

Pension scheme for Small Traders

June 24, 2019

Syllabus: Welfare schemes for vulnerable sections of the population by the Centre

In a decision that will benefit the trading community, recently the Union Cabinet, chaired by Prime Minister approved a new scheme that offers pension coverage to the trading community. This is a part of the Prime Minister's vision to provide a robust architecture of universal social security.

Key features of the scheme

- Under this scheme all shopkeepers, retail traders and self-employed persons are assured a minimum monthly pension of Rs. 3,000/- month after attaining the age of 60 years.
- All small shopkeepers and self-employed persons as well as the retail traders with GST turnover below Rs. 1.5 crore and age between 18-40 years, can enrol for this scheme. The scheme would benefit more than 3 crore small shopkeepers and traders.
- The scheme is based on self-declaration as no documents are required except Aadhaar and bank account. Interested persons can enrol themselves through more than 3,25,000 Common Service Centres spread across the country.
- The Government of India will make matching contribution in the subscribers' account. For example if a person with age of 29 years contributes Rs. 100/- month, then the Central Government also contributes the equal amount as subsidy into subscriber's pension account every month.
- In other words the new scheme is a voluntary and contributory pension scheme on a 50:50 basis where a

prescribed age-specific contribution shall be made by the beneficiary and a matching contribution by the central government.