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THE EMPLOYEES SCHEME IN INDIA:ADMINISTRATION ON BOTH SECTOR, SUGGESTIONS

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ABSTRACT:

This article will be examining the pension scheme provided by the government in relation with administrative actions, which involves the transparency, accountability towards the organized sector as well as the public employees. The study will analyze how the schemes have been providing the necessary welfare for the public employees on their retirement. The article mainly deals with the unified pension scheme which is yet to be implemented, and the existing pensions which grossed out among the public employees. The findings in the article are basically supports the administrative actions taken for the pension scheme and suggest mostly on the new implementation of the scheme.

KEY WORDS: administrative actions, transparency, accountability, implementations.

INTRODUCTION:

In today's employment scenario the funds administered by the government plays a crucial role in the employee life. The foremost importance of the pension scheme to be addressed in the modern era, can be nature of the work done by the employees, contribution given by them on their work and how the employees can go through without their regular income. Apart from the contribution made the employees towards the pension the main motive on the government hands is to indulge every employees to have the sense of savings for their future, and how the state is delighted on the contribution to the pensions for their own employees.

THE SCHEMES:

The history of the Indian pension system dates back to the colonial period of British-India. The Royal Commission on Civil Establishments, in 1881, first provided pension benefits to the government employees. The Government of India Acts of 1919 and 1935 made further provisions. These schemes were later consolidated and expanded to provide retirement benefits to the entire public sector working population. Post-Independence, several provident funds were set up to extend coverage among the private sector workers.

India is likely to be a developing countries, this scheme made more reliable on the demanding need of employee in working period and after the retirement as well. This scheme in India was 1st introduced to the public sector which make the private employees to be biased and made the scheme to the private employees with schemes like provident fund pension scheme.

The ***employee's provident fund scheme*** is a fixed-income retirement benefits scheme available to employees in the corporate sector. This came into existence with the promulgation of the employee's provident fund ordinance on the 15th November, 1951. It was replaced by the employee's provident act, 1952; in order to provide for the institution of provident funds for employees in factories and other establishments. The act now referred as the employee's provident funds & miscellaneous

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provisions act, 1952 which extends to the whole of India except Jammu and Kashmir[707]. The administration of the employees provident fund scheme will be the *employee provident fund organization* under the control of the *ministry of labour and employment.*

Employee's pension scheme is a security scheme, provided by the employee provided fund organization (EPFO). This scheme aims to help employees in the organized sector, providing a pension in their post-retirement at 58[2]. [708]The employee should have completed at least 10 years of service to avail the benefit. And he should be a both existing and new member of epf. In eps the total amount of share provide to the account will be 12% in that, employer share is 8.33% go towards employee's pension scheme while 3.67% is allocated to epf every month[3]

UNIFIED PENSION SCHEME:

The unified pension scheme which is yet to be introduced in the year of 2025 in April was a replacement of the new pension scheme which had been introduced in the year of 2004. The unified pension scheme will be an historic and a beneficial move made by the government for the improvement of the central government employees and for the state government out of their will. The scheme was initiated for the government employees as they were feeling that the new pension scheme is not of that sound effective as the employees in NPS have to contribute more on their part for the pension scheme and they were received lower guaranteed returns from the employers.

Therefore the committee was formed by the head of T.V. somanathan finance secretary to make recommendation on the unified pension scheme and the union cabinet approved the recommendation on august 24, 2024 as this will bring solution for the employees with pension scheme. The central aim of UPS is to give the employees the 60% of the family pension, and the contribution from the employers will be increased from 14% to 18.5% which make the ups to be more effective than the other pension scheme. And now with the unified pension scheme the subscribers can access to all the banks wherever they having their account, which was not before.

THE SUPPLEMENTRY PENSION SCHEME:

The distinct pension scheme which was prevalent before the unified pension scheme is the old pension which was formed in the year of 1924. Where the government employees will get their retirement amount upon their last month salary of 50% on the monthly basis and they don't have to contribute for the pension the government is providing. However, the old pension scheme was substituted by the new pension scheme which was came into effect from 2004, as it ask for the investment from the employee 10% as well the contribution from the employers area, where it allows the retired employees to get the lump sum amount with their last month salary upon at least ten years of services. Now the new pension scheme also in their way of changes from April 1, 2025 with the unified pension scheme.

TAMIL NADU PENSION SCHEME:

The pension scheme which the employees in Tamil Nadu can avail is the contributory pension scheme, where the Tamil Nadu government not adopted the new pension scheme. Basically before the pension scheme is given to the employee, he can get the certain amount as gratuity, dearness allowance and provident fund. The new pension scheme which is referred as the contributory pension scheme were both the employer and employee contribute for their pension. And the employee will being benefiting upon their retirement with 10 years of services and the lump-sum amount will be given to the employees who joined the service on or before 2004. They public employees who joined the government services before the 2004 are covered under the government pension scheme which is referred as the GPS where the

[707] After the abrogation of article 370, all the laws and acts are now applicable to all part of jammu and Kashmir.

[708] The retirement age are not similar for all the sector and states.

employees will be getting the pension on the monthly basis after their retirement.

Now, the unified pension scheme is likely to be adopted by the Tamil Nadu newly formed government as their election promise. The states that are fostering the unified pension scheme were Maharashtra is the first state to have from 25, August 2024 however the unified pension scheme is being implemented from the April 1, of 2025.

STATISTICS:

The statistical date of the Tamil Nadu contributory pension scheme for the year of 2024-2025 policy note[709].

1. For the year of 2024 number settlements of death cases in respect of family security fund is the 3,034 and the number of claims received are 3,193.
2. 6,14,175 employees have been enrolled in the of 2024.
3. Settlement for retirees 37,095 made with sum of Rs. 3,143,61 crore. And during the year 2023-204, 7,738 employees have been retired and settlements to the tune of Rs. 158.28 crore have been made.
4. The subcribers of contributory pension scheme for 2024 are government employees-4,97,904, aided schools/college-46,059, panchayat union schools- 38,822, municipal schools-1,803, local body employees-29,587. With total of 6,14,175.

ADMINISTRATIVE ACTIONS:

Administrative actions on the pension schemes can be seen through the constitutionality of the scheme,

1. On the view, the state government adopting the pension scheme made by the central government on the voluntary basis which witness that India is likely to be a federal constitution, however the central government have the full authority to enforce the scheme which validates the quasi federalism of the Indian constitution. Federalism is the distribution of powers between central and state government, India adopted the federal concept from the Canadian model of constitution where the India exhibit the quasi federalism in which the center has the strong power.
2. Authority which is controlling the pension for the unorganized are the ministry of labor and employment, as well with ministry of finance on the allocation of pension to the public employees. The authority which is governing the pension for the public employees are under the supervision of *pension fund regulatory and development authority (PFDA)* in India. This PFDA become act in the year of 2013 after the assent from the president, the main function of this act is to promote the old age subscribers the sense of security in their income by regulating the pension funds. They have taken various measures on reaching their subscriber both online and offline mode to make the people aware of what their pension scheme is holding and to improve the investment on the pension.

PROBLEM:

The main problem on the part of unified pension system is the conversion of the new pension scheme holders to the unified pension scheme. This can be a chaos to the employees to adopt on their retirement age. And also the dearness allowances the employees having in the NPS can be modified with UPS system which is the way were the employees may face a problem.

SUGGESTION:

1. The only suggestion that can be laid down here, is the implementation of the unified pension scheme which has to be on the basis of the employee's beneficiary and the modifications in the scheme should be on the thorough evaluation of the government employees working ability with their service records and the pension withdrawals. By this the unified pension scheme can avoid the commutation arising out of is implementations.
2. The contribution of employers also plays a major role in the pension scheme, the unified pension scheme which is contributing the amount on the basis of its government

[709] https://cms.tn.gov.in

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allocation may sometime lead to the unfulfilled promise to the employee, therefore the government should have the standard contribution on their part.

CONCLUSION:

On concluding, the pension scheme of India is a positive crisis for the employment system. One of the hassle in the pension scheme will be the increasing of retirement age, this lead to the unemployment, limited opportunities for the younger generation and the person get delay on the retirement benefit. However, the retirement age can make the employees a trust worthy, highly proficient in working and this can help the sector to be more precise on their field. The pension scheme also increase the long-term savings, withdrawal on special cases and to maintain standard of living after retirement as well. Overall the pension scheme can be a boon to both employees and the government.

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