NEW PENSION SYSTEM –
A MEASURE TOWARDS SOCIAL SECURITY

DR. B RAGHAVENDRA RAO*; PROF. SAIRAM A**

*Professor of Finance & Head-Research,
Jain University.
**Research Scholar,
Jain University.

ABSTRACT

Social security is one of the important aspects that the aged ones look forward to from the government. Country like ours does not have eco system providing social security for all. The deprived section is very large which includes self employed, farmers, artisans and the list goes on.

Around 400 million people are in the working age group in India. Of these, only 7% are working in the organized or formal sector and the rest 93% are working in the unorganized or informal sector. The organized sector workers have sufficient and reliable access to social security. The challenge is further comprehended with the fact that post 2004; even the government employees are denied the pension. There are many pension schemes that the employees are indulged in, where only the contribution is defined, but the benefit thereon is undefined or market driven. Hence social security has become a challenge that the government is confronted with. To address these issues, the Government has devised New Pension System (NPS), which can be used as a tool for retirement planning.

This paper undertakes a study of the New Pension System drafted by the Government as a measure to address the problem of social security. This study also analyzes the factors that induce the investors to invest in NPS. The study also has been carried out to find the relationship between personal factors of the individuals and the motivators for investing in NPS.