greater participation. The government's support in covering part of the contribution is particularly beneficial for those who may face challenges in making regular payments.

The primary goal of the Atal Pension Yojana is to provide a steady income for workers in the informal sector when they retire, ensuring financial stability. By guaranteeing a fixed minimum annuity, the government is helping to reduce the financial uncertainties that come with old age, promoting a culture of savings, and improving financial inclusion for the underserved population.

REVIEW OF LITERATURE:

Sudindra's (2016), feasibility study on the Atal Pension Yojana (APY) suggests that the scheme does not adequately provide income security for retirement, particularly for workers in the unorganized sector. Through an analysis comparing the present value of pension benefits to contributions, the study concludes that APY's defined benefit model is insufficient. Sudindra recommends increased government funding to better address retirement needs for these workers.

Anjana Devi (2021), conducted a study on awareness levels of the Atal Pension Yojana (APY) among individuals in Kerala, focusing on a sample of over 120 respondents from rural and urban areas in Thiruvananthapuram District. Using convenience sampling and a questionnaire, she collected primary data and supplemented it with secondary sources. The study concluded that, although APY enrollments are rising annually, the scheme's reach remains limited in Kerala. <https://www.ijsrp.org/research-paper-0121.php?rp=P10910919>

Rajasekhar & et al. (2017), examine India's two main contributory pension schemes, NPS-Lite and Atal Pension Yojana (APY), assessing their strengths and limitations in supporting low-income workers. Using data and studies, the authors argue that the schemes fail to consider the specific needs of unorganized worker households. They propose adjustments to the design of these schemes to better address the retirement requirements of workers in the unorganized sector.

Sandeep and Namratha Sharma (2015), examine the introduction of the Atal Pension Yojana (APY) as a means to foster saving habits among informal workers and those in small-scale industries, thereby enhancing financial security against job loss or income reduction. Their research analyzes enrollment trends across demographics such as age, gender, and region. The authors also discuss how the beneficiaries' corpus accumulates through quarterly compounding, leading to a risk-free fixed pension at age 60.

Bhattacharjee (2020), conducted a survey in Jorhat district, Assam, with 120 participants to evaluate the enrollment of private and public sector workers in the Atal Pension Yojana (APY). The results showed that a majority of respondents from both demographics had enrolled and generally held a positive view of the scheme's features. However, many individuals remained unregistered due to discomfort with the enrollment process and concerns about the scheme's return rates. The analysis indicated a significant difference in responses between public and private sector employees.

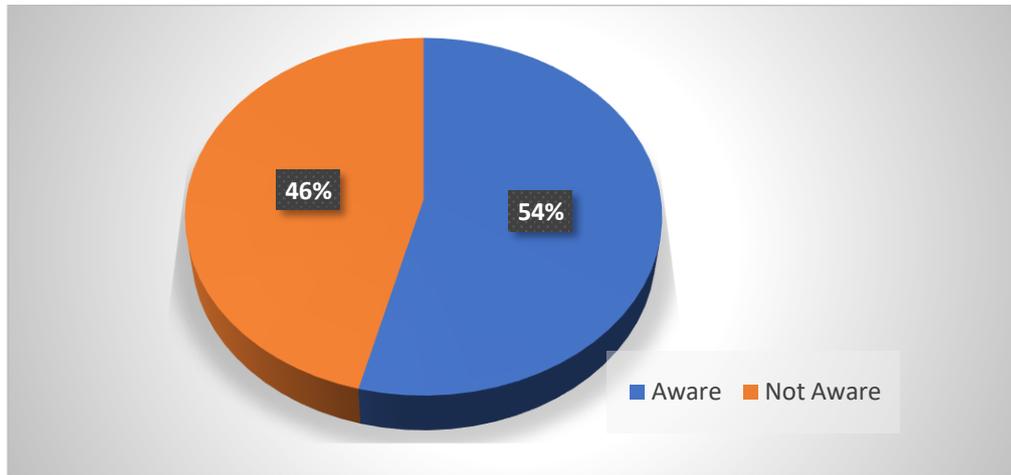
METHODOLOGY:

A descriptive research design and quantitative research methodology were used to assess college students' knowledge of the Atal Pension Yojana (APY). Primary data was collected through a survey conducted via a Google Form, employing a simple random sampling technique. The survey sample consisted of approximately 300 students from different colleges. The data collection process took over two months, during which students

were actively engaged in providing their responses. After gathering the survey data, it was analyzed using Microsoft Excel software to derive meaningful insights. This approach enabled the researchers to understand the level of awareness and understanding of the Atal Pension Yojana among college students, providing valuable information for promoting the scheme within the student community. The study aimed to contribute to improving financial literacy and encouraging young individuals to explore pension schemes like APY for future financial security.

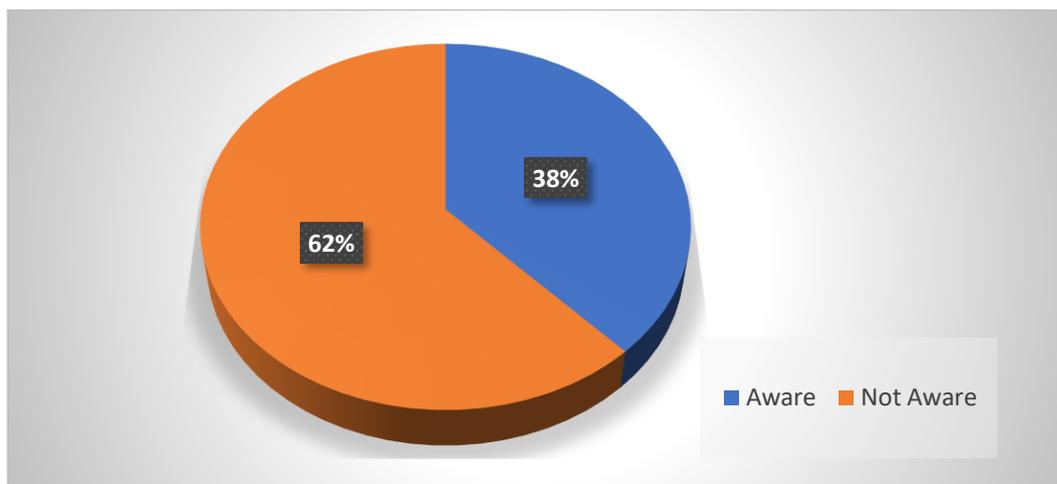
DATA ANALYSIS & INTERPRETATION:

Awareness about Atal Pension Yojana (APY)



The majority of college-bound individuals are aware of the Atal Pension Yojana (APY), largely due to the government's substantial efforts in advertising and promoting the scheme. While many people recognize its existence, there is still a significant gap in understanding its details. Despite the visibility of the program, a large portion of the population remains unclear about its specific features, benefits, and how it works. This highlights the need for greater awareness and education about the Atal Pension Yojana, especially among younger individuals who may benefit from early participation. Improved communication and outreach could ensure that more people are not only aware of the scheme but also understand its long-term advantages for financial security in retirement.

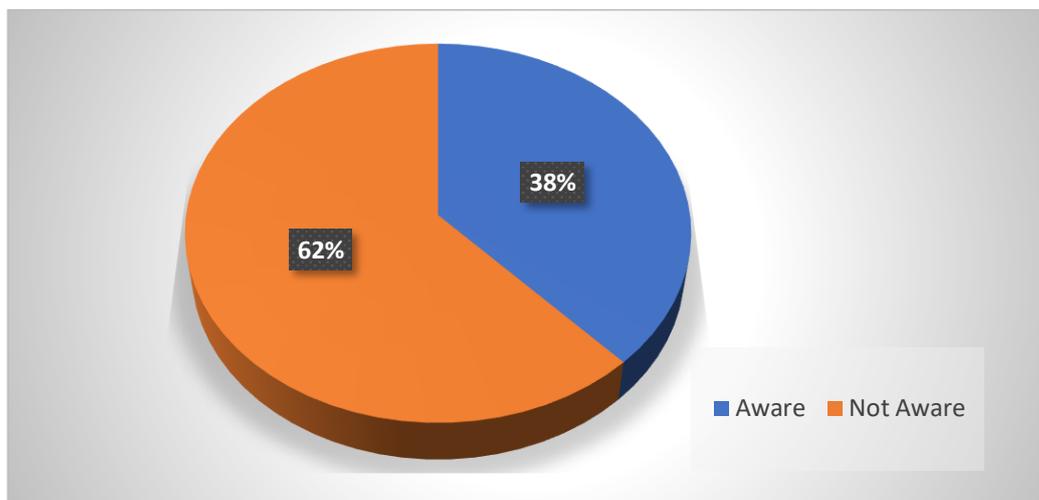
Awareness about the income tax benefits that will be given under the scheme



The income tax benefits and other advantages offered by the Atal Pension Yojana (APY) remain largely unknown to the general public. This lack of awareness may stem from the fact that most respondents are young (under 22 years old). Since the APY is a pension scheme, many young individuals may not prioritize retirement savings at this stage of their lives. Additionally, once they become aware of the program, they often do not engage in further research or explore its full range of benefits. This highlights a need for better communication and education, especially targeting younger individuals, about the long-term advantages of the APY, including the tax benefits, to encourage early participation and foster a culture of saving for retirement. Raising

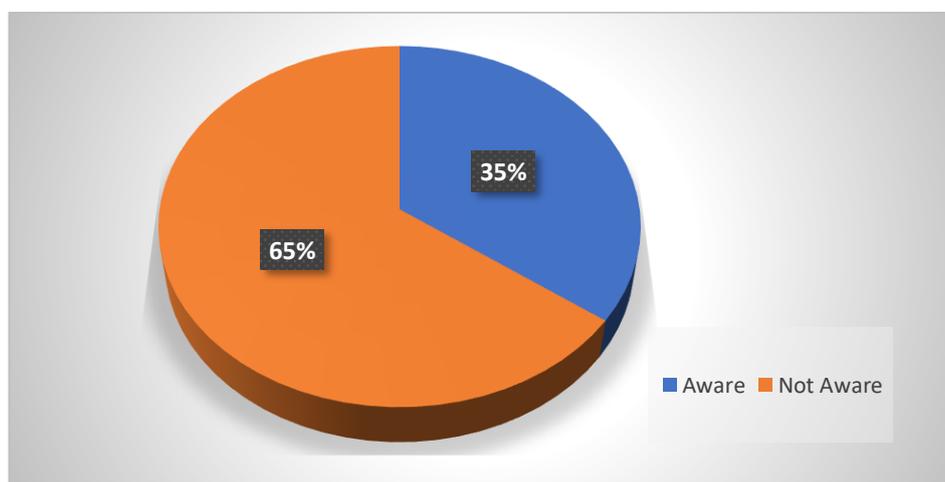
awareness and providing clear, accessible information could help ensure that more people, particularly younger generations, take full advantage of the scheme's benefits.

Awareness about eligibility to the scheme



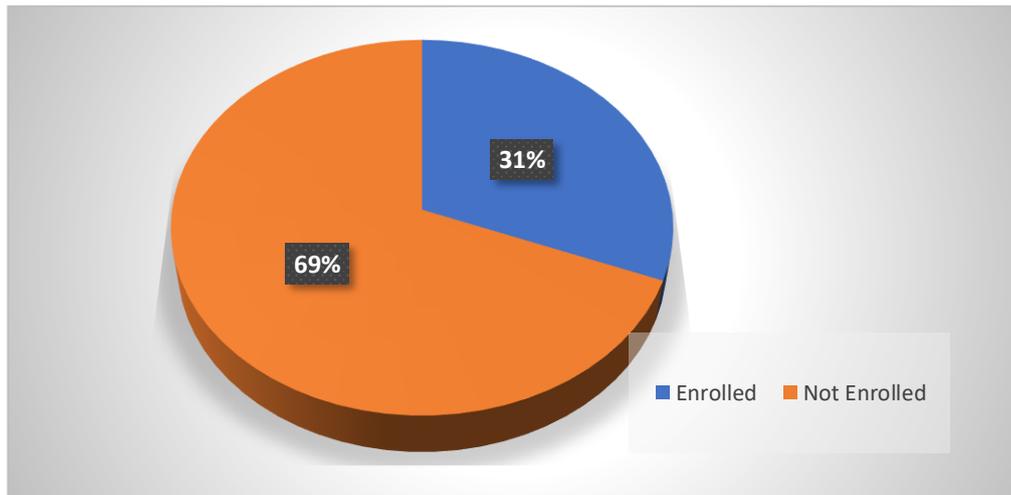
Many individuals lack awareness about the eligibility criteria for the Atal Pension Yojana (APY), primarily due to a general disinterest among younger people in investing in government pension plans. This age group, typically less focused on retirement savings, tends to overlook the scheme's specifics. Furthermore, the government's advertising efforts appear to be ineffective in educating the public. While the ads highlight the pension benefits, they fail to provide comprehensive information about eligibility, the scheme's features, and how it operates. As a result, people may have a limited understanding of how they can qualify for the program and the full range of benefits it offers. To improve awareness, more targeted and detailed communication is needed, emphasizing not only the pension amounts but also the eligibility requirements and other important aspects of the APY. This would help ensure that a broader audience can take advantage of the scheme.

Awareness about the returns given by the scheme



Most individuals are unaware of the returns offered by the Atal Pension Yojana (APY). This lack of understanding stems from the fact that the scheme provides a fixed pension upon maturity, which is directly linked to contributions, but does not specify an explicit rate of return on investments. Unlike other pension plans, such as the Employee Provident Fund (EPF) or Public Provident Fund (PPF), which offer more flexibility and clearly promote a rate of return, the APY's fixed nature makes it difficult for people to assess its financial growth potential. Additionally, few individuals possess the knowledge or tools to calculate the rate of return while accounting for factors like inflation. This gap in understanding underscores the need for clearer communication regarding the returns and growth of the APY, so that potential subscribers can make more informed decisions about their retirement savings.

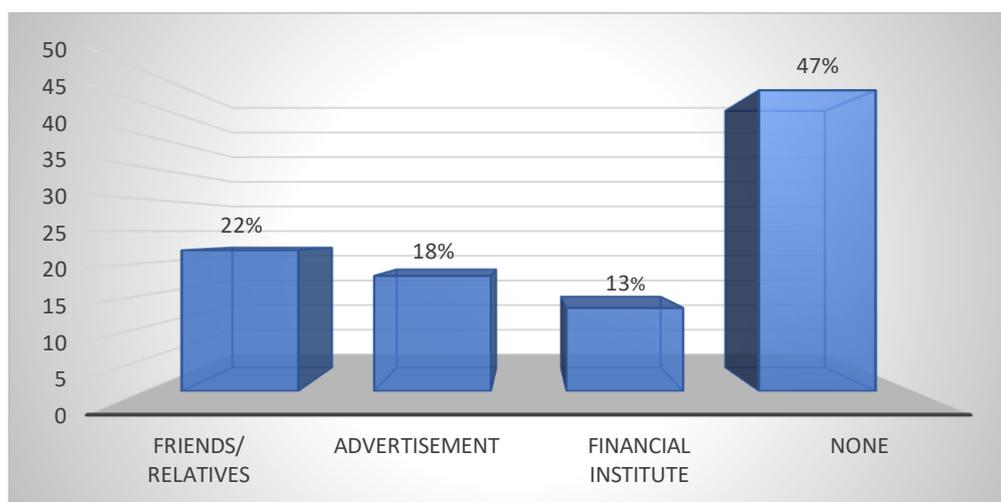
Enrollment in APY



Seventy percent of the individuals surveyed, or their relatives, had not enrolled in the Atal Pension Yojana (APY). One potential reason for this is the relatively low rate of return offered by the scheme compared to other investment options like EPF and PPF. Additionally, data from Figures 2, 3, and 4 indicate that only 30-40% of respondents are familiar with the scheme's features, and just 31% have registered for it. The APY offers a maximum pension of ₹5,000 per month, which many believe will not be sufficient to meet their needs after retirement in about 30 years. This perception of inadequate retirement income could contribute to the lack of enthusiasm for enrolling in the scheme. As a result, the combination of limited awareness about the scheme's benefits and concerns about the adequacy of the pension may discourage people from participating. To increase enrollment, better education and clearer communication about the scheme's long-term benefits could help address these concerns.

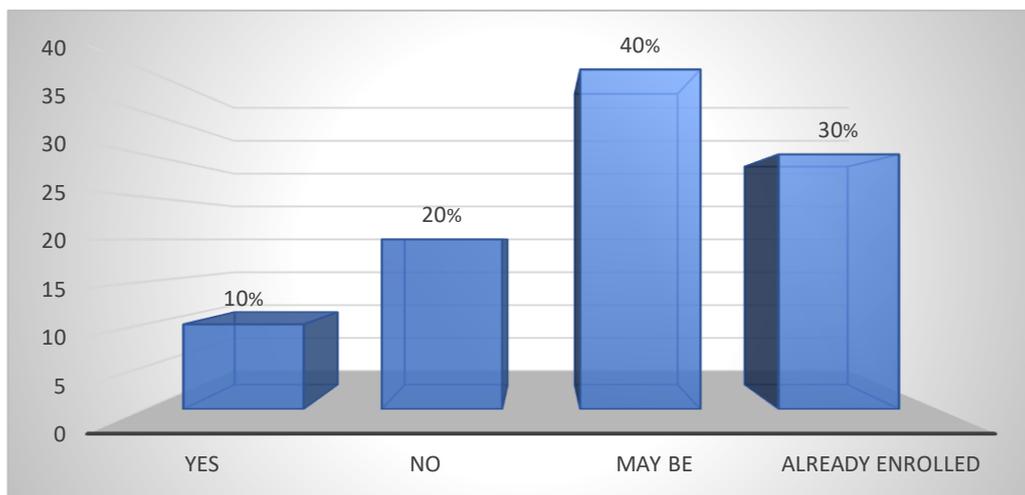
The respondents know about APY

The primary sources of information about the Atal Pension Yojana (APY) for most respondents were friends and family, followed by advertisements and financial institutions. However, these sources may not provide as comprehensive or detailed information as someone working at a bank or other financial institutions. Friends and family might offer basic insights, while advertisements tend to focus on the scheme's benefits rather than its full features and requirements. This lack of in-depth information could explain why many respondents were unaware of the program's specifics. To improve awareness and understanding, it would be beneficial to increase access to detailed, accurate information through more direct channels, such as bank representatives or financial advisors, who can offer personalized guidance about the scheme.



The respondents enroll in APY

Most respondents who have not enrolled in the Atal Pension Yojana (APY) remain uncertain about their decision. The primary reason for this hesitation is a lack of awareness and understanding about the scheme, preventing them from committing to it despite its potential benefits for their retirement.



CONCLUSION:

The Indian government recognizes the importance of securing retirement income for workers in the unorganized sector, a group that has long been underserved in terms of financial planning. In response, the government launched the Atal Pension Yojana (APY) to address this issue. The scheme offers several benefits, such as tax savings, a fixed guaranteed pension, a pension for the spouse in case of the participant's death, and the encouragement to save and invest, even with small amounts. The APY aims to provide a safety net for individuals in the unorganized sector, helping them secure their financial future post-retirement.

However, despite these advantages, the APY has not gained sufficient visibility among the target population. Most individuals remain unaware of how the scheme functions, and as a result, have not enrolled. This lack of awareness can be attributed to inadequate publicity and communication about the scheme's features. To improve enrollment and reach its intended audience, the government, along with banks and financial institutions, must step up efforts to spread awareness. Additionally, enhancing the scheme by offering more pension options and increasing the rate of return could make it more appealing and encourage wider participation, ensuring greater financial security for workers in the unorganized sector.

REFERENCES:

1. National Sample Survey. (2012). Consumer Expenditure: 66th round (Schedule 1.0, Type 1).
2. Government of India. (n.d.). Atal Pension Yojana. Retrieved from [<https://www.india.gov.in/spotlight/atal-pension-yojana>] (<https://www.india.gov.in/spotlight/atal-pension-yojana>)
3. Sudindra, V. R. (2016). Feasibility analysis of Atal Pension Yojana. *International Journal of Advanced Research*, 4 (3), 1652-1655. Retrieved from [https://www.researchgate.net/publication/305254374_Feasibility_analysis_of_atal_pension_yojana] (https://www.researchgate.net/publication/305254374_Feasibility_analysis_of_atal_pension_yojana)
4. Anjana Devi, S. (2021). Awareness and knowledge about Atal Pension Yojana among individuals in Kerala. *International Journal of Scientific and Research Publication (IJSRP)*, 11 (1), 508-512.
5. Rajasekhar, D., Kesavan, S., & Manjula, R. (2017). Contributory pension schemes for the poor: Issues and ways forward. *eSocial Sciences Working Paper No. 12097*.
6. Hooda, N., & Chhikara, K. S. (2019). An analytical study on Atal Pension Yojana with special reference to NCR-A Hunk of NPS. *International Journal of Research and Analytical Reviews*, 6 (4), 467-472.
7. Sandeep, J., & Sharma, N. (2015). A study on Atal Pension Yojana. *International Journal in Management and Social Science*, 3 (7), 604-614.
8. Devnath, P., & Deb Nath, B. (2017). Innovative initiatives of Government of India towards financial inclusion and their performance. *Pratidhwani: The Echo - A Peer-reviewed International Journal of Humanities & Social Science*, VI (II), 106-116.
9. Shefali, D., & Modi, S. (2015). A study on financial inclusion with special reference to Jan Dhan and Atal Pension Yojana in Ahmedabad (banking the unbanked).
10. Bhattacharjee, R., & Rengma, S. S. (2020). Attitude towards Atal Pension Yojana scheme. *Indian Journal of Health and Wellbeing*, 11 (1-3), 40-42.