CHAPTER- VII

SOCIAL SECURITY POLICIES AND PROGRAMMES FOR THE AGED IN INDIA
7.1 Introduction

“Older people have the right to live in dignity and security and to be free of exploitation and physical or mental abuse” UN Convention on Ageing, 1977. “Population aging is a universal force that has the power to shape the future as much as globalization”. So states the United Nations in the Madrid International Plan of Action on Aging, a plan that was accepted by 156 nations at the United Nations Second World Assembly on Ageing that took place in Spain in April 2002. “Age Quake”, the demographic phenomenon of rapid increases of the global ageing population posed a challenge to development, resource allocation and management. This “gray cloud” on the horizon, however, has a silver lining. The Secretary-General of the United Nations, Kofi Annan, has said: “Trees grow stronger over the years, rivers wider. Likewise, with age, human beings gain immeasurable depth and breadth of experience and wisdom. That is why older persons should be not only respected and revered; they should be utilized as the rich resource to society that they are”.¹

The aging of the population worldwide is relevant to each and every country on the globe.

This major demographic change will affect social structures and resources, production, finances, health and environments. And the way in which different parts of the globe cope with ageing and treat their seniors will have an incidence on the other parts of the globe.

At present Older Persons received a fraction of the resources they need, while their continuing contribution to society is unrecognized. This necessitated a meticulously designed intervention to restore the lost dignity of Older Persons within the society by protecting the rights of the Aged.2

Longevity is universal human aspiration. Studies in the history of Gerontology have shown that in East and West, people have always shown great interest in long life. Adam and Noah are said to have lived for 930 and 950 years respectively. Confucianism (in China) connected aging with wisdom and possession of “Golden mean”. Japan calls its aged as ‘Otashiyogi’, which means honourable person. Greek and Romans held their aged in great esteem. Plato was of the view that the wisest man should be the guardians of the society and that education would bring its “full harvest” not until the age of fifty. Leadership in Rome was with Senate which derives from Sensex meaning aged.3

7.2 The Philosophy and Culture

In the traditional Indian culture, a human life span is one hundred years. Manu, the ancient lawgiver, in his Dharmasastra divided this span of life into four ‘ashramas’ or life stages. The first, ‘bramhacarya’ (life of a student) was to be spent at the teacher’s (guru) house. This is the life of a celibate, to be spent in education and training. Once education was complete, the boy (grown into adulthood by now) would be ready to enter the ‘grihasta’ ashram. This was the life of a householder. A man was

2 Seminar on “Rights of The Aged” 2nd October 2001 by Peoples Cultural Centre (PECUC) in collaboration with P. G. Department of Law, Human Rights and Duties Education of Utkal University.

to marry, have children, shoulder the responsibilities of an average citizen in the society. He was to discharge the debts he owed to the parents (*pitru rina*) by begetting sons and to the gods (*deva rina*) by performing *Yajnas* (rituals). This was the stage when a man would fulfil his basic desires, for love, marriage, for parenthood, for status, wealth, prestige and other such physical and social needs. When a man’s head turned gray and wrinkles appeared, he had to give up the life of householder and turn to ‘*vanaprastha*’, which literally means ‘moving to the forest’. A mature and ageing man would gradually give up his worldly pursuits, move away from the mundane routine of householder and turn inward in search of spiritual growth. Finally, when he was spiritually ready, he would renounce the world completely and enter the stage of ‘*sanyasa*’ or asceticism.

India has always been held at high esteem for its espousal of high moral and ethical values. The rich traditions and ethos propounded by it have been universally acknowledged and respected. One such value-laden tradition is the respect shown to and care taken of the old people in general and one’s parents in particular. They were worshiped as living gods and goddesses and placed at a very high pedestal until recently. The Sanskrit phrases like “*Matru Devo Bhava*” and “*Pitru Devo Bhava*” aptly reflect this sentiment. The instances of Shravana Kumar whose only motto was to render self-less service to his aged and ailing parents and who laid down his life for the cause; and Shri Ram, the prince of *Ayodhya*, who had every right to rule the kingdom, but had to abdicate it and wander in the forests for 14 long years just to

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honour and uphold the words of his father; stand testimony to the sanctity attached to sum values in the past.

In India some allusions are found in the *Arthashastra* of Kautilya, *Manusmriti* and *Shukraniti* which laid down certain rules for the protection of the citizens in the event of sickness, childbirth, old age, death of the chief breadwinner and widowhood. The king used to have a responsibility to protect the population against foreign invasions as well as internal crises like flood, fire, famine, pestilence, rates, snakes, tigers, demons, etc.\(^5\)

Apart from that, many benevolent kings had promulgated Ordinances requiring their subjects to respect and protect the old, the disabled, the sick, children and women etc.\(^6\) But of late things have drastically changed. In the wake of industrialization, the life has come to be much too mechanical. Man has become individualistic and selfishness is ruling the roost. Especially the last couple of decades have witnessed a great fall in the values and ideals cherished by Indians since times immemorial. The reverence shown to such principles have reached an abysmal low. Naturally, the old people, the aged and sick parents are no more cared, they have turned out to be destitute.

This has compelled the conscientious souls to think in terms of providing social security benefits to the aged people and keep the fag end of their life devoid of horrible experiences.

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7.2.1 Concept of Ageing

Sociologically speaking, ageing is a series of transition from one set of social roles to another, which is structured by the social system rather than mere biological one. The age categories – infancy, childhood, adolescence, adulthood, middle age, and old age are the inexorable stages of human life, which are determined by both biological as well as socio-economic conditions. The concept of ‘ageing’ denotes three dimensions: biological, psychological and social.\(^7\)

The emergence and the persistence of the issue of ‘ageing’ in Indian society comprise a series of factors. In brief, the major antecedent to the issue of ageing is the changing aspects of Indian social structure, which includes family pattern, adoption of individualistic values by youths, migration etc. From a sociological point of view, ageing, a social process is not an offshoot of the mere biological aspect rather a by-product of larger socio-cultural milieu. In this context, agency seldom works whereas structure drives every agency in its own way. Thus, it is indispensable that the policy interventions should take notice of the socio-economic conditions of the aged individuals. Hence, the liberation of ageism does not imply a collaborative effort, undertaken by the public and private institutions along with the involvement of NGOs and community at large but it also depends on the freedom from the shackles of ‘individualism’ and the ‘self’, which will retrieve cognitive tradition of Indian civilization.\(^8\) In psycho-social parlance, ‘age’ is not a chronological count of years but a state of mind. Old age is a natural phenomenon which begins from the day of

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\(^8\) Ibid.
birth, and this process is accentuated by stresses and strains of life. Attitudes and
behavioural pattern acquired early in life sometimes loose relevance due to changing
times. Old age is characterized by a genuine decline in physical and mental capacity
and social adaptability. Some authors consider that the term aging signifies the
progression of changes in bio-chemical processes which determine structural and
functional alterations with age in the cells and non-cellular tissues and hence in whole
organism.  

7.2.2 Definition of ‘Ageing’

It is difficult to define old age precisely because the term ‘old’ is used to
describe persons of different ages depending upon the circumstances and the area of
operation. In most gerontological literature, people above 60 years of age are
considered as ‘old’ and as constituting the ‘elderly’ segment of the population.

Although, there is no definite criterion fixed by the Biologists to consider a
person old, for administrative purpose, each country fixes an age limit, which defines
a person as such. The Indian Census, for example, has adopted the age of 60 for
classifying a person as old. Old age is also determined by the cultural norms
prevailing in a particular society. For example, the effects of family cycle may have
different implications for people living in different cultures. In the Indian Society, a
woman is considered old when her eldest son marries and brings the daughter in Law.
According to Tibbitts ageing may best be defined as “the survival of a growing
number of people who have completed the traditional adult roles of making a living

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9 Quoted in Prakash Bhattacharya: “Implications of an Aging Population in India: Challenges
and Opportunities”, Institute of Chartered Financial Analysts of India, Presented at the Living to
100 and Beyond Symposium Sponsored by the Society of Actuaries Orlando, Fla, January 12–14,
2005.
and child rearing and years following the completion of these tasks represent an extension of life”. He also says, ageing is an inevitable and irreversible biological process. It is said that the aged acquire knowledge through experience and so are of much help to the young in a number of ways.\textsuperscript{10}

Becker defines ageing in the broadest sense and he points out that it brings many changes over in an individual’s body and mind. These may be, according to him, anatomical, psychological, physiological and even social and economic.\textsuperscript{11} Cumming and Henry, define “The old age is often perceived as a state of withdrawal or disengagements from active life resulting a decreased interaction”.\textsuperscript{12}

Tolstykh opined categorically that, “old age is a living grave”. Physically he has to lose his glamour, mentally his dependency on others become intensified, economically his sound status is going to be disturbed due to their retirement from the permanent services and socially his status becomes down and degraded. Gradually, this old age makes a man dependent, dull and lonely in spite of what he possesses. They develop feelings of inferiority and insecurity within themselves.\textsuperscript{13}

Empirical studies have indicated that definitions relating this ascription of old ages as well as the characteristics associated with the aged vary in different social categories. In other words, ageing does not depend only on biological condition of

\textsuperscript{10} Tibbits Clark, Hand Book of Social Gerontology, (ed). The University Chicago 1960.
\textsuperscript{13} Tolstykh, A., Man and his Stages of Life, Moscow: Progress Publishers, 1987.
the individual. Ageing has three main manifestations and determinants viz, biological, psychological and social.  

7.3 Demographic Overview

Since the last century, human civilization has witnessed a silent revolution, unseen and unheard by many. Although its impact is subtle, it is of utmost significant to everyone. The biggest achievement of the last century was greater longevity that has resulted in an increasing aging population worldwide. A man ages continuously through an irreversible biological process, socially as perceived by the members of the society, economically by retiring from the workforce and chronologically with the passage of time. The survival of an increasing number of people beyond their traditional adult roles causes population aging. The incredible increase in life expectancy may be termed one of the greatest triumphs of human civilization. But it has posed one of the toughest challenges to be met by modern society.  

A global demographic overview of the dimension of the phenomenon made by the United Nations shows that the number of persons 60+ would increase from 234 million in 1960 to and to 1135 million in 2025 (an increase of 385 per cent). The proportion of persons 60+ is also projected to increase from 7.8 per cent in 1960 to 13.9 percent in 2025. The increase in the proportion of the aged to the total population has been much greater in the more developed regions from 12.5 per cent in 1960 to 23.6 per cent projected for 2025 as compared to less developed regions from 5.5 per cent in 1960 to 11.9 per cent for 2025. In terms of geographical distribution of

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14 Prakash Bhattacharya, supra note 9, p. 9.
15 Ibid.
numbers in 1980, 53.4 per cent of the population 60+ in the world was in the less
developed regions. The proportion is projected to increase by 71 per cent in 2020.\(^\text{17}\)
The overall number of older persons will increase from 606 million in 2000 to 1.9
billion in 2050. 394 million older persons will live in the developed countries by
2050, up from 232 million in 2000. In the developing regions of the world the number
will reach 1.5 billion in 2050, a fourfold increase from 375 million in 2000.\(^\text{18}\)

7.3.1 Indian Scenario

Population aging is a worldwide phenomenon, and India is no exception to the
rule. Census reports indicate that the Indian population has approximately tripled
during the last 50 years, but the number of elderly Indians has increased more than
fourfold. When considering the continuation of the trend, the United Nations predicts
that the Indian population will again grow by 50 percent in the next 50 years, whereas
the elderly population is expected to grow another fourfold.

The Indian population has increased from 361 million in 1951 to 1.027 billion
in 2001. Simultaneously, the number of older people has increased from 19 million
(4 percent of total population) to 77 million (7.5 percent of the total) during the same
time span.\(^\text{19}\)

This demographic transition in the population structure of India, as elsewhere,
is the result of better knowledge of preventive and curative health care, the
availability of health services to large segments of the population, and improved
delivery systems. Those have increased the life expectancy in India both at birth from

\(^{17}\) Dr. B.N. Chattoraj, supra note 3, p.10.
\(^{18}\) World Population Prospects: The 2002 Revision, vol. II.
about 22 years in 1901-11 to about 61.1 years at present. It is likely to touch 70 years at the end of this century.

The aged are the fastest growing segment of Indians population. The decadal rate of growth of the population 60+ is higher than that of the general population. The 1961 - 71 decadal growth rate of the population 60+ was 32.32 percent which was projected to increase to 38.42 percent in the decade 1991 - 2001. The number of persons 60+ per 1000 persons which is one of the indicators of aging of population was projected to increase from 137 in 1961 to 239 in 2001. The aged are thus becoming an important segment of the population pyramid.\footnote{Ibid, p.15.}

As per 2001 census, 77 Million elderly population (projected to 177 Mn by 2025) 90 % with no Social Security, 30% of older persons live below the poverty line, 33% of older persons live just marginally over the poverty online, 80% of older persons live in rural areas, 73% are illiterate, and can only be engaged in physical labour, 55% of elderly women are widows. There are nearly 200,000 centenarians in India. Elderly populace is the fastest growing section of society in India: Increased life expectancy. Advancements in medical / health technologies. Better nutrition. Gradual fall in mortality rate. Low fertility rates. Increased awareness. While the numbers are going up, the major concerns are: Quality of Life. Dignity. Support Systems. Security.\footnote{See <http://www.helpageindia.org/ageing.html> visited on 4-4-2006.}
7.3.2 Changing Status of Senior Citizens in the Context of Social Change and Development

Since the beginning of human civilization, the institution of family provided the necessary social and financial support during the various stages of life. The Indian civilization evolved as an agro-economy due to the abundance of fertile land, adequate water resources and the inherent skill of the people. Such an economic environment led to the formation of the joint family system in Indian societies, as the mobility of the people was negligible. It not only provided a suitable umbrella to manage personal risks, such as risks of premature death and excessive longevity, but also laid down the norms of intergenerational relationships as well as the role of each member. The elderly play a significant role in decision-making regarding household matters, while the younger people are entrusted with the responsibility of ensuring their well-being. In this context the statement made by John Van Willigen appears to be more appropriate, who said: “In India you have the joint family system, in the West they have old age homes. India is better”.22

In Indian society, since time immemorial, older people have been accorded a place of respect, honour and importance in the family. The traditional culture of India which stands on the matrix of four thousand years old Vedic civilization, considered old age as one of the stages of human development where in a person attains maturity, wisdom and economic and social stability which would lead to social recognition and emotional fulfillment and ultimately the achievement of salvations which is the supreme aim of human life.

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Indian culture, like many other Asian cultures, emphasized filial piety. Parents were to be honoured as gods. It was considered the duty of a son to respect and care for his parents. Even today, in India, old parents live with son/s and their families. Living with the eldest son and his family is the most common living arrangement. Indian society is patriarchal and after marriage sons bring their wives to the parental household to live. This tradition assured that old people would have younger in-laws and grandchildren to care for them. Also, caste and kin group exerted pressure on younger members to obey and respect elders. Prior to industrialization, it was observed that the cultural heritage of Indian society was given the leadership roles and powerful positions of decision-makers and advisors in the joint family and community to aged persons, as their knowledge and experience were considered to be of great value in the proper functioning of society.\(^23\)

According to Mishra, the technological breakthrough due to industrialization, westernization, and urbanization has neglected the ascribed statuses by weakening the unity and integrity of the joint family and caste group that leads to the negligence of the role and status of the elderly persons. Moreover, the emergence of achieved properties like wealth, education etc., in distorted forms, has colonized the state of mind of the youths by adopting the individualistic value of the West.\(^24\) According to Ambedkar, the issue relating to old age is a result of the conflict between the

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traditionalism of the old individuals and the uncritical eagerness of youths towards the Western values.\textsuperscript{25}

In fact, there has been a diminishing value of the aged population in contemporary Indian society. As a result, it articulates to the emergence of ageism, which believes in inequality, prejudice and discrimination against aged.\textsuperscript{26} Social scientists report that there is a general lowering of social status of elderly people in India. Increasingly, older people may be perceived as burdens due to their disability or dependence. Rapid changes in the family system, even in rural areas, are reducing the availability of kin support.

7.3.3 Evolving Women Power

Indian women played a very important role as traditional caregivers, especially to the aged and children. Today’s women are more educated and are proving their competence in almost every sphere of the job market. Thus, many women are joining the workforce not only to enhance the family income, but also to show their abilities and compete against the males. The higher degree of employment of more and more women is believed to affect their care-giving role as the opportunity cost of their time goes up. Consequent to the above developments, the older people are experiencing remarkable changes in their physical and socio economic circumstances.\textsuperscript{27} As the number of old persons is rising and the social environment is changing, the proportion of the destitute among them may also be increasing.\textsuperscript{28}

\textsuperscript{25} Aditya Keshari Mishra, \textit{supra} note 7, p. 12
\textsuperscript{27} Prakash Bhattacharya, \textit{supra} note 9, p. 6.
\textsuperscript{28} National Human Development Report 2001.
With modernization of the country, older values are being replaced by 'individualism'. The unconditional respect, power and authority that older people used to enjoy in rural extended traditional family is being gradually eroded in India in recent years.29

7.4 The Government and Old Age Security

More than half the world's old people are estimated to rely exclusively on informal and traditional arrangements for income security. They receive food, shelter, and care from close relatives or extended family and often provide services or resources to the household in return. Economic development weakens these informal arrangements. Families become smaller and more dispersed. Opportunities for market employment open up for the young. The value of time contributed by old people diminishes. And people live longer, so the proportion of old people in the population increases. Family-provided assistance continues to play an important role in all societies. But in industrial societies, people are likely to withdraw from productive work, to live alone, and to depend on non-family sources of income in their old age.30 When traditional, informal arrangements for subsistence break down in other spheres, they are replaced by formal market arrangements.

The governments everywhere in the industrial world and increasingly in developing countries intervene so extensively in this area. Government intervention can take and has taken many forms. The modern governments regulate private pension funds, mandate saving, guarantee benefits, offer tax incentives, create a legal

29 Dr Indira Jai Prakash, *supra* note 4, p.7.
30 "Averting the Old Age Crisis Policies to Protect the Old and Promote Growth", Published for the World Bank Oxford University Press, 1994.
system for reliable financial institutions, dampen inflation to encourage voluntary saving, and so forth.  

In view of the changing socio-economic scenario of Indian traditional society, the nature and dimension of the needs of the elderly have also changed. The Government has realized that not only do the destitute elderly need economic support and care through institutionalisation but a large portion of economically secure and physically fit elderly also requires social support, emotional and psychological security and community support for a wholesome existence. There is an urgent need to supplement the traditional family supportive nature need to be developed at the local level rather than at the national or at the elderly by various ways such as passing Acts and introducing welfare schemes, which are directed to make the life of the elderly livable.  

The Government of India is committed to providing an effective environment to secure the goals of economic and emotional security for the elderly. It also recognizes that all institutions of the civil society, individuals and the community are equal and necessary partners in achieving that goal.  

The Government already covers around 32 million workers and their families under schemes for provident funds and health and insurance facilities. However, there is still a need to reach out to many more who do not have access to such schemes and would be rendered vulnerable upon retirement and old age.  

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31 Ibid.  
32 Ibid, p. 46.  
7.5 Economic Conditions and Social Security for Older People

Providing financial security for the old are under increasing strain throughout the world. Rapid demographic transitions caused by rising life expectancy and declining fertility mean that the proportion of old people in the general population is growing rapidly. Extended families and other traditional ways of supporting the old are weakening. Meanwhile, formal systems, such as government-backed pensions, have proved both unsustainable and very difficult to reform. In some developing countries, these systems are nearing collapse. Societies and governments have developed mechanisms to provide income security for their older citizens as part of the social safety net for reducing poverty. But these arrangements are a concern for all rich as well as poor; young as well as old—because the arrangements adopted can either help or hinder economic growth.

Today, as the world's population ages, old age security systems are in trouble worldwide. Informal community- and family-based arrangements are weakening. And formal programs are beset by escalating costs that require high tax rates and deter private sector growth—while failing to protect the old. 34

The shift in age structure makes issues of social security and economic support for elderly people very crucial. The overriding concern of governments relate to the ability of individual citizens to be economically independent in later years. In industrialized countries, public and/or private pension systems cover the economic needs of people. In most developing countries economic support still comes from

34 Ibid, p. 42
families. Social security schemes are available in India mainly for those retiring from the organized sector.

Ninety per cent of the total work force, however, is employed in the informal sector. India, with its predominantly agrarian based economy, has inadequate social security provisions for its older people.

7.6 Profile of the Indian Working Class and Their Retirement Benefits

It has been estimated that 72.2 percent of the total population and about 77 percent of the working people live in the rural areas. According to the estimation of the 55th round of the survey on employment determined that 53 percent (178.47 million) of the total of working people are self-employed, 14 percent (47.14 million) are regular salaried employees, and the remaining 33 percent (111.12 million) are casual labourers.

7.6.1 Organized Sector

Of the salaried class, the central and state government departments, including railways, armed forces, post and telegraph, employ 10.73 million (22.77 percent of the salaried class). They are entitled to receive defined benefit pensions indexed to inflation from the government, without making any contribution. The pension expenses of the Central Government have gone up from Rs.21.38 billion (0.38 percent of GDP) in the year 1990–91 to Rs.153.67 billion (0.56 percent of GDP) in the year 2003–04.

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These expenses have reached almost 50 percent of the expenditures against pay and allowances. Therefore, owing to the exorbitantly increasing pressure on the government coffer, this facility has been withdrawn from January 1, 2004, except for defense personnel. The union government has yet to design a supplementary pension scheme for its employees.38

Apart from the above, 17.23 million (36.54 percent of the salaried class) are working in the quasi-government sector, both local bodies and the private organized sectors. These people are covered through the mandatory Employees' Provident Fund Act (1952) and Employees' Pension Scheme (1995). Even such facilities cannot ensure the accumulation of an adequate amount to meet the old-age income requirements. In this context, the Project OASIS committee observed "even for these individuals, incomes generally fall below poverty line during old age despite the high levels of contribution (over 20% - among the highest in the world) prevailing in India. This is primarily due to low real returns and generous withdrawals."39

For instance, in 1996-97, Rs.2047 crore was prematurely withdrawn by 1.20 million provident fund members to fund marriages, illness, housing and purchase of insurance policies. In the same period, a total of Rs.3306.15 crore was paid out to 1.32 million outgoing provident fund members on account of retirement, death or leaving service—indicating an average lump-sum accumulation of Rs.25,000 per member. Similarly, a recent segment wise analysis of the savings, made by the members of the Employees' Provident Fund Organization (EPFO), revealed the same fact. Out of 39.5 million members (as of March 31, 2003), 84.58 percent of members have balances

38 Prakash Bhattacharya, supra note 9, p.15.
39 Ibid, p.16.
below Rs.20,000, with an average balance of Rs.3,133, while 8.3 percent of members have balances below Rs.50,000, with an average balance of Rs.40,468 per member in that group. Therefore, 92.88 percent of the EPFO members have the balances less than Rs.50,000, with an average balance of just Rs.6,469 per member. This is due to the premature withdrawal and usage of the funds during working life, not saving for retirement (EPFO 2004). Moreover, 90 percent of the final settlements are due to resignations, not against the cases of superannuation. Thus, barely 27.96 million (about 8.30 percent) of the working population from the organized sector, both public and private, is allowed to participate in the formal old-age income security plans.40

7.6.2 Unorganized Sector

On the other hand, about 40.69 percent (19.18 million) of salaried employees and 289.59 million are engaged in the unorganized sector (including self-employed professionals, farmers, shopkeepers, taxi drivers, casual laborers, etc.) are deprived of being covered by any compulsory retirement benefit plans. In other words, about 92 percent of working Indians are not covered under any old-age income security plan. Despite the absence of any regular income, a significant proportion of these people stay well above the poverty line during their working life.

But they are likely to sink below the poverty line in their old age, simply because they could not accumulate adequate amounts of savings while they were in the workforce. The reason behind this trend is because of the non-availability of any suitable framework for savings and investments. It may be further aggravated due to the exponentially increasing healthcare expenses, though neglecting those expenses

40 Ibid.
may worsen their quality of life. The importance of this sector in the Indian economy cannot be neglected. This informal sector of the Indian economy offers employment opportunities to about 92 percent of the working populace and contributes 59 percent of the GDP, including reasonable export earnings.41

Demographic transition coupled with poor coverage by existing provisions suggests that the movement is towards an India with a gigantic number of destitute elderly. Faced with such huge numbers, a social safety net for the retired workers or a poverty alleviation program, which aims to pay even a modest subsidy, would require a staggering expenditure—much beyond the capacity of the government”. Moreover, the Indian Constitution has entrusted some responsibility to the state in relation to the social security of the people. But the obligation of the state regarding old-age income security of the people is primarily limited to the organized workforce. However, due to irregular incomes, retirement is considered a luxury for people of the unorganized sector.42

In order to provide old-age income security to the people engaged in the informal sectors, the Government of India started the Public Provident Fund Scheme in 1968-69. It is an individual accounting system that defined benefits against the defined contributions made by the subscriber. The government administers the applicable rate of interest. The amount of subscription is eligible for tax rebate under Section 88 of the Income Tax Act, 1961, while interest earnings and withdrawals do not attract any penalty.43 Hence, most of the account holders, mainly engaged in the

42 Ibid.
43 Ibid.
organized sectors, use this scheme as a lucrative instrument for planning investment and tax instead of reaping retirement benefits. The Project OASIS Committee observed that only a negligible fraction of the workforce, about 2.76 million as of March 1998, subscribed to the scheme. In the light of the above and in order to ameliorate the situation the Government of India has framed the following policies and programmes.

7.7 Policies and Programmes on the Aged in India

Article 41 of the Indian constitution deals with the state’s role in providing social security to the aged. According to this provision the State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in case of unemployment, old age, sickness and disablement and in other cases of undeserved want. Being a directive principle this provision imposes an obligation on the state to care for the aged.

In the Constitution of India, Entry 24 in List III of Schedule VII deals with the ‘welfare of Labour, including conditions of work, provident funds, liability for workmen’s compensation, invalidity and old age pension and maternity benefits’. Item No. 9 of the State List and Item No.’s 20, 23 and 24 of the Concurrent List relate to old age pension, social security and social insurance, and economic and social planning. In view of the above mandate the Government of India has under taken the following social security programmes for the aged.

44 Ibid.
7.7.1 National Policy on Older Persons

The Government of India announced a National Policy on Older Persons (NPOP). This policy provides a broad framework for inter-sectoral collaboration and cooperation, both within the government as well as between government and non-governmental agencies. In particular, the policy has identified a number of areas of intervention. They are:

1. To encourage individuals to make provisions for their own, as well as their spouse's old age;
2. To encourage families to take care of the older members of their family;
3. To enable and support voluntary and non-governmental organizations to supplement the care provided by the family, with greater emphasis on non-institutional care;
4. To provide care and protection to the vulnerable elderly especially widows, the frail, handicapped, abused and destitute elderly;
5. To provide health care facilities specially suited to the elderly;
6. To promote research and training facilities to train geriatric caregivers and service providers for the elderly;
7. To continually evaluate and upgrade existing services and programmes for older people;
8. To facilitate and strengthen inter-sectoral partnerships in the field;
9. To create awareness regarding elderly persons to develop themselves into fully independent citizens;
10. To facilitate the implementation of the policy, the participation of
Panchayatiraj institutions (PRI), state governments and different departments of the Government of India is envisaged with coordinating responsibility resting with the Ministry of Social Justice and Empowerment.  

7.7.2 National Council for Older Persons:

A National Council for Older Persons (NCOP) has been constituted by the Ministry of Social Justice and Empowerment to operationalise the NPOP. The basic objectives of the NCOP are:

1. To advise the government on policies and programmes for older persons;
2. To provide feedback to the government on the implementation of the NPOP as well as on specific programme initiatives for older persons;
3. To advocate the best interests of older persons;
4. To provide a nodal point at the national level for redressing the grievances of older persons which are of an individual nature;
5. To provide lobby for concessions, rebates and discounts for older persons both with the government as well as with the corporate sector;
6. To represent the collective opinion of older persons to the government;
7. To suggest steps to make old age productive and interesting;
8. To suggest measures to enhance the quality of intergenerational relationships;
9. To undertake any other work or activity in the best interest of older persons;

There are 39 members in the Council. A seven-member working group has also been constituted from amongst the members of the NCOP. The Ministry of

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Social Justice and Empowerment has commissioned Aadhar to be a part of the secretariat of the NCOP. It is being coordinated by the Age well Foundation. Aadhar is an initiative in the direction of empowering the elderly population of India to find satisfactory solutions to their problems as through the coordination of voluntary efforts and administrative initiatives. Since its inception in December 1999.

7.7.3 Plan of Action, (2000-2005) For implementation of National Policy on Older Persons

To implement the NPOP, several ministries of the Government of India have adopted specific plans of action for 2000-2005 with the intention of making difference in the lives of senior citizens. A plan of action is a document with endless possibilities, which do not confine or restrict actions for its implementation. The policies being adopted by the different ministries are very comprehensive.46

7.8 Programmes for the aged in India

Apart from the above policies the Government as a part of its welfare programme has under taken the following programmes from time to time in order to provide the care and welfare of the aged people.

7.8.1 Old Age Social and Income Security (OASIS)

As a result of the growing concern for old age social and income security due to changes in demographic, social and traditional structures, the Social Defense Bureau had commissioned the National Project titled Old Age Social and Income Security (OASIS). An eight member expert committee headed by Dr. S. A. Dave, former chairman of the Unit of Trust of India was nominated to examine policy questions connected with old age. The OASIS expert committee was mandated to

46 The detailed programmes for the aged coming under various ministries are mentioned in Annexure -I
make concrete recommendations for the immediate actions that the Government of India could take, so that every young worker could build enough savings during his/her working life, which would serve as a shield against poverty in their old age and reduce the burden on the state. The need for this arose because of lack of adequate instruments available to enable the unorganized sector to provide for their future old age. The final report of the OASIS project has been accepted by this ministry and has been presented to the prime minister by the minister of state for social justice and empowerment.

The Social Defense Bureau is taking the necessary action for the implementation of the recommendations of the report. The report also contains detailed recommendations for enhancing the coverage, improving the rate of returns and for bringing about a qualitative improvement in the customer service of Public Provident Fund, the Employees Provident Fund, the Annuity Plans of the LIC, UTI, etc. Meanwhile, Phase II of the projects is looking at the pension and gratuity schemes of the central government and old age pension provided under the National Social Assistance Programme (NSAP). At the core of the second phase of project OAASIS however, lies the designing of a new, fully-funded, contributory pension programme for the balance (uncovered) workers, including casual/contract workers, self-employed workers, farmers etc.

7.8.2 Integrated Programme for Older Persons

An Integrated Programme for Older Persons has been formulated by revising the earlier scheme of assistance to voluntary organizations for programmes relating to the welfare of the aged.
The programme hopes to:

(a) Reinforce and strengthen the ability and commitment of the family to provide care for older persons;

(b) Foster amiable multigenerational relationships;

(c) Generate greater awareness on issues pertaining to older persons and enhance measures to address these issues;

(d) Popularize the concept of Life Long Preparation for Old Age at the individual level as well as at the societal level;

(e) Facilitate productive ageing;

(f) Promote health care, and fulfill the housing and income security needs of older persons;

(g) Provide care to the destitute elderly and

(h) Strengthen capabilities on issues pertaining to older persons of local bodies/state governments, and academic/research and other institutions.

Under this scheme financial assistance of up to 90 per cent of the project cost is provided to NGOs for establishing and maintaining old age homes, day-care centers, mobile Medicare units and to provide non-institutional services to older persons. The scheme has been made flexible so as to meet the diverse needs of older persons including reinforcement and strengthening of the family, awareness generation on issues pertaining to older persons, popularization of the concept of lifelong preparation for old age, facilitating productive ageing, etc. As many as 733 old age homes/day-care centers/mobile Medicare units are operational under the scheme. Realizing the importance of strengthening the partnership between the young
and the old a collaborative project has been launched under this scheme with the Nehru Yuvak Kendra Sangathan under which 100 new day-care centers for older persons have been established in different parts of the country.

7.8.3 Scheme of Assistance for Construction of Old Age Homes

The scheme of assistance to Panchayatiraj institutions/voluntary organizations/self-help groups for construction of old age homes/multi-service centers for older persons has been revised to enhance the one time construction grant for old age homes/multi-service centers. The scheme aims at providing a financial grant for the construction of old age home or service centers for older persons. Registered societies, public trusts or charitable companies, or registered self-help groups of older persons in addition to Panchayatiraj institutions (PRIs) are eligible to receive assistance under this scheme. Since its inception three years ago, as many as 59 old age homes have been constructed in different parts of the country under this scheme. Recently, the scheme has been revised to enhance the one-time construction grant for old age homes-multi-service centers from Rs. 5,00,000 to Rs.30,00,000 to eligible organizations.

7.8.4 National Old Age Pension Scheme (NOAP)

Under the National Old Age Pension Scheme (NOAP), central assistance is available on fulfillment of the following criteria:

(a) the age of the applicant (male or female) should be 65 years or more;
(b) the applicant must be a destitute in the sense that he/she has no regular means of subsistence from his/her own source of income or through financial support from family members or other sources.
(c) The amount of old age pension is Rs. 75 per month.\(^{47}\)

This scheme is implemented in the state and union territories through Panchayats and municipalities. Both Panchayats and municipalities are encouraged to involve voluntary agencies as much as possible in helping the destitute elderly for whom this scheme is intended.

**Table - A**

Old Age Pension amounts given by Different States

<table>
<thead>
<tr>
<th>Name of the State</th>
<th>Current amount of Pension (Rs p.m.)</th>
<th>Minimum Age of Eligibility (in years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>75</td>
<td>65</td>
</tr>
<tr>
<td>Arunachal Pradesh</td>
<td>150</td>
<td>60</td>
</tr>
<tr>
<td>Assam</td>
<td>60</td>
<td>65 (males)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>60 (females)</td>
</tr>
<tr>
<td>Bihar</td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td>Gujarat</td>
<td>200</td>
<td>60 to 65</td>
</tr>
<tr>
<td></td>
<td>275</td>
<td>65 plus</td>
</tr>
<tr>
<td>Haryana</td>
<td>100</td>
<td>60</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>150</td>
<td>60</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>125</td>
<td>60</td>
</tr>
<tr>
<td>Karnataka</td>
<td>100</td>
<td>65</td>
</tr>
<tr>
<td>Kerala</td>
<td>110</td>
<td>65</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>150</td>
<td>60 (males)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>50 (females)</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>100</td>
<td>65 (males)</td>
</tr>
<tr>
<td></td>
<td></td>
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<td>60 (females)</td>
</tr>
<tr>
<td>Orissa</td>
<td>100</td>
<td>65</td>
</tr>
<tr>
<td>Punjab</td>
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<td>65 (males)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>60 (females)</td>
</tr>
<tr>
<td>Rajasthan</td>
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<td>58 (males)</td>
</tr>
<tr>
<td></td>
<td>300</td>
<td>55 (females)</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>150</td>
<td>60</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>125</td>
<td>60</td>
</tr>
<tr>
<td>West Bengal</td>
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<td>60</td>
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<tr>
<td>Chandigarh</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>60 (females)</td>
</tr>
<tr>
<td>Delhi</td>
<td>200</td>
<td>60</td>
</tr>
</tbody>
</table>

\(^{47}\) Raised to Rs 200/- effective from 1, April 2006 published in *"The Times of India"* 14\(^{th}\) July 2006.
7.8.5 Pension and Family Pension

The revision of pension/family pension approved by the Central Government based on the 5th Pay Commission is as follows:

**Pension:** People, who retired from service as on 1 January 1996, will receive their pension at 50 per cent of their basic pay. Pension for people who retired before 1 January 1996 will be fixed based on 50 per cent of the minimum of the new scale applicable in place of the old scale, in which they retire. A special provision has been made for people who retire before completing 10 months of service after 1 January 1996, i.e. before 30 September 1996 and have opted to come over to the revised scales of pay. They are eligible to weightage at 40 per cent on the exiting basic pay for arriving at average pay fixation of pension.

Family Pension: Family pension for people who retire from service as on 1 January 1996 will be fixed at 30 per cent of the pay drawn by the deceased employee based on the new pension formula subject to his having put in 33 years of service. Family pension of people who retired before 1 January 1996 will be fixed at 30 per cent of the pay drawn by the deceased employee based on the new pension formula subject to his having put in 33 years of service.

For Central Government employees who have been permanently absorbed in public sector undertaking / autonomous bodies.

**Pension:** Where the government servants, on permanent absorption into the public sector undertakings / autonomous bodies, continue to draw pension separately from the government, the pension of such absorbees will be updated in terms of these orders. In cases where the government servants have drawn one – time lump sum
terminal benefits equal to 100 per cent of their pensions and have become entitled to the restoration of one-third commuted portion of pension as per the Supreme Court judgment dated 15 December 1995, their cases will not be covered by these orders.

Family Pension: In cases where there is no permanent absorption into public sector undertaking / autonomous bodies, the terms of absorption permit grant of family pension under the CCS (Pension) Rules, 1972 or the corresponding rules applicable to railway employees / members of all India services. The family pension being drawn by family pensioners will be updated in accordance with these orders.

7.8.6 Indian Pension Market

The Indian pension fund industry is presently at a nascent stage. The government has yet to formulate suitable policy measures to open it up to private players for the growth and development of the industry, which in turn will serve the diversified needs of consumers. Presently, the Indian pension market is fragmented in nature, backed by poor level of penetration to few selected groups of people. It is still guided by the old philosophy of government control and the lack of trust on the private players and hence the due attention from the government. The existing pension schemes in India include the following:

(a) Central Government Schemes for its employees and employees of the Indian Railways, etc., who joined the services prior to January 2004;
(b) Nationalized Banks’ Schemes for its employees as per IBA guidelines;
(c) Schemes for the Public Sector Insurance Companies, which are similar to the Central Government Schemes;
(d) Employees' Provident Funds Scheme 1952, and Employees' Pension Scheme 1995, are mandatory for employees of the organized sector;

(e) Public Provident Funds Scheme 1968, designed to arrange old-age income security for the workers of the unorganized sector, and;

(f) Employer-sponsored superannuation funds for employees of private companies.

Money purchase schemes of the insurance companies and mutual funds.

Apart from poor penetration and lack of public awareness, the Provident Fund Scheme suffer from the following deficiencies:

(a) The stipulated contribution level is one of the highest in the world, which results in the availability of a negligibly small amount of savings to meet personal contingencies;

(b) For making investments in the provident and pension funds, one gets tax incentives u/s 88 and 80CCC, respectively, while pension receipts are taxable income. But premature withdrawals are not penalized and interest earnings are not taxed. It motivates the savers for premature withdrawals, rather than accumulating for old-age income;

(c) Statutory norms specify a set of strict investment guidelines along with passive portfolio management strategy, thereby disallowing fund managers to have the risk-return trade-off;

(d) Inefficient asset-liability management, due to non-availability of suitable assets to meet the long-term to very long-term liabilities;

(e) Government pension schemes follow a pay-as-you-go method, where the liabilities are neither valued regularly nor backed by an adequate amount of assets. Therefore,
incremental benefits and longer life expectancy may make these schemes a financial
time bomb as warned by the Reserve Bank of India (RBI);

(f) Despite one of the highest levels of fund management expenses, the quality of
governance and administration of the funds is very poor; and

(g) The level of benefits cannot meet the post-retirement income requirements;

7.8.7 Current Regulatory Framework

Central and State Government Pension Schemes are paid from the government
exchequer on a pay-as-you-go method. They are solely managed by the respective
governments and, hence, are not supervised by any regulator. In the Public Provident
Fund (PPF), the government manages the mobilized fund by offering an administered
rate of interest. The major part (75 percent) of the net accretion is loaned to the state
government, while the balance is transferred to the public account to finance the
government expenditures. Hence, this scheme is also not supervised. EPF is both
administered and regulated by the EPFO, which cannot be termed a satisfactory
practice, as the dual roles contradict each other. EPS '95 is also administered and
regulated by the EPFO. Separation of these two conflicting roles is required for the
greater interest of the subscribers. Occupational pension schemes are approved by the
Commissioners of Income Tax (CITs) under the Income Tax Act, 1961. However, the
regulation is limited to compliance of the stipulated investment norms, and there is no
minimum funding requirement. Other things are at the discretion of the auditors and
the actuaries. Similar norms are also applicable to the Gratuity funds. Individual
pension schemes and group superannuation schemes as offered by the insurance
companies are supervised and regulated by IRDA. Pension schemes of the
nationalized banks also follow pay-as-you-go methods and also are not supervised and regulated. The Security and Exchange Board of India (SEBI) regulates pension policies offered by the mutual funds. It may be observed that, similar to the Indian pension market, the regulation and supervision of the pension schemes are also very complex and fragmented in nature. To achieve the earlier-stated objectives, it is necessary to develop a strong regulatory authority on the foundation of a clear regulatory and supervisory framework.

7.8.8 Dearness Relief (DR)

The Grant of Dearness Relief to Central Government pensioners/family pensioners as serving employees-revised rates effective from 1 January 1999. Central Government employees who had drawn a lump sum payment on absorption in a Public Sector Unit (PSU/autonomous body and have become entitled to restoration of one third commuted portion of pension as well as revision of the restored amount in terms of this Department’s OM No. 4/59/97-P&PW (D) dated 14 July 1998, will also be entitled to the payment of DR as applicable to serving employees on the restored amount of one-third commuted portion of pension with effect from 1 January 1999.

The following categories of Contributory Provident Fund (CPF) beneficiaries who are in receipt of ex-gratia payment in terms of this Department’s OM No.45/52/97-P&PW (E) dated 16 December 1997 will be paid a DR as applicable with effect from 1 January 1999: the widows and dependent children of the deceased CPF beneficiary who had retired from service prior to 1 January 1986, or who had died while in service prior to 1 January 1986, and are in receipt of ex-gratia payment of Rs 605 p. m;
(b) Central Government employees who had retired on CPF benefits before 18, 11. 1960 and are in receipt of an ex-gratia payment of Rs. 654, Rs. 703 and Rs 695; and
(c) Central Government employees who had retired on CPF benefits between the period 18 November 1960 to 1 December 1985 and are in receipt of an ex-gratia at Rs. 600 with effect from 1 November 1997.

7.8.9 Gratuity

The conditions for securing gratuity are as follows:
(i) A minimum of 5 years qualifying service and eligibility to receive service gratuity / pension is essential to get this one-time lump sum benefit.
(ii) The retirement gratuity is calculated at the rate of one-fourth of the months basic pay plus the DA last drawn before retirement for each completed six-monthly period of qualifying service.
(iii) There is no minimum limit for the amount of gratuity. The maximum retirement gratuity payable is over 16 times the basic pay limited to Rs. 3,50,000.

7.9 Other Initiatives for the Aged

In addition to the above mentioned welfare programmes the Government is continuously under taking other initiatives to alleviate the sufferings of the aged people. The following are the other Initiatives for the aged.

7.9.1 Taxation

Number of concessions have been provided to the senior citizens under various tax laws. They are as follows:
(a) Section 88B of Finance Act 1992: This provision provides a rebate on income tax to senior citizens. The rebate is available in the case of a resident individual (he/she
may be an ordinary resident or non-ordinary resident; he/she may be an Indian citizen or a foreign citizen) who has attained the age of 65 years at any time during the relevant previous year. From the assessment year 1998-99, tax rebate under Section 88B shall be: (a) the amount of income tax before giving any rebate under Sections 88, 88B and 89 (1); or (b) Rs. 10,000 or 40 per cent whichever is less. The rebate will be available from the assessment year 1998-99, even if the gross total income is above Rs.20,000.48

(b) Deduction in respect of medical insurance premium (Sec. 80D): An assessee is entitled to a deduction of up to Rs.15,000 with effect from the assessment year 2000-01 where the assessee or his/her spouse, or dependent parents or any member of the family is a senior citizen, (i.e., one who is at least 65 years of age at any time during the previous year), and the medical insurance premium is paid to effect or keep in force an insurance in relation to him or her.

(c) Section 80DDB has been inserted to provide for a separate deduction to a resident assessee being an individual or a Hindu undivided family member for expenditure incurred for medical treatment for the individual himself or his dependent relative in respect of disease or ailments which may be specified in the rules. The deduction shall be limited to Rs 40,000. However, where the expenditure incurred is in respect of the assessee or his dependent relative or any member of a Hindu undivided family of the assessee and who is a senior citizen (i.e., one who is at least 65 years of age at any time during the previous year), a fixed deduction of Rs 60,000 will be available.49

7.9.2 Insurance Schemes

A number of Insurance policies have been devised for the benefit of old persons. They are:

(a) **Jeevan Dhara**: This pension plan is for those individuals who are self-employed, artists, technicians, in business, and professionals, since they cannot enjoy any Pension benefit after they retire, compared to state/central government employees who are endowed with Pension benefits. Age range at entry: 18 to 65 years. The minimum annuity per month is Rs 100.

(b) **Jeevan Akshay**: This pension plan provides lifelong pension and a lump sum death benefit as also a survival benefit at the end of 7 years under certain terms and conditions. The minimum age at entry is 50 years. The minimum purchase price is Rs 10,000, in multiples of Rs 100 thereafter. Backdating is not permitted in this scheme. This annuity cannot be assigned.

(c) **Jeevan Suraks**: Jeevan Suraksha is available under three different categories to suit individual needs: (a) pension with life cover; (b) pension without life cover; and, (c) pension with endowment type. Contributions under Jeevan Suraksha up to Rs 10,000 p.a. will be eligible for tax exemption under Section 80 CCC (1) of the Income Tax Act, 1961. Commuted value 25 per cent as allowed under the plan is free of tax.

(d) **Bima Nivesh**: is a short-term, single-premium life insurance scheme that also provides safety, liquidity, attractive returns and tax benefits. The salient features of the scheme are: The minimum age for entry is 35 years and the maximum age is 65 years (for a 10-year term), and 70 years (for a 5-year term). Contributions are eligible
for tax exemption under Section 88 of the IT Act. No medical examination is required; only a simple declaration of good health needs to be submitted.

(e) Senior Citizens Unit Plan (SCUP): The Senior Citizens Unit Plan is a scheme under which one has to make a one time investment depending on one's age and have the benefit of medical treatment for self and spouse at select hospitals on completion of 58 years of age. The SCUP has special arrangements with the New India Assurance Co. Ltd. (NIAC) under an exclusive medical insurance cover where by the bills from the hospitals in connection with all medical treatment by you are settled directly by NIAC up to the prescribed limit.

People in the age group of 18-54 years can join this scheme. The person may be a resident or non-resident Indian. The person will be entitled for a medical insurance cover of Rs 250,000 after he/she attains the age of 58 years. This insurance cover is available for both the citizen and his/her spouse. After the age of 61 years both of them are eligible for a cover of Rs 500,000 after adjusting any claims made earlier. The citizen can avail medical treatment in any of the hospitals under this scheme. The trust will call for all details about recent photograph, signature and address of the member and the spouse as soon as the member attains the age of 54 years so as to prepare an identity card cum log book, for the member and the spouse.

(f) Medical Insurance Scheme: The Medical Insurance Scheme known, as Mediclaim is available to persons between the ages of 5 years and 75 years. Earlier, the sum insured varied from Rs.15,000 to Rs.300,000 and the premium varied from Rs.175 to Rs.5,770 per person per annum depending upon the different slabs of sum insured and different age groups. However, w. e. f. 1st November 1999, these limits on
benefits and premium rates have since been revised. The sum insured now varies from Rs.15,000 to Rs.500,000 and the premium varies from Rs.175 to Rs.12,450 per person per annum depending upon the different slabs of sum insured and different age groups. The policy is now available to persons between the ages of 5 years and 80 years. The cover provides for reimbursement of medical expenses incurred by an individual towards hospitalization/domiciliary hospitalization for any illness, injury or disease contracted or sustained during the period of insurance.

(g) **Group Medical Insurance Scheme**: The group Mediclaim policy is available to any group/association/institution/corporate body of more than 100 persons provided it has a central administration point. The policy covers reimbursement of hospitalization and/or domiciliary hospitalization expenses only for illnesses/diseases contracted or injury sustained by the insured person. The basic policy under this scheme is Mediclaim. This policy is also available to persons between the ages of 5 years and 80 years. The sum insured varies from Rs.15,000 to Rs.500,000 and premium varies from Rs.175 to Rs.12,450 per person per annum depending upon the different slabs of sum insured and different age groups.

(h) **Jan Arogya**: The scheme is primarily meant for the larger segment of the population who cannot afford the high cost of medical treatment. The limit of cover per person is Rs.5,000 per annum and it provides for reimbursement of medical expenses incurred by an individual towards hospitalization/domiciliary hospitalization for any illness, injury or disease contracted or sustained during the period of insurance. The limit for this scheme is 70 years.
(i) **Varistha Pension Bima Yojana**: The old-age pension scheme of the LIC called the Varistha Pension Bima Yojana was launched by the Indian Prime Minister on 14th July, 2003. It will provide a minimum pension of Rs.250 a month and a maximum of Rs.2,000 a month to people over 55 years of age who opt for the scheme. For the minimum pension, a lump sum payment of Rs.33,335 has to be made while for the Rs.2,000 scheme Rs.266,665 has to paid (the figure has been revised downwards from the earlier amount of Rs.277,490). There is no upper age limit for availing of the scheme and in the event of the death of the pensioner, the purchase price will be returned to the nominee. The assured rate of return worked out by the LIC is 9 per cent per annum. In case the LIC earns lower returns on the corpus of the scheme, the government would step in to make up the shortfall.⁵⁰

### 7.9.3 Travel

Senior citizens are provided discount in fare for Rail, Road and Air Travel. For Road Travel some states provide 50 percent discount and in some states travel by road is free for women above the age of 65 years. Similarly Indian Railways offers 30 percent of discount.⁵¹ For Air travel also persons above the age of 65 years get 50 percent discount on fare.

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7.9.4 Old age homes

There are currently 728 old age homes in India. Detailed information on 547 homes is available. Out of these, 325 homes are free, while 95 of them are run on a pay and stay basis; about 116 of the homes are both free as well as offering pay and stay facilities; and 11 homes offer no such information. A total of 278 old age homes all over the country are for the sick and 101 exclusively for women. Kerala has 124 old age homes, the maximum number in any state. 52

7.9.5 Health Care

Special Health Care is provided to elderly people by many states. In some states like Tamil Nadu, Andhra Pradesh, Maharastra, Kerala, Geriatric Wards and OPD exists in Government Hospitals. In Delhi Sunday clinics at various hospitals in Delhi exist to enable senior citizens get medical care easily. The aim is to provide OPD services/facilities even on Sundays in hospitals under the Delhi government so that the older patients’ caregivers can also accompany them without having to take leave from their work place. 53

7.10 Other Facilities for the Aged

A part from the above programmes and other initiatives the Government of India has provided following facilities to the aged people.

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52 Directory of Old age homes in India, Helpage India, 1998
53 For e.g. the following hospitals have Sunday clinics (9.00 a.m. to 1.00p.m.): Lal Bahadur Shastri Hospital Rao Tulla Ram Hospital, Jag Jivan Ram Hospital, Dr. N. C. Joshi Hospital, Lok Nayak Jai Prakash Narain Hospital, Deen Dayal Upadhyay Hospital, Guru Teg Bahadur Hospital, Sanjay Gandhi Memorial Hospital, Aruna Asaf Ali Hospital, Maulana Azad Medical College, Ram Manohar Lohia Hospital. These hospitals also have separate counter for senior citizens for medicines and the OPD. All India Institute of Medical Sciences (AIIMS) conducts a geriatric clinic every Friday at 2.00 pm in the Medicine OPD (2nd floor, room no. 15). For further details refer Directorate of Health, Government of N.C.T. of Delhi.
(1) Telephone

A telephone connection is being given on priority to senior citizens 65 years of age and above. They shall be entitled to register a demand for one telephone connection in their names. The telephones thus provided shall be transferable only in the name of spouse, if alive, after death of the subscriber as a general category telephone and subsequent transfers shall be governed by prevailing telephone transfer rules.

(2) Help line:

On the initiative and with the financial assistance of the Ministry of Social Justice and Empowerment, Age well Foundation, and NGO of Delhi, has started a help line for older persons. A centre named AADHAR is also being set up with the financial assistance of the ministry of social justice and empowerment to receive and process the representations/petitions of older persons pertaining to their various problems and to take follow up action thereon.

(3) Expeditious Disposal of Court Cases

The Supreme Court has advised the chief justices of all the high courts in the country to accord priority to cases involving older persons and ensures their expeditious disposal. The Mumbai High Court has announced that it would give out-of-turn priority to hearing and disposal of petitions wherein litigants have crossed 65 years of age. The High-Count decision would also be applicable to its benches at Goa, Aurangabad and Nagpur besides the subordinate courts in the state. It would extend to all the matters, including civil or criminal, pending in any court of law.
(4) Mobile Medicare Unit Programme

Help Age India provides basic essential Medicare to the doorsteps of the needy and underprivileged elderly in India through its Mobile Medicare Unit (MMU) Programme operating in the places shown in Table B. In addition, Help Age India has provided about 80 MMUs to grass root NGOs for similar services.

**Table – B**

**The MMU Programme in India**

<table>
<thead>
<tr>
<th>Cities</th>
<th>MMU's</th>
<th>Cities</th>
<th>MMU's</th>
<th>Cities</th>
<th>MMU's</th>
<th>Cities</th>
<th>MMU's</th>
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<td>Hyderabad</td>
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<tr>
<td>Bangalore</td>
<td>1</td>
<td>Jaipur</td>
<td>Planned</td>
<td>Coimbatore</td>
<td>Planned</td>
<td>Bhopal</td>
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</tbody>
</table>

7.11 Banking:

Most banks in India provide a slight enhanced rate of interest for savings maintained by the elderly. The Indusind Bank Ltd. has also launched a Senior Citizens Scheme—an investment option that gives high returns with assured security.54

7.12 Conclusion

It is high time that the Indian policy makers assess the impact of the forthcoming age wave. The process of pension sector reforms should be accelerated, suitable steps should be undertaken to build the required healthcare facilities and a suitable social security system should also be designed. If change is not effected, the

family support system as well as the state-sponsored facilities may crash in the near
future, thereby jeopardizing the well being of elderly Indians. It may cause the
emergence of a gigantic number of destitute sick and elderly people in the streets and
public places. In view of the alarming increase in population of the elderly persons
and the possibility of its further increase in coming years in the country the problem
of ageing needs an immediate attention. Welfare needs of the elderly persons have to
be addressed and developed in such a manner, as to suit the socio-cultural milieu of
Indian life in which respect and regard for the aged is deeply ingrained in the
collective psyche. Family normally takes care of children and aged and some sort of
social and community pressures are operative to support this system. This is probably
the reason that institutional arrangements for the old has not been developed much in
the country. Now that the family care and protection mechanism for the old has been
shaken because of social change, an open mind policy needs to be adopted to develop
strategies and programmes for the elderly people.

The current emphasis on human resource development in policy and planning
should take full cognizance of the fact that the bulk of the aged are not infirm and
they are a resource which should be fully utilized and not allowed to be wasted or
ignored by the society. The society should view the aged not as a social liability, but
as an obligation in return for their earlier valuable contribution made to the
community in their active and productive years.