

A STUDY OF ATAL PENSION YOJANA AND ITS AWARENESS AMONG PEOPLE FOR INVESTMENT

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ABSTRACT

The Atal Pension Yojana (APY) is a government-backed pension scheme designed to provide financial security to unorganized sector workers by ensuring a guaranteed pension after retirement. Despite its benefits, awareness and adoption of Atal Pension Yojana as a viable investment option remained limited. This study explored the level of awareness and perception of Atal Pension Yojana among different socio-economic groups, analysing the factors that influenced their decision to invest in the scheme.

The research examined the role of *financial literacy* in shaping individuals' understanding of retirement planning and long-term investment benefits. It investigated the barriers that prevented widespread participation, including lack of information, trust issues with government schemes, and behavioural biases favouring traditional saving methods. The study also compared Atal Pension Yojana with other financial instruments to assess how it aligned with individuals' investment preferences.

Findings from this study provided insights into the effectiveness of existing awareness initiatives and suggested strategies to enhance participation in Atal Pension Yojana. The research contributed to policy recommendations aimed at improving financial inclusion and ensuring long-term financial security for individuals in the unorganized sector.

1. INTRODUCTION

The Atal Pension Yojana (APY), launched in 2015 by the Government of India, aims to provide a structured pension scheme for individuals, particularly workers in the unorganised sector, who lack access to formal retirement savings options. The scheme is administered by the Pension Fund Regulatory and Development Authority (PFRDA) under the broader framework of the National Pension System (NPS). APY ensures a guaranteed monthly pension ranging from ₹1,000 to ₹5,000 after the age of 60, based on the subscriber's contributions. Despite its objectives of enhancing financial inclusion and encouraging long-term savings, the scheme faces challenges such as low awareness, misconceptions, and limited participation among the target demographic. This study examines the level of awareness, adoption patterns, and perception of APY as a viable investment option. It also explores the factors influencing people's decisions to invest in APY and identifies the barriers preventing its widespread acceptance. This research seeks to provide insights into the effectiveness of APY as a tool for retirement planning and financial inclusion, contributing to policy recommendations for improving its reach and accessibility.

The Indian government is worried about the financial security of people at retirement, especially among the people employed in the unorganized sector and the poor and hence is trying to encourage and enable these people to contribute to the Atal pension Yojana (APY). This will create a sense of security among the people and also promote a healthy habit of saving in them and solve the longevity risks by providing them with a fixed pension at retirement; these workers comprise 88% of the all-out workforce of 47.29 crore according to the 66th Round of NSS Survey of 2011-12, yet don't have any proper annuity arrangement [1]. Hence to provide financial security at retirement to the unorganized sector, the Government has laid out the Atal Pension Yojana (APY), which will give great benefits, contingent upon the commitment to the scheme, at retirement or reaching 60. The APY focuses on all workers in the informal industry, who will now enlist in the National Pension System (NPS) directed by the Pension Fund Regulatory and Development Authority (PFRDA). Under the APY, the beneficiaries would get the decent least benefits of Rs. 1000-5000 every month, at 60 years old, contingent upon their commitments, which itself would be determined on the period of joining the APY. The base period of joining APY is 18 years, and the greatest age allowed is 40 years. To make the scheme more attractive and the returns better the Government would also likewise co-contribute half of the absolute commitment up to Rs. 1000 every year, whichever is lower, to each qualified beneficiary. The base time of commitment by any supporters under APY would be 20 years or more. The advantage of fixed least annuity would be ensured by the Government.

2. OBJECTIVES OF THE STUDY

1. To assess the level of awareness about Atal pension yojana among individuals.
2. To analyse the impact of Atal Pension Yojana contributions on the financial planning of beneficiaries.
3. To study the challenges faced by people while enrolling in the Atal Pension Yojana.

3. REVIEW OF LITERATURE

1.The article by Vishnu Prasad and Anand Sahasranaman highlights the Atal Pension Yojana as a significant step toward improving old age income security in India. It emphasizes that APY, along with the National Pension Scheme (NPS), reflects strong policy attention on financial inclusion for retirement planning. The authors argue that addressing design limitations in NPS-S could help APY better serve vulnerable households, enabling them to build sustainable pension funds for old age. This underscores the importance of refining the scheme to ensure greater financial security for economically weaker sections.

2.Goswami (2001) The pension system was first introduced in India in 1881 by the Royal Commission on Civil Establishments. Further it was restructured through changes made in 1919 and 1935. The old pension scheme was putting a large burden on the financials of government organization (Goswami, 2001) and hence a new market linked pension scheme was launched for government employees first and then for everyone in 1st June 2004. Government employees who have joined before 1st January 2004 get benefit from old pension scheme while now all employees can take part in New Pension Scheme on a volunteer basis. In order to cater to the unorganized sector and provide a stable

3.Kavya & Renugadevi (2023) studied the attitude of unorganised sector workers in Coimbatore toward the Atal Pension Yojana (APY). They found low awareness of the scheme, with most opting for the minimum guaranteed pension of ₹1,000. Post offices were the primary mode for account openings, and children were commonly chosen as nominees. The study highlighted limitations in the scheme's maximum pension amount and flexibility, suggesting a need for better awareness and improvements to attract more participants.

4.Balamurugan (2022) examined awareness of the Atal Pension Yojana (APY) among students in Vellore, Tamil Nadu. The study found that while awareness about the scheme exists, many are discouraged by the non-disclosure of interest rates and the long investment period, leading to low participation. Additionally, insufficient government promotion of the scheme's benefits was identified as a key issue.

4. RESEARCH METHODOLOGY

- **Research Design:**

The study adopts a descriptive research design.

- **Data Collection Method:**

Primary data collected using a questionnaire method. Additionally, secondary data gathered from previous studies, reports, journals, magazines, and articles.

- **Data Analysis:**

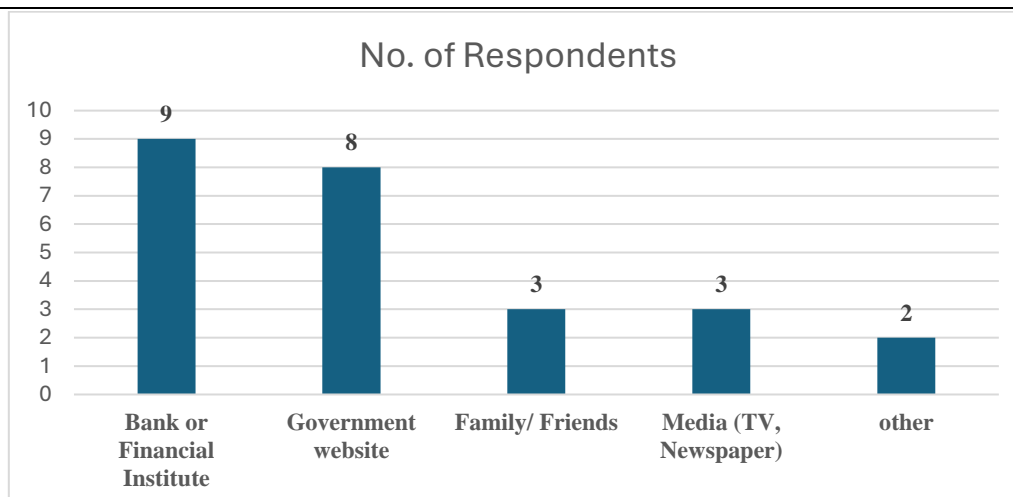
Graphs, charts and diagrams is used for clear data interpretation.

The study is centred on the residents of Amravati, specifically targeting individuals who are currently enrolled in the Atal Pension Yojana (APY). The population includes all eligible participants under the scheme, while the sample unit comprises those who have actually enrolled in APY. A total of 25 respondents from Amravati city were selected, representing diverse groups and educational backgrounds, with a particular emphasis on individuals from the unorganized sector.

5. DATA ANALYSIS AND INTERPRETATIONS

Table 1: classification of respondents through which they get aware about Atal Pension Yojana

Particular	No. of Respondents	Percentage
Bank or Financial Institute	9	37.5%
Government website	8	33.3%
Family/ Friends	3	12.5%
Media (TV, Newspaper)	3	8.4%
other	2	8.3%
Total	25	100%



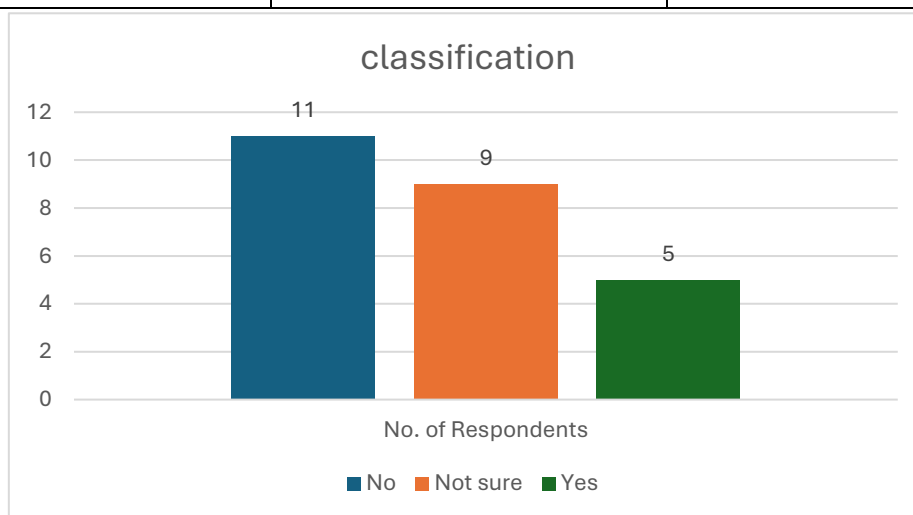
Graph 1: classification of respondents through which they get aware about Atal Pension Yojana

Interpretation:

From the above graph it is interpreted that banks (37.5 %) and government websites (33.3%) are the main sources of awareness about Atal Pension Yojana, while family, media, and other sources play smaller role.

Table 2: classification of respondents what they feel the pension amount offered

Particular	No. of Respondents	Percentage
No	11	47.8%
Not sure	9	30.4%
Yes	5	21.7%
Total	25	100%



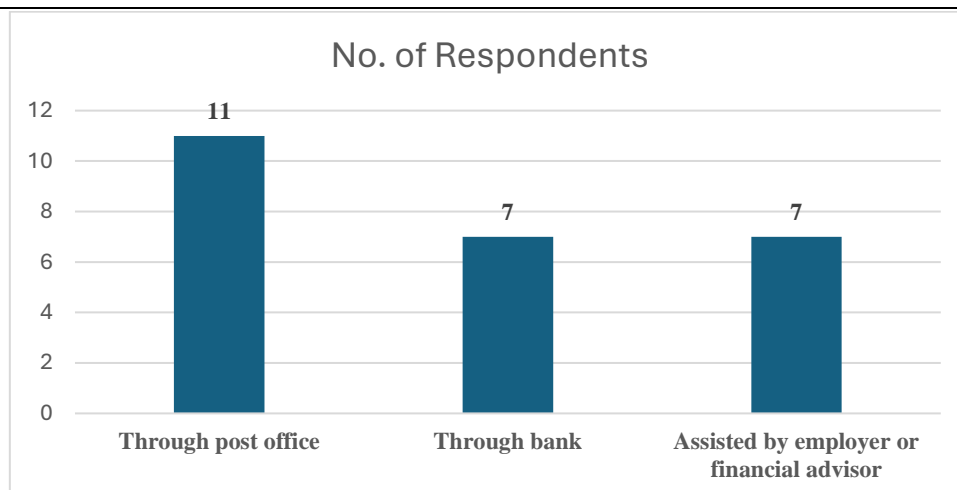
Graph 2: classification of respondents what they feel about the pension amount offer

Interpretation:

From the above information it is interpreted that nearly 48% find the pension amount insufficient, 30% are unsure and only 22% consider it adequate.

Table 3: classification of respondents how they enrol in the scheme.

Particular	No. of Respondents	Percentage
Through post office	11	44%
Through bank	7	28%
Assisted by employer or financial advisor	7	28%
Total	25	100%



Graph 3: classification of respondents how they enrol in the scheme.

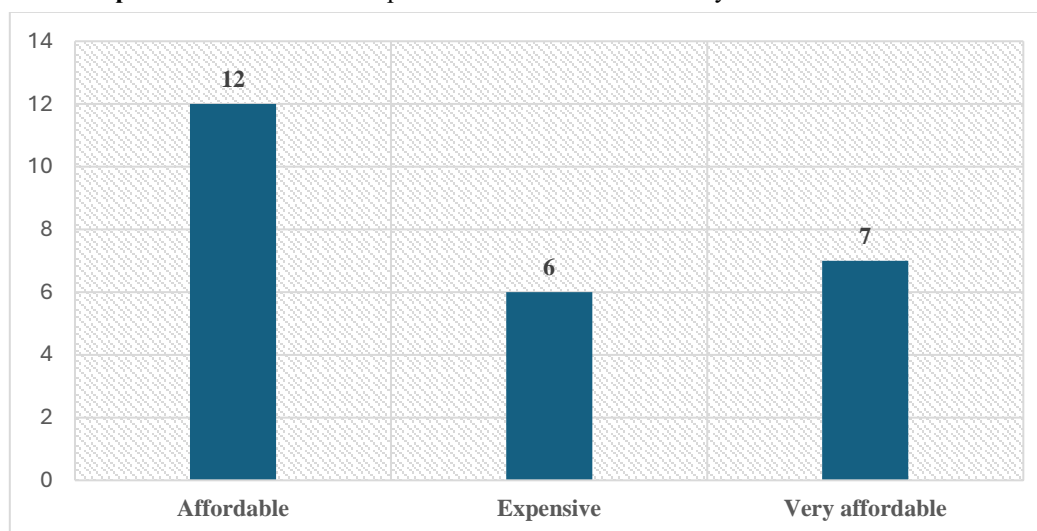
Interpretation:

From the above graph it is interpreted that the most respondents enrolled through the post office (44%), followed by banks and financial advisors (28%) each.

Table 4: classification of respondents on the basis what they feel about contribution.

Particular	No. of Respondents	Percentage
Affordable	12	48%
Very affordable	7	28%
Expensive	6	24%
Total	25	100%

Graph 4: classification of respondents on the basis what they feel about contributions.

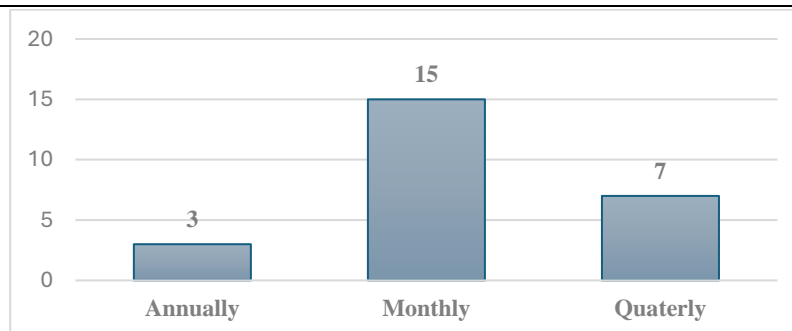


Interpretation:

From the above graph it is interpreted that the most respondents (48%) find the contribution affordable, while 24% consider it very affordable and 28% find it expensive.

Table 5: classification of respondents what they prefer for contribution.

Particular	No. of Respondents	Percentage
Monthly	15	60%
Quarterly	7	28%
Annually	3	12%
Total	25	100%



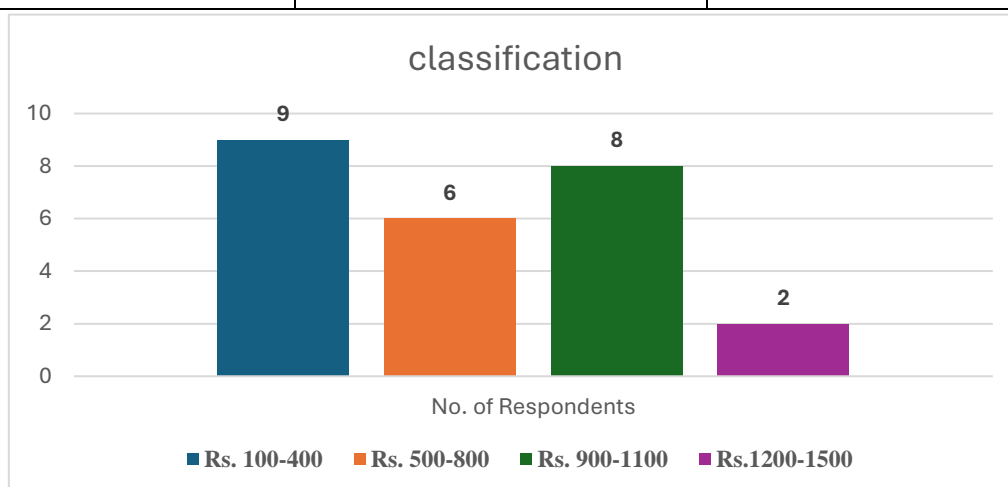
Graph 5: classification of respondents what they prefer for contribution

Interpretation:

From the above graph it is clear that most respondents 60% prefer monthly contributions, while 28% choose quarterly and 12% opt for annual payments.

Table 6: classification of respondents on the basis of how much they contribute.

Particular	No. of Respondents	Particular
Rs. 100-400	9	36%
Rs. 500-800	6	24%
Rs. 900-1100	8	32%
Rs.1200-1500	2	08%
Total	25	100%



Graph 6: classification of respondents on the basis of how much they contribute.

Interpretation:

From the above graph it is interpreted that 36% of respondents contributed Rs.100-400,24% contributes Rs. 500-800 while rest with 32% and 08% people contributed Rs. 900-1100 and Rs. 1200-1500

6. CONCLUSION

- Most respondents enrolled through post offices or banks; while they are aware of APY, many lack a clear understanding of its long-term benefits.
- Contributions are generally seen as affordable, with monthly payments being the most preferred; contribution amounts vary, reflecting different financial capacities.
- Some respondents are unsure about the adequacy of the pension amount and find contributions high; improved financial literacy and flexible options could enhance participation.

7. REFERENCES

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- [4] Balamurugan, S. (2022). Awareness of Atal Pension Yojana among students in Vellore, Tamil Nadu. International Journal of Multidisciplinary Research and Development, [Volume(Issue)], [Page numbers].