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Pension schemes in India

Context: The Pension Fund Regulatory and Development Authority (PFRDA) plans to introduce a new feature in the second half of this year, enabling systematic withdrawal from the National Pension Scheme (NPS).

- The Pension Fund Regulatory and Development Authority (PFRDA) plans to introduce a Systematic Withdrawal Plan for the National Pension Scheme (NPS) in the second half of this year.
- Under the proposed feature, NPS subscribers can withdraw 60% of their contributions systematically post-retirement until the age of 75, instead of a one-time withdrawal.
- The remaining 40% must be used to purchase an annuity.
- Subscribers will have the flexibility to determine the withdrawal amount, which can be taken as a lump sum or in monthly, quarterly, half-yearly, or annual installments.
- The Systematic Withdrawal Plan will apply to individuals between the ages of 60 and 75.
- The necessary software updates are being made to implement the feature, which is expected to be available by the last quarter of 2023.
- The Assets Under Management (AUM) of NPS and the Atal Pension Yojana (APY) currently amount to approximately ₹9.6 lakh crore and are projected to exceed ₹10 lakh crore by September.
- In the current fiscal year, the NPS aims to enroll 13 lakh new subscribers from the non-government sector, compared to 10 lakh enrollments in the previous year.

Difference between New Pension Scheme and Old Pension Scheme

| Points of Differentiation | The Old Pension Scheme | The New Pension Scheme |
|---------------------------|--|---|
| Nature of the schemes | OPS offer pensions to government employees on the basis of their last drawn salary | NPS pays the employees for their investments in the NPS Scheme during their employment. |
| Amount of pension derived | 50 per cent of the last drawn salary | 60% lump sum after retirement and 40% to be invested in annuities for getting a monthly pension |
| Benefits in taxes | No tax benefits | The employee can claim tax deductions of 1.5 lakh under Section 80C of income tax and up to 50,000 on other investments under 80CCD (1b) |
| Tax on pension | No tax on pension | 60% of the NPS Corpus is tax-free while the remaining 40% is taxable |
| Option of Investment | No option | Two choices: Active and Automatic |
| Who can avail? | Only government employees | Any Indian Citizen between 18-65 years. |
| Switching Schemes | OPS scheme can be switched to NPS | NPS scheme cannot be switched back to OPS in general, but central government employees can switch back to OPS in case of death and disablement of the employee. |

Atal Pension Yojna

- Atal Pension Yojana (APY) is a pension scheme launched on May 9, 2015, by the Prime Minister of India.
- The scheme is open to all saving bank/post office saving bank account holders aged between 18 and 40 years.
- Subscribers can choose the pension amount they want to receive, with options of Rs. 1,000, Rs. 2,000, Rs. 3,000, Rs. 4,000, or Rs. 5,000 per month after reaching 60 years of age.


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- The monthly pension is available to the subscriber during their lifetime, and upon their death, it continues for their spouse. After the death of both the subscriber and spouse, the accumulated pension corpus is returned to the nominee.
- The government guarantees a minimum pension amount, and if the investment returns are lower than expected, the government funds the shortfall. If the returns are higher, subscribers receive enhanced benefits.
- In the event of the subscriber's premature death, the spouse has the option to continue contributing to the APY account until the subscriber would have reached 60 years of age. The spouse receives the same pension amount as the subscriber until their death.
- As of March 31, 2019, there were 149.53 lakh (14.95 million) subscribers enrolled in APY, with a total pension wealth of Rs. 6,860.30 crore (approximately \$928 million).



| | |
|---|--|
| Pension: ₹200-₹500 a month for senior citizens BPL households | Family benefit: ₹20,000 upon the death of a breadwinner aged 18-59 in BPL households |
| Widow Pension Scheme: ₹300-₹500 a month for widows aged over 40 in BPL households | Annapurna Scheme: 10kg of food grains per month for senior citizens who are not receiving any pension |
| Disability pension: ₹300 per month for persons aged 18-79 with severe or multiple disabilities in BPL households | |

Solar Ultraviolet Imaging Telescope (SUIT)

Context: The Solar Ultraviolet Imaging Telescope (SUIT) developed by Pune's Inter-University Centre for Astronomy and Astrophysics (IUCAA) has been delivered to the Indian Space Research Organisation (ISRO) for integration with the ADITYA-L1 mission.



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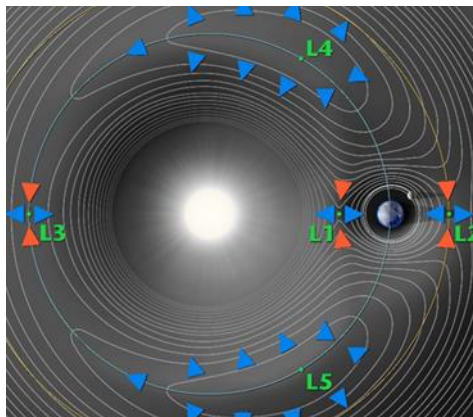
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- SUIT will serve as an important instrument in the ADITYA-L1 mission's array of payloads.
- The mission aims to provide regular images and updates on the Sun's surface phenomena and space weather.
- ADITYA-L1 will carry seven different payloads, including SUIT, capable of studying various solar phenomena across the electromagnetic spectrum and solar wind.
- SUIT will enable seamless measurement of solar radiation from Hard X-ray to Infrared and capture images in a crucial wavelength for studying the Earth's ozone and oxygen content, as well as measuring UV radiation that is hazardous for skin cancer.
- The development of SUIT involved over 200-300 scientists over the past decade and faced challenges such as building an ultra-clean room and designing special filters to capture the radiation.
- After the launch of the ADITYA-L1 mission, it will take approximately 100 days for the spacecraft to reach the halo orbit around the L1 point, where all seven payloads will conduct scientific observations.
- SUIT will address fundamental questions related to the Sun's higher temperature atmosphere, the origin and variation of near-ultraviolet radiation, and high-energy solar flares.

What Aditya L1?

- The Aditya-L1 mission, launched by ISRO, will study various aspects of the Sun including its corona, photosphere, chromosphere, solar emissions, solar winds, flares, and Coronal Mass Ejections (CMEs).
- The mission will carry out round-the-clock imaging of the Sun, providing continuous observations.
- Aditya-L1 will be placed in the L1 orbit, located approximately 1.5 million km from Earth.
- The L1 orbit allows Aditya-L1 to have an uninterrupted view of the Sun, making it possible to study solar phenomena over extended periods.
- By studying the Sun's corona, flares, and CMEs, scientists can gain a better understanding of solar activity and its influence on our planet.
- The seven payloads or instruments on board the Aditya L1 mission are:
 1. Visible Emission Line Coronagraph (VELC)
 2. Solar Ultraviolet Imaging Telescope (SUIT)
 3. Solar Low Energy X-ray Spectrometer (SoLEXS)
 4. Aditya Solar wind Particle Experiment (ASPEX)
 5. High Energy L1 Orbiting X-ray Spectrometer (HEL1OS)
 6. Plasma Analyser Package for Aditya (PAPA)
 7. Advanced Tri-axial High-Resolution Digital Magnetometers

What is Lagrange 1?



- L1 is a Lagrangian point, one of five in the Earth-Sun system's orbital plane.
- Lagrange Points are positions where gravitational forces create stable regions of attraction and repulsion.
- L1 allows spacecraft to conserve fuel by utilizing gravitational forces, making it ideal for missions requiring continuous observations.

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Remittances to remain almost same for India

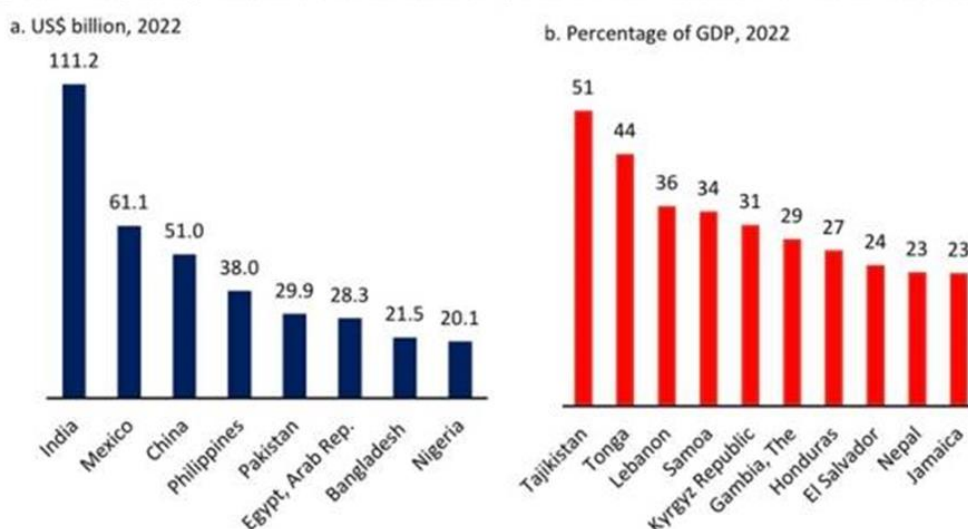
Context: India's remittance inflows are projected to grow by only 0.2% in 2023, following a record-high growth of over 24% to reach \$111 billion in 2022, as per the World Bank's Migration and Development Brief.

- Slower growth in OECD economies may affect remittance flows, leading to a shift towards informal channels.
- India experienced a remarkable 24% growth in remittances, reaching \$111 billion in 2022.
- However, India's remittance inflows are predicted to grow by only 0.2% in 2023.
- Reduced demand for migrants in GCC countries and declining oil prices impact remittance flows in South Asia.
- Latin America and the Caribbean are expected to have the highest remittance growth at 3.3%.
- South Asia is projected to have the lowest remittance growth at 0.3% due to a high base in 2022 and reduced demand for skilled IT workers.

What are Remittances?

- Remittances are funds sent to another party, often across international borders.
- Immigrants typically send remittances to their relatives in their home country.
- Remittances serve as a significant income source for people in low-income and developing nations.
- The amount of remittances often surpasses direct investment and official development assistance.
- Remittances play a crucial role in enabling families to afford necessities like food, healthcare, and basic needs.
- India holds the position of being the world's largest recipient of remittances.
- Remittances contribute to bolstering India's foreign exchange reserves and aid in financing its current account deficit.

Figure 1.2 Top Recipients of Remittances among Low- and Middle-Income Countries, 2022



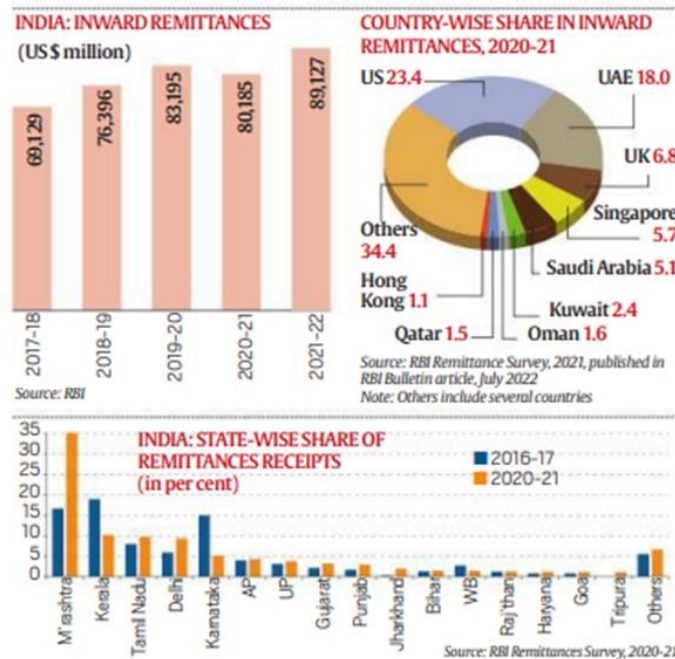
Source: World Bank-KNOMAD staff; World Development Indicators; IMF Balance of Payments Statistics.
Note: GDP = gross domestic product.

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NEWS IN BETWEEN THE LINES

MQ-9 Drones



Context: Recently, there has been a potential deal between India and the United States regarding the acquisition of MQ-9 drones.

MQ-9 Drones: MQ-9 drones, also known as MQ-9 Reaper Unmanned Aerial Vehicles (UAVs) or Predator B drones are advanced military unmanned aircraft systems. They are produced by General Atomics Aeronautical Systems (GA-ASI), an aeronautics company based in the United States.

Approval of MQ-9 Reaper UAV Procurement: The Defense Acquisition Council (DAC) has approved the procurement of armed MQ-9 Reaper UAVs from General Atomics Aeronautical Systems (GA-ASI). The procurement is valued at over \$3 billion.

Endurance and Payload Capacity: The MQ-9 has an endurance of over 27 hours, a true airspeed of 240 knots and can operate up to an altitude of 50,000 feet. It has a payload capacity of 1,746 kg, including 1,361 kg of external stores.

Improved Performance: The MQ-9 offers significant enhancements compared to the earlier MQ-1 Predator, with the ability to carry 500% more payload and nine times the horsepower. This allows for persistent surveillance and strike capability.

Maritime Variant: The MQ-9's maritime variant, known as Sea Guardian. It has an endurance of over 30 hours.

Allocation: If the deal is finalized, India will have a total of 31 MQ-9 drones, with 15 allocated to the Navy and eight each to the Army and Air Force.

Parampara



Context: The Nita Mukesh Ambani Cultural Centre (NMACC) is organizing a special 2-day musical event titled 'Parampara' to coincide with the occasion of Guru Purnima, which falls on June 30 and July 1.

What is NMACC?

The Nita Mukesh Ambani Cultural Centre (NMACC) is an institution or cultural center established by Nita Ambani and Mukesh Ambani, prominent figures in the Indian business and entertainment industry. It is located in Bandra Kurla Complex, the heart of Mumbai.

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Objectives:

- NMACC aims to promote and showcase various forms of art, culture and heritage.

Cultural Exchange and Legacy:

- NMACC emphasizes honoring the legacy of classical music in India.
- It strives to promote cultural exchange and foster creativity and talent.

Importance of Guru's Role:

- Nita Ambani emphasizes the significance of the guru's role in guiding students on their path of self-discovery.
- The center recognizes and celebrates the guru-shishya (teacher-student) relationship.

Global Stocktake



Context: Recently, the delegates at the Bonn Climate Change Conference have concluded the technical dialogue of the first global stocktake, paving the way for more ambitious climate action.

Global Stocktake:

- The Global Stocktake is a process established under the Paris Climate Change Agreement.
- It is a comprehensive assessment conducted every five years to evaluate collective progress towards the agreement's goals.
- The stocktake examines the efforts made by countries to address climate change and identifies gaps in implementation and support.
- It is a process conducted under the United Nations Framework Convention on Climate Change (UNFCCC). The headquarters of UNFCCC is in Bonn, Germany.

Purpose and Significance:

- The Global Stocktake aims to track global progress in limiting global temperature rise and achieving the objectives of the Paris Agreement.
- The stocktake serves as a platform for countries to review and enhance their climate commitments and determine the need for more ambitious actions.

Need for Urgent Action:

- Despite global efforts, current actions are not sufficient to meet the goals of the Paris Agreement.
- The Intergovernmental Panel on Climate Change (IPCC) has emphasized the need for significant emission reductions and transformative adaptation measures.
- Urgent action is required to limit global temperature rise to 1.5 degrees Celsius and address the impacts of climate change.

Outcome:

- The findings and recommendations from the Global Stocktake will be presented at the Conference of the Parties (COP), specifically at COP28.

National Water Awards



Context: The Department of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti, is organizing the Award Distribution Ceremony for the 4th National Water Awards on 17th June 2023 in New Delhi. The Vice President, Shri Jagdeep Dhankhar will be the Chief Guest at the ceremony.

The National Water Awards: The National Water Awards is an initiative by the Government of India to recognize and appreciate the efforts of individuals, organizations, states, districts and village panchayats in the field of water conservation and sustainable water management.

Aim: The awards aim to create awareness about the importance of water, encourage best practices and support the government's vision of a 'Water Prosperous India'.

Categories:

The awards are presented in various categories to acknowledge different entities working towards water conservation. These categories may include:

- **Best State:** Recognizes the state government's efforts in water management.
- **Best District:** Acknowledges the exemplary work done by districts in implementing water conservation measures.
- **Best Village Panchayat:** Appreciates the efforts of village panchayats in promoting water conservation practices.

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