



**A Subscriber Guide to**

**MAHATMA GANDHI PRAVASI SURAKSHA YOJANA**

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### 1. About Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY)

#### Background of the Scheme

India has the second largest overseas community with an estimated 25 million overseas Indians spread across 110 countries. Over 5 million semi-skilled and unskilled Indian nationals with Emigration Check Required (ECR) passports are currently working on temporary employment / contract visas predominantly in the Construction, Household and Healthcare service sectors in the Gulf Countries. Periodic earnings of these workers are rarely converted into savings. The change in earnings creates a temporary improvement in individual economic conditions of workers but ultimately, the workers face the unaltered poverty when they are old and returned back to India.

The Government of India has demonstrated a sustained and deep commitment to inclusive growth and has taken a number of important steps to better the work environment of its citizens. However, overseas Indian workers are outside the ambit of such initiatives. Considering this, **Ministry of Overseas Indian Affairs (MOIA)** has launched the **Mahatma Gandhi Pravasi Suraksha Yojana (MGPSY)** on **1<sup>st</sup> May, 2012**. The scheme has well regulated institutional framework which is designed to encourage, enable and assist the overseas Indian workers in ECR categories working in ECR countries with the following benefits:

- *Old age Pension*
- *Savings for their Return & Resettlement (R and R)*
- *Life Insurance cover against natural death*

#### Features of the Scheme

- ✚ **It is Voluntary** – A voluntary social security scheme cutting across all States in India and 17 ECR countries for eligible\* subscribers
- ✚ **It has a Simple and Integrated Framework** – A single window interface where the applicant is required to approach MOIA appointed Service Provider for registration in the scheme, paying contributions and for resolving grievances
- ✚ **Co Contribution by Government of India** –Government of India will co contribute into each subscriber's account (subject to conditions \*\*) to encourage subscribers to invest and participate in the scheme and also to absorb any charges towards subscriber's account maintenance
- ✚ **Ensures Pension in old age** through the PFRDA regulated NPS Lite
- ✚ **Support in Savings for Return and Resettlement (R&R)** through a SEBI regulated mutual fund (Monthly Income Scheme—MIS by UTI)
- ✚ **Life insurance cover** against natural / accidental death and disability

#### \*\*Benefits and Government Co Contribution in MGPSY

In order to encourage subscribers to participate and take benefit from the scheme, MOIA has notified to co-contribute in the scheme to support subscriber. The Government Co-contributions under MGPSY are:

- ✚ Rs.1,000 per annum per subscriber by MOIA in line with Swavalamban platform for all the subscribers

who save between Rs.1,000 and Rs.12,000 per year in their NPS-Lite account

✦ An additional co-contribution of Rs.1,000 per annum by MOIA has been proposed for overseas Indian women workers who save between Rs.1,000 and Rs.12,000 per annum in NPS-Lite

✦ An annual co-contribution of Rs 900 per annum by MOIA to each eligible subscriber who save at least Rs 4000 per annum towards Return and Resettlement

✦ Life insurance cover will be provided to overseas Indian workers who join as subscribers under the MGPSY so that the families of these workers receive a reasonable compensation in case of uneventful death or disability of the wage earner.

*Co Contribution from MOIA under NPS and R and R will be discontinued after 5 years or on subscribers return to India whichever is earlier. However subscriber may still get Rs 1000 as Co Contribution from Ministry of Finance under the existing Swavalamban scheme in NPS lite subjected to his fulfilling the laid down eligibility criteria.*



## 2. Scheme Partners in the MGPSY

### a. NPS Lite- For Pension Benefit through PFRDA

To facilitate the economically disadvantaged sections of society with limited investment potential, NPS Lite has been launched by Pension Fund Regulatory and Development Authority. Under NPS Lite, Permanent Retirement Account Number (PRAN) is made available to each subscriber.

- ✦ Each subscriber gets an identity card with his photograph, name and signature, known as “PRAN Card” and this card establishes his/her membership of the NPS/Swavalamban account
- ✦ Each subscriber can contribute as little as Rs.. 100 per month and there is no fixed monthly contribution.
- ✦ The Service Provider collects the money, and issues a receipt to the subscriber. He then deposits the collections every Friday (by uploading on the system) in a designated NPS-Lite Bank Account.

### b. Return and Resettlement (R&R) - through UTI MIS, a SEBI regulated Mutual Fund

UTI AMC is appointed as MOIA under MGPSY and will be responsible for managing Return and Resettlement account of the subscribers. UTI is one of the oldest Mutual Funds in India and is sponsored by State Bank of India, Punjab National Bank, Bank of Baroda and Life Insurance Corporation of India and T Rowe Price International Ltd. Subscriber’s accumulated savings under the R & R scheme will be invested under the Monthly Income Scheme of UTI.

### c. Life Insurance Coverage - through Janashree Bima Yojana (JBY) by LIC

Under MGPSY, free of cost Life Insurance coverage would be provided through JBY. It is a group Insurance policy in which MOIA will pay premium on subscriber’s behalf to hold the policy. This life insurance cover would mean-

- ✦ In the unfortunate event of natural death of a subscriber, his or her family will be paid Rs.30,000 by LIC
- ✦ In case of a death or total permanent disability through an accident a sum of Rs.75, 000 will be paid to his or her family by LIC.
- ✦ If a person suffers permanent partial disability due to an accident, he or she will be paid Rs. 37,500 by LIC



### 3. Subscribers Gallery

#### Who is an eligible\* MGPSY subscriber?

Male and female overseas Indian workers with ECR Passports and aged between 18 to 50 years who are emigrating or have already emigrated overseas for employment

#### Is it compulsory for any person travelling to ECR to join the scheme?

It is not compulsory, eligible individual(s) can join this scheme on his/her own discretion.

#### How to register in MGPSY?

- ✚ Potential subscriber should visit MGPSY Service Provider Enrollment counter located in his/her city or Protector of Emigrant (PoE) office for opening up of the MGPSY account. The details of the Service Provider enrollment counters are available on the website – [www.moja.gov.in](http://www.moja.gov.in)
- ✚ Subscriber has to fill and submit the forms at the Enrollment counter along with the necessary KYC documents. At the counter the Service Provider will carry out the necessary verification (subscriber details & KYC) and post verification issue a unique MGPSY number to the subscriber. This number will be embossed on the MGPSY card and Acknowledgement slip issued to the subscriber during registration. Subscriber will also be required to pay the initial subscriber amount/contribution through Standing Instruction (SI) or Electronic Clearing System (ECS). There are two types of contribution under the scheme
  - Contribution towards NPS-lite for ensuring old age pension
  - Contribution towards Return and Resettlement scheme for short term savings
- ✚ In the scheme all the future transactions will take place directly through the subscriber bank account. Hence in order to execute the same, subscriber will be required to fill in SI/ ECS form. The form will be provided to the subscriber at the time of registration by the Service Provider.
- ✚ On subscriber’s successful enrollment in the scheme and contribution processing, subscriber will receive a Folio number and statement from UTI in 10-15 days. He will also receive a personalized PRAN Kit and Insurance Policy Statement within 45 days from the date of registration. All documents will be delivered at the Indian correspondence address (permanent address) as mentioned in the Passport or the KYC document. No documents will be delivered at overseas address. However information can be provided to the overseas subscribers through Service Providers and help line.

#### Subscriber pre-registration check list

A subscriber must ensure that he is carrying the following documents while visiting for registration:

S. No	Document
<b>For Registration in India</b>	
1	Subscriber should have a Savings or NRE/NRO bank account in India
2	Recent Passport Size photograph (3 in numbers) (size 3.5cm X 2.5 cm) with white background
3	Attested photo copy of the first page, page which carries ECR stamp and last page of the passport

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4	Attested photo copy of the page which carries ECR Clearance stamp
5	Attested photocopy of the temporary work permit or work visa
6	Address proof document (in case if the subscriber wants to have a different communication address other than what is specified in the passport)
<b>For Registration in Overseas</b>	
1	Subscriber should have a NRE/NRO bank account in India
2	Recent Passport Size photograph (3 in numbers) (size 3.5cm X 2.5 cm) with white background
3	Authorized Labor card containing Passport number or Attested photo copy of the first page, page which carries ECR stamp and last page of the passport
4	Attested photo copy of the page which carries ECR Clearance stamp
5	Indian Address proof document
6	Overseas address proof (if any correspondence is required overseas)

### Important Points/Clarifications

- ✚ Copies of all the documents submitted by the subscriber should be self-attested and accompanied by originals for verification. In case the original of any document is not produced for verification, the copies should be certified true and properly attested by entities authorized for attesting the documents like Notary Public, Gazetted Officer etc.
  - ✚ Passport will cover up for the following necessary KYC guidelines –
    - Personal Identification
    - Address verification
    - Date of Birth verification
- In case subscriber wants to have a different correspondence address, he/she is required to furnish any one of the address proof document mentioned below, along with the passport –
- Voter ID card/Ration Card/ Driving License
  - Registered Lease or Sale Agreement of residence/Electricity/Water bill/Telephone bill (should not be more than three (3) months old on the date of application)
  - Certificate of address signed by a Member of Parliament or Member of Legislative Assembly or Municipal Councilor or a Gazetted Officer.
- ✚ Overseas Address Proof – in case if the subscriber is registering in the scheme from an overseas location then he must submit an overseas address proof along with the registration form. The proof of document can be a letter from employer/ labor card issued overseas.

### Is it essential / mandatory for a subscriber to have a bank account?

Savings in the MGPSY account cannot be collected in cash. Subscriber needs to give instructions to the concerned bank. Based on this instruction, remitting bank will automatically take out fixed amount and send it to the institutions managing subscriber's old age pension and R&R savings. Subscriber needs to ensure prescribed threshold (as mentioned in the ECS/SI) is maintained in his Bank Account. During the time of exit, withdrawal amount would also be remitted in this particular bank account.

### **What type of Bank account is needed in scheme?**

Applicant needs to have a saving / NRE/NRO account for making contribution in the scheme. However contribution from overseas can be done only through NRE/NRO account.

### **How to contribute in the MGPSY?**

Contribution towards NPS Lite and R&R will take place through direct debit from subscribers' bank account by means of SI/ECS instructions. For facilitating transfer of money from subscriber's account to the scheme account the subscriber has to fill the SI/ECS instructions and submit it to the MOIA appointed Service Provider at the time of enrolment.

### **When can a subscriber withdraw the amount?**

Overseas Indian workers will be able to withdraw their accumulated R&R savings in Lump sum/Partial upon their return to India. The savings of subscribers in NPS Lite will remain invested in a PFRDA regulated pension fund and can be remitted as per PFRDA rules.

### **Whether subscriber is penalized under any circumstances?**

There is no penalty levied by MOIA on subscriber. However, as per banking rule, bank(s) may charge penalty in case where SI/ECS gets dishonored due to insufficient fund. Subscriber should keep the required balance to avoid any such situation.

## **4. MGPSY Service Provider(s)**

### **Who is MGPSY Service Provider?**

Service Providers are the first point of interaction between the subscriber and perform the functions relating to registration, undertaking Know Your Customer (KYC) verification, receiving contributions and SI/ECS from subscribers and transmission of the same to the scheme partners. In short, the Service Providers appointed by MOIA would act as intermediary between PFRDA, UTI, LIC and subscribers. Service Provider in the scheme performs the following role:

- ✚ Addressing all scheme related queries and provide scheme information
- ✚ Receives filled in application along with the KYC and initial contribution from the subscriber and issues the MGPSY number to subscriber
- ✚ Responsible for collection and transfer of individual subscriber contributions to UTI AMC and designated pension funds (as prescribed under NPS Lite)
- ✚ Responsible for attending to subscribers request for change in account details, withdrawal requests, grievances etc.
- ✚ Working closely with all scheme partners and Nodal Agency (MOIA) for efficient and timely withdrawal, claims processing and payouts
- ✚ Delivering periodic information and consolidated account statements to individual subscribers
- ✚ Responsible for registering subscriber's grievances

## 5. Subscriber's Investment Diary

### Where my contribution would be invested?

85 to 100% investments will be under Government Securities and debts and upto 0 to 15 % in Equity and Equity related instruments

### Illustrated Returns from MGPSY

• Female Overseas Indian Worker with a total investment value of Rs 5000 invests Rs 1000 in her NPS Lite Account and Rs 4000 towards her R and R savings account in the FY 2012-13

• MOIA recognizes her participation in the scheme and considering her eligibility co-contributes Rs 2000 in her NPS Lite Pension Account and Rs 900 in her Rand R savings Account at the end of the Financial Year

**Total Corpus** Invested in the SCHEME account of this subscriber = **Rs 7900**

• **Co contribution matrix:** Co – contribution details and eligibility conditions have already been explained earlier in this document. To have a better understanding, subscriber may refer to the co – contribution matrix details and the examples mentioned below.

Subscriber Contribution per annum	MOIA Co Contribution per annum for a <b>Male Worker</b>	MOIA Co Contribution per annum for a <b>Female Worker</b>
Total contribution : Rs. 5000 • Contribution towards NPS : Rs. 1000 • Contribution towards R & R savings : Rs. 4000	Total Co Contribution = Rs. 2000 Co-Contribution towards NPS Lite: Rs. 1000 • Co-Contribution towards R and R savings : Rs. 900 • Co-Contribution towards LIC Premium: Rs. 100	Total Co Contribution = Rs. 3000 • Co-Contribution towards NPS Lite: Rs. 2000 • Co-Contribution towards R and R savings : Rs. 900 • Co-Contribution towards LIC Premium: Rs. 100
Total Contribution : Rs. 1000 • Contribution towards NPS : Rs. 1000 • No Contribution under R & R savings.	Total Co Contribution = Rs. 1000 • Co-Contribution towards NPS Lite: Rs. 1000.	Total Co Contribution = Rs. 2000 • Co-Contribution towards NPS Lite: Rs. 2000.
Total Contribution : Rs. 4000 • No Contribution towards NPS • Contribution under R & R savings – Rs. 4000	Total Co Contribution = Rs. 1000 • Co-Contribution towards NPS Lite: Rs. 0 • Co-Contribution under R & R savings : Rs. 900 • Co-Contribution towards LIC Premium: Rs. 100	Total Co Contribution = Rs. 1000 • Co-Contribution towards NPS Lite: Rs. 0 • Co-Contribution under R & R savings : Rs. 900 • Co-Contribution towards LIC Premium: Rs. 100

• MOIA will also contribute Rs 100 per annum as premium towards the Life Insurance coverage for each male / female eligible subscriber



## 6. Subscriber Grievance Redressal

Subscribers can lodge grievances through the following channels

- ✚ Physically submitting the grievance to the Service Provider
- ✚ By writing an e mail to the Grievance cell MOIA on [griev.mgpsy@moia.nic.in](mailto:griev.mgpsy@moia.nic.in)
- ✚ By sending a letter of grievance to the Director (EP) Grievance cell- MGPSY, Ministry of Overseas Indian Affairs, Government of India, 9th Floor Akbar Bhavan, Chanakyapuri, New Delhi-110021
- ✚ Call the toll free Help Line number 1800-113-090.

## 7. Charge structure

### Pension Account NPS Lite

Intermediary	Charge Head	Service charges
<b>Service Provider</b>	Customer Service	No Charge
<b>CRA</b>	PRA Opening charges	Rs. 35 (one-time payment)
	Annual PRA Maintenance cost per account	Rs. 70 per annum
	Charge per transaction	Rs. 5 (first 12 transaction P.A. free)
<b>Trustee Bank</b>	Per transaction emanating from a non-RBI location	Rs. 15
<b>Custodian</b>	Asset Servicing charges	0.0075% p.a for Electronic segment & 0.05% p.a. for Physical segment

### R&R Savings – UTI MIS Scheme

Entry Load (As % of NAV)	Nil	
Annual recurring expenses	Total recurring expenditure as % to daily average NAV	1.80%
	Total Management Fees as % to Daily Average NAV	0.9 %
Exit Load (As % of NAV)	<= 90 days	1.50%
	> 90 days & <= 180 days	1.25%
	> 180 days & <= 365 days	1.00%
	> 365 days	Nil

**Reissue of MGPSY card** – Rs 10 and 2 Dharam will be charged in India and UAE respectively by Service Providers for reissue of the MGPSY card to the subscriber in the event of loss or damage of the MGPSY card.

### **8. Integrated Form**

Applicant shall fill the forms attached here to enroll in the Scheme. Subscribers should understand the form before filling to avoid any errors.

### **9. SI and ECS Mandate Form**

Subscriber should fill the SI / ECS form mentioned below for making the remittances in the scheme. This form should be submitted to the Service Provider which would in turn facilitate to submit it to subscribers remitting bank.

# GOVERNMENT OF INDIA



प्रवासी भारतीय कार्य मंत्रालय  
Ministry of Overseas Indian Affairs  
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