

## **Abhaya Hastham (Indira Kranthi Patham Pension and Insurance Scheme for SHG Women)**

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- Govt. of AP have undertaken comprehensive eradication of poverty, in rural and urban areas through the Indira Kranthi Patham, a Programme for empowerment of women, through formation, development and strengthening of women SHGs and their federations, covering 1 Crore 25 Lakh women in rural and urban areas. During the last 3 years, Government is also implementing National Rural Employment Guarantee Scheme to secure guaranteed wage employment to the rural poor. As a result of these measures, a large number of women and their families in rural and urban areas are enjoying stable livelihoods, increased incomes and better quality of life. While economic growth at household level is an important pre-condition for expanding the scope of Social Security, no less important is the need for adopting special social security policies. The Government regards social security as one of the important factors in improving quality of life and elimination of poverty.
- The need for income security in their old age, when their ability to earn from their physical labour would have reduced considerably has been voiced by SHG members in various meetings they had with the Chief Minister of Andhra Pradesh in the month of December 2008. Responding to the demand from the SHG women, the Chief Minister of Andhra Pradesh has conceptualized Abhaya Hastham.

- Abhaya Hastham is a Co-contributory Pension Scheme for the women, above the age group of 18, belonging to the Self Help Groups in Andhra Pradesh. The scheme envisages contribution of Rs.30/- per month by SHG women and Government's co contribution of Rs.30/- per month into her Pension account. The contribution of the member and the co-contribution of the Government is periodically transferred to Life Insurance Corporation of India, for investing diligently for securing better returns on the investment. The corpus thus generated till the age of 60 years, will be used for giving monthly pension amount to each women, on crossing 60 years of age.
- Abhaya Hastham offers 3 kinds of benefits to it's members, namely 1) Monthly pension on crossing 60 years of age, 2) Death and disability insurance cover including Scholarship to the children of the women, 3) Lump sum transfer of corpus which is accumulated in her account is transferred to the nominee in the event of her death.
- The monthly pension amount payable to the women depends on the no.of years of contribution she makes till she crosses 60 years of age.
- In order to secure reasonable level of monthly pension, Govt. have decided to ensure that every women shall receive Rs.500/- or above pension every month, on crossing 60 years of age till her death.

- A women joining Abhaya Hastham at the age of 18 will be able to draw Rs.2,200/- per month pension on crossing 60 years of age. This amount is likely to be much higher, should the level of monthly contribution / co-contribution is stepped up after every 5 or 10 years.
- Every women who joins Abhaya Hastham will have a Pass Book to record details of her contribution and she is entitled to receive an annual statement with the particulars of her contribution and co-contribution from the Govt and interest earned on the corpus. On crossing 60 yeas of age, the monthly pension is adjusted to her Bank Account by LIC, every month.
- Abhaya Hastham offers many more benefits to the women in addition to monthly pension on retiement The other benefits are (a) death and disability insurance cover in respect of women in the age group of 15 to 59. In the event of her natural death, Rs.30,000/- is paid to the nominee. In the event of her accidental death, Rs.75,000/- is paid to her nominee. In the event of permanent disability Rs.75,000/- is paid to her. In case of partial disability Rs.37,500/- is paid to her. (b) The member's children studying 9<sup>th</sup>, 10<sup>th</sup>, 11<sup>th</sup> &12<sup>th</sup> classes will receive a scholarship of Rs,1,200/ per annum (c) in he event of the death of the subscriber, the available contribution of the subscriber and Government's co-contribution along with accrued earnings on such contributions will be transferred to the nominee of the subscriber.
- Govt. of A.P. have brought out a Legislation, **A.P SHG Women Co-contributory Pension Act 2009**. The bill was very recently

passed by the AP State Legislature and AP State Legislative Council on 10<sup>th</sup> and 11<sup>th</sup> February respectively.

- Government have provided the budget of **Rs.365 Crores** in the 2009-10 Budget Estimate towards State Government's Co-contribution.
- The Scheme has already been launched at the State Headquarters and also in the Districts by actually distributing cheques of Rs.500/- towards the monthly pension for the SHG women who joined the scheme and attained retirement age. The enrolment of the SHG women of all age groups in to Abhaya hastham has also commenced.
- It is expected that about **1crore 25 Lakh** women are likely to join the Scheme. The AP Government has thus earned the distinction of rolling out **world's largest co-contributory pension scheme for the poor in the unorganized sector.**
- The women members of SHGs feel that Abhaya Hastham will help them lead a dignified life in their old age, enhance their self worth and secure to them greater respect from rest of the society. The SHG women are immensely thankful to the Government for the remarkable transformation Abhaya Hastham brings into their lives