



## Awareness on Atal Pension Yojana towards Employees in Unorganized Sector of Palladam Taluk in Tirupur District

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### ABSTRACT

The purpose of the study is to bring awareness and know the current knowledge of the employees of unorganised sector towards Atal pension yojana scheme provided by the Central government. Atal pension yojana is a pension scheme regulated to provide financial benefits for the unorganised sectors works during their post-retirement period. This study is mainly focused on Palladam taluk in Tirupur district, as it is known for its thriving unorganized sector. Most of the employees are not aware of the financial and government contribution provided under the scheme. Government and bank must conduct awareness camps and advertise the Atal pension yojana scheme among the employees.

### Keywords

Unorganised sectors, employees, post-retirement, awareness, financial benefits.

### I. INTRODUCTION

The Indian government is concerned about people's retirement financial security, particularly among the impoverished and those working in the unorganized sector. For every person, having access to money throughout the post-retirement period is essential. Employees Provident Fund (EPF) was the first scheme launched in India. It was established in 1952 to provide social security benefits to employees. It is a retirement benefits scheme managed by the Employees' Provident Fund Organization (EPFO). EPF is applicable to employees working in organizations with 20 or more employees. Then National Pension Scheme (NPS) was launched by the government on 2004. National Pension Scheme (NPS) is a voluntary pension scheme available to all citizens of India, including employees from the public, private, and unorganized sectors. Pension Fund Regulatory and Development Authority (PFRDA) regulate the scheme. Under NPS, individuals contribute regularly towards their pension account, and the accumulated amount is invested in various asset

classes. The final pension amount depends on the contributions made and the investment returns.

Therefore, Atal Pension Yojana (APY) was launched by the government on 9th May 2015 and the Scheme have been implemented with effect from 1st June 2015, which will provide significant benefit at retirement or turning 60, subject to commitment to the scheme, in order to guarantee financial security after retirement to the unorganized sector. It is an initiative of the Government to provide financial security and cover future exigencies for the people in the unorganised sector. At the age of sixty, subscribers to the APY will get a guaranteed minimum pension of either Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000, or Rs. 5,000 per month, contingent upon their contributions. Any Indian citizen may enrol in the APY program. The eligibility for the scheme is the subscriber's age range should be 18 to 40 years old, and He or she requires to hold a post office savings account or savings bank account.

### SCOPE OF THE STUDY

The present study on awareness on ATAL PENSION YOJANA scheme among employees of unorganised sector concentrated in the Palladam taluk in Tirupur District. APY scheme is one of the important pension schemes directly offered by the Central Government to unorganized sector workers. This research was conducted to evaluate the existing level of awareness among the employees of unorganised sector in Tirupur district regarding Atal pension yojana scheme and to provide recommendations based on the results of the study. Tirupur district is known for its thriving unorganized sector, especially in the textile and garment industries. It's a major employment hub for many workers so the research is focus on Tirupur district particularly to Palladam taluk. By studying the awareness about Atal pension yojana scheme among employees in the unorganized sector, we can help them understand the importance of retirement planning and provide them with the tools and



knowledge to secure their future. This study focusses on understanding the employee's current knowledge, identifying barriers to awareness, and exploring effective communication methods.

### STATEMENT OF THE PROBLEM

The lack of awareness and understanding about the Atal Pension Yojana (APY) scheme among employees in the unorganized sector poses a significant challenge. Most people are also unaware about the returns and tax benefit given by the government under APY scheme. This leads to a limited number of individuals actively enrolling in the scheme, resulting in a substantial portion of the unorganized workforce being financially vulnerable during their retirement years. Therefore, there is a need to address this awareness gap and provide accessible information to ensure that employees in the unorganized sector can make informed decisions regarding their retirement planning and take advantage of the benefits offered by the APY scheme.

### OBJECTIVES

- To study the socio-economic status of the respondents.
- To study about the awareness of employees in unorganized sector to APY scheme.
- To analyse the willing of employees to enrol in APY scheme.
- To analyse the contribution of investors under APY scheme.
- To analyse the satisfaction level of investors towards APY scheme.
- To review the problems of investors while investing in APY scheme.

### METHODOLOGY AND TOOLS

This section contains the methods and techniques through which the research and analysis is carried out.

#### SOURCE OF DATA

Data is collected through both primary and secondary sources. Primary data is collected in the form of Questionnaire survey and interview survey method from the respondent. Secondary data is collected from various references of articles and websites.

#### SAMPLING DESIGN

In this research, I have used convenient sampling method to select the sample population.

#### SAMPLE SIZE

The study was conducted with a sample size of 270 respondents and I have taken only 257 respondents for the study because 13 respondents was not

properly answered the question. The respondents are employees of unorganised sector who are enrolled in APY scheme.

### TOOLS

The data gathered through questionnaire for the study were consolidated in relevant and classified under relevant headings. Those data were analysed within the help of statistical techniques such as:

- Percentage Analysis
- Chi-Square Test
- ANOVA
- Simple Ranking Analysis

### LIMITATION OF THE STUDY

- The study does not focus the entire labour force in India. It is restricted to residents of Palladam taluk in Tirupur district.
- This study is only based on the responses provided by the respondents.
- The study is depending the present condition and hence the result may not applicable in other period of time.

## II. REVIEW OF LITERATURE

**Mr. Ajay Chakraborty, Dr.S. Rajaram (2023)<sup>1</sup> "Performance of Atal pension yojana since its inception: an insight"** Their study shows, NSSO survey of India 2011-12, 88% of total workforce of India is engaged in unorganized sector who are inadequately covered under any social security scheme. The country has taken steps to protect unorganized sector workers as they age by offering certain monetary benefits. Thus, on May 9, 2015, the Indian government introduced the Atal Pension Yojana with the aim of safeguarding all Indian citizens, with a particular focus on the impoverished, underprivileged, and laborers employed in the unorganized sector. Its main goal is to give unorganized sector workers who are over 60 years old a reliable source of income. Enrolling persons was delegated to the financial institutions. Therefore, it is imperative to determine which educational institution has outperformed the others. Therefore, bank and government records have been used to gather secondary data. Excel is used to analyse data and reveal subscription trends. Out of the six financial institutions, Public Sector Banks have been shown to have performed better and enrolled the greatest number of subscribers under APY since the program's launch. This is a result of the Government of India's initiative, which it took with the assistance of financial institutions that helped with the subscriber enrolment. As of August



25, 2021, almost 3.30 crore people had subscribed to this initiative over the course of six years.

**Rajkumar A Gupta & S.D Talekar (2023)<sup>2</sup>** “Analysis of national pension scheme and Atal pension yojana with special reference to Mumbai region” This paper gives detail information about the NPS and APY and also tries to figure out how well people are aware about these schemes in Mumbai region. In addition to providing detailed information regarding the NPS and APY, this study aims to determine the level of public awareness of both programs in the Mumbai area. The study is only focused on the Mumbai region because the researcher only gathered data from respondents living in the Mumbai region. A sample size of ninety respondents was used by the researcher. The researcher's research has solely looked at APY and NPS plans. In conclusion, we can state that NPS is a special platform that offers investors a range of investment options. Moreover, APY provides an excellent chance for investors to save for a fixed monthly pension after retirement, allowing them to select the most suitable pension funds. Many advantages come with the APY system, including a guaranteed pension, taxable benefits, a pension for the spouse.

**V. Pushpa, N.S. Viswanath (2022)<sup>3</sup>** “Atal pension yojana: a scenario analysis of its applicability in India” Their study predicts, Availability of money in the post-retirement phase of life is critical to every individual. Only government employees in India—roughly 1% of the country's total population—are eligible for pension benefits based on the Consumer Price Index (CPI). In general, people want to save money so they may continue to live at their "normal" levels of life when they turn 60. The unorganized laborers in India who make the lowest possible wages have responded lukewarmly to this entitlement. In addition to knowledge of the plan, there are certain concerns that individuals think have been adequately addressed. These concerns include the size of the pension over an extended period of time, its actual value, and the poor returns on pensions that are guaranteed. Hence, an in-depth study is required to determine the consequences and suitability of this approach in the current urban context of India. Because there is no plan to subscribe for long-term savings that would offer an investor less than the returns over a comparatively long period of time, APY is not being positioned.

**J. Balamurugan (2022)<sup>4</sup>** “Awareness of Atal pension yojana among college students”, The motive of the study is to determine the awareness of Atal Pension Yojana among the college students.

The study used a quantitative research approach and a descriptive research design to investigate college students' awareness of the Atal Pension Yojana in Tamil Nadu. The majority of the information was gathered using a survey utilizing a Google form and a straightforward random sample approach. Approximately 300 students from various colleges in Tamil Nadu make up the survey's sample. This survey attempts to shed light on the Atal Pension Yojana while also assessing college students' attitudes and awareness of the program. In order to offer a variety of benefits, including tax savings, a fixed guaranteed income, a pension to the spouse in the event of an unanticipated circumstance, and an encouragement to save and invest money of any size, the government developed the APY. However, the program has not yet received enough publicity, thus the majority of people are unaware of how the APY plan operates and have not enrolled in the scheme.

**Deepak Mohanty, Ashish Dongare (2022)<sup>5</sup>** “Pension for the common person: progress of Atal pension yojana”, Their study shows, Atal Pension Yojana (APY), a minimum guaranteed flagship pension scheme of the Government, has made old-age income security accessible to the common person. In 2021–2022, enrolment statistics surpassed four crores, with a balanced distribution of ages and genders and a good spatial dispersion. This paper's empirical exercise demonstrates that the primary factors influencing the expansion of APY across states are per capita income at the state level and the distribution of banking infrastructure, notably banking services provided to the underprivileged through PMJDY accounts. It is clear that more younger individuals are enrolling in APY, and that enrolment trends over time have gone in the direction of closing the gender gap. Subscriptions are still, nevertheless, heavily weighted toward high pension slabs. Sensitization of the distribution channels is therefore required in order to upgrade subscribers' pension slabs.

## RESEARCH GAP

Atal pension yojana scheme is a central government pension scheme for employees in unorganized sectors. Enrolment on the scheme is low and most of the employees are unaware of the scheme. The previous studies are mostly focusing the financial institutes, general public and individuals they were not focused on Tirupur district. This study is focusing mainly on the employees of unorganized sector and analysing the awareness and knowledge of the scheme.



### ANALYSIS OF THE DATA

In research, data analysis is the act of examining, purifying, converting, and analysing data in order to find relevant information, make

inferences, and aid in decision-making. In many disciplines, including the social sciences, natural sciences, engineering, and business, it is an essential stage in the research process.

### PERCENTAGE ANALYSIS

S.NO	FACTORS	NO.OF. RESPONDENTS	NO.OF. RESPONDENTS
1	NO.OF. RESPONDENTS	113	44%
2	GENDER – (MALE)	150	58.4%
3	ANNUAL INCOME – (RS. 1LAKH TO RS. 3 LAKH)	114	44.4%
4	PROVIDE-SUFFICIENT FINANCIAL SECURITY DURING RETIREMENT – (YES)	257	100%
5	CONTRIBUTING AMOUNT ABOVE 300 RS	58	39.3%
6	RETURN PENSION AMOUNT OF 3000	81	31.5%
7	STARTED THEIR CONTRIBUTION FROM 126-30 YEARS	110	42.8%
8	CONTRIBUTION UNDER APY FOR 0-2 YEARS	136	52.9%
9	QUARTERLY BASED CONTRIBUTION IN THE BEST	109	42.4%
10	FACING DOCUMENTATION PROCESS WHILE ENROLLMENT	97	44.9%
11	TIME MANAGEMENT IS THE PROBLEM FACED DURING INVESTMENT	141	39.7%

### FINDINGS

- Mostly 44% of the respondents are between the age of 35-45 years.
- Majority 58.4% of the respondents are Male.
- Mostly 44.4% of the respondents annual income falls under 1lakhs to 3lakhs.
- Majority 100% of respondents are believing it will provide sufficient financial security during retirement.
- Mostly 39.3% of the respondents are contributing amount above 300 Rs under APY scheme.
- Mostly 31.5% respondents are choice of return pension amount of 3000.
- Mostly 42.8% respondents are started their contribution from 26-30 years under APY scheme.
- Majority 52.9% respondents are contribution under APY for 0-2 years.
- Mostly 42.4% respondents are s feels quarterly based contribution in the best method in APY scheme.
- Mostly 44.9% respondents are facing documentation process while enrolment.
- Mostly 39.7% respondents are agreed with the factor time management.

### CHI-SQUARE ANALYSIS

FACTORS	CALCULATED VALUE	TABLE VALUE	RESULT
Age of contribution	0.650	21.026	Accepted
Tax benefits	0.753	21.026	Accepted
Flexibility of investment	0.547	21.026	Accepted
Saving for post-retirement	0.042	21.026	Accepted



Government contribution	0.916	21.026	Accepted
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Through Chi-square analysis, the relationship between the two variables i.e. Annual income and the Satisfaction level of influencing factor of APY scheme.

There is no significant relationship between Annual income with Age of contribution, Tax benefits, Flexibility of investment, Saving for post-retirement and Government contribution.

### ONE-WAY ANOVA ANALYSIS

FACTORS	CALCULATED VALUE	TABLE VALUE	RESULT
Age of contribution	0.339	9.01	Accepted
Tax benefits	0.061	9.01	Accepted
Flexibility of investment	0.408	9.01	Accepted
Saving for post-retirement	0.158	9.01	Accepted
Government contribution	0.143	9.01	Accepted

Through One-way ANOVA analysis the association between the two variables i.e. Age and the Satisfaction level of influencing factor of APY scheme.

There is no significant association between Age with Age of contribution, Tax benefits, Flexibility of investment, Saving for post-retirement and Government contribution.

### RANKING ANALYSIS

FACTORS	1	2	3	4	5	6	7	8	TOTAL	RANK
Financial security	51	42	30	34	29	21	24	26	1305	2
Retirement benefits	30	45	42	47	23	26	19	25	1275	3
Government co-contribution	78	49	43	32	18	14	11	12	1533	1
Withdrawal benefits	28	31	29	36	43	38	28	24	1161	4
Death benefits	27	30	43	25	36	24	38	34	1135	5
Pension provision	12	23	37	38	32	40	36	39	1028	6
Minimum investment of pension	14	19	16	22	50	48	48	40	931	7
Social security	15	17	15	25	29	48	52	56	874	8

### INTERPRETATION

The table shows that the financial security of the scheme shows second rank, retirement benefits shows third rank, Government co-contribution of the APY scheme shows first rank, withdrawal benefits shows fourth rank, death benefits shows fifth rank, pension provision shows sixth rank, minimum investment of pension shows seventh rank, social security shows eighth rank.

### III. SUGGESTION

- Government and financial institutes must conduct awareness to the general public to inform them about the benefits and awareness of the Atal pension yojana scheme.

- Most of the subscribers feels documentation process in enrolment process is difficult in the scheme, so government can consider only necessary documents for enrolment process. Simplifying the enrolment process can encourage more people to join the scheme

- Investors believe that the scheme will provide sufficient benefits during the retirement period so Government can advertise the scheme through in internet, newspaper and advertisement which will provide more awareness to the public.

- Improve customer service channels to address any concerns or queries that potential or existing subscribers may have regarding the scheme.





- Keep subscribers informed about their account status, contribution history, and any changes to the scheme through regular communication channels.

#### IV. CONCLUSION

The Indian Government is rightly worried about the income security at retirement for people employed in the unorganized sector. Hence the government has launched APY for providing multiple benefits like a fixed guaranteed pension, savings, pension to spouse on any unforeseen event and encouraging saving and investing no matter how small the amount. But the scheme has not been properly advertised yet and hence most people are not fully aware about the operations of the APY scheme, and thus have not enrolled in the scheme. The banks and government need to make efforts to reach the targeted audience of the scheme and try to improve the scheme by offering higher pension options and better rate of return. By spreading information about this government-backed pension scheme, more employees can understand the benefits and secure their future financial stability. It's important to emphasize the advantages of APY and encourage individuals to take advantage of this opportunity for a secure retirement.

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