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Social security schemes are more popular in urban than rural areas

By *Sunil Dhawan*, ECONOMICTIMES.COM | Updated: Oct 12, 2016, 10.41 AM IST

If you thought that [social security schemes](#) are only for rural residents, think again. Nearly half of the total subscribers of the three social schemes - [Pradhan Mantri Jeevan Jyoti Bima Yojana \(PMJJBY\)](#), [Pradhan Mantri Suraksha Bima Yojana \(PMSBY\)](#) and [Atal Pension Yojana \(APY\)](#) - are from urban areas.

Surprisingly, nearly 50 per cent of the subscribers of Atal Pension Yojana and Pradhan Mantri Jeevan Jyoti Bima Yojana are from urban areas.

As per the figures on <http://www.jansuraksha.gov.in/>, nearly 6.3 crore of about 13 crore who have enrolled in these schemes are urbanites (as on September 26, 2016). More people from urban areas (15.88 lakh) have enrolled for APY than their rural counterparts (15.82 lakh). Similarly, more people from urban areas (1.54 crore) have enrolled for PMJJBY than their rural counterparts (1.51 crore).

The government had announced the above three social security schemes pertaining to the insurance and pension sectors in the 2015 Budget in a bid to move towards creating a universal social security system, targeted especially towards the poor and the underprivileged. It, however, seems that the targeted population is still away from getting the real benefit of these schemes.

Bank's performance report

Having a bank account is a basic common requirement for enrolling for any of these schemes. Under the Pradhan Mantri Jan -Dhan Yojana (PMJDY) itself, the number of accounts opened till September 21, 2016 stood at 24.61 crore, including those opened by public sector banks, private banks and regional rural banks.

Under all the three schemes - PMJJBY, PMSBY and APY - the total gross enrollment - before taking into account any exit from schemes - stands at 13,08,20,680 or nearly 13 crore. At 2,31,22,283, State Bank of India (SBI) has the largest share of enrollments in all the three schemes. Here are the figures for other top banks: Punjab National Bank (101,76,116), Andhra Bank (80,29,550), Bank of Baroda (74,94,319), Canara Bank (68,12,527) and Bank of India (64,07,133).

The government has also released figures depicting the 'Performance to Potential' - potential as per their current number of savings account holders - ratio (in PMJJBY and PMSBY) for each bank. The ratio for SBI stands at 6.21 per cent, much lower than the banks' average of 9.97 per cent. Indian Bank's ratio is the highest at 64.05 per cent, while almost all others are performing below 50 per cent of their potential. Going by the daily trends in PMJJBY, PMSBY and APY, the figures are, however, picking up.

Challenges

Reading the daily trend numbers may not help much. Rather, a close eye on the new monthly enrollments can be set as a benchmark. The other problem is of renewals as all the three schemes require annual contributions and thus

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renewals may pose concerns. It is the persistency, i.e., continuity of a scheme, which will hold the key to the success of these social security schemes.

The three social security schemes in brief

Atal Pension Yojana

APY currently is open to all Indian citizens in the 18-40 age group. Under APY, there is a guaranteed minimum monthly pension for the subscribers ranging between Rs 1,000 and Rs 5,000. As per the indicative illustration of the scheme, if a person chooses the Rs 5,000 per month guaranteed pension option then he would have to contribute between Rs 210 and Rs 1,454 per month (depending on the age of entry) till the age of 60. Following his death, the pension amount goes to his spouse and later the corpus (about Rs 8.5 lakh) goes to the nominee.

Pradhan Mantri Suraksha Bima Yojana

An accident insurance scheme, PMSBY offers accidental death and disability cover. A one-year cover, it can be renewed annually. Under PMSBY, the risk coverage available is Rs 2 lakh for accidental death and permanent total disability and Rs 1 lakh for permanent partial disability. All individual (single or joint) bank account holders in the 18-70 year age group are eligible to join PMSBY. The premium payable is Rs 12 per annum per member.

Pradhan Mantri Jeevan Jyoti Bima Yojana

PMJJBY is a one-year life insurance scheme, with a cover of Rs 2 lakh. It offers coverage for death due to any reason, and is available to people in the 18-50 age group (life cover up to age 55) having a savings bank account. It comes at a premium of Rs 330 per annum per member and is renewable every year.

READ MORE : [social security schemes](#) | [Pradhan Mantri Suraksha Bima Yojana](#) | [Pradhan Mantri Jeevan Jyoti Bima Yojana](#) | [PMSBY](#) | [PMJJBY](#) | [PMJDY](#) | [Atal Pension Yojana](#)

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