Pension Sakhis to Take Retirement Security to the Doorstep of Rural India

Rural Development Department and PFRDA join hands to expand pension coverage through the women-led NRLM community network

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In a major step towards taking pension awareness and retirement security to rural households, the **Department of Rural Development (DoRD)** and the **Pension Fund Regulatory and Development Authority (PFRDA)** today signed a Memorandum of Understanding (MoU) to create and support a community-based outreach mechanism of **'Pension Sakhis'** across rural India. The MoU was signed between **Shri Amit Shukla, Joint Secretary DoRD, and Ms. Sumeet Kaur Kapoor, Executive Director, PFRDA** in the presence of **Shri Rohit Kansal, Secretary, Department of Rural Development**.

The partnership seeks to leverage the extensive community institutional network created under the **Deendayal Antyodaya Yojana–National Rural Livelihoods Mission (DAY-NRLM)**, including its **Banking Correspondent (BC) Sakhis and other trained community resource persons**, to take pension awareness, financial literacy, enrolment and post-enrolment support closer to rural households.

The initiative will seek to use the strength of the **women-led SHG institutional architecture** to address a fundamental challenge in pension coverage: reaching households that may have limited access to formal financial advice and retirement-planning services. Under the partnership, **Pension Sakhis will act as trusted community-level facilitators**, particularly reaching SHG members, rural women, Lakhpati Didis and other rural participants. They will support households with information on pension and retirement planning, facilitate enrolment, and provide assistance in understanding pension-related services.

Speaking on the occasion, **Shri Rohit Kansal, Secretary, Department of Rural Development**, said that rural households participating in the SHG movement have distinctive savings patterns, livelihood cycles and risk profiles, and that social security must therefore become an important part of the Mission's larger objective of sustainable prosperity.

He emphasised that **"social security is not only about protection against vulnerability; it is also about giving households the confidence and resilience to pursue sustained economic advancement."**

Shri Kansal stressed that pension awareness and financial literacy must be built on **honesty, transparency and trust.** He further highlighted the importance of ensuring that rural citizens receive **clear and transparent information so that they can make informed choices about their long-term financial security.**

Ms. Mamta Shankar, highlighted the growing importance of retirement planning in the context of rising life expectancy and changing demographic patterns. She expressed the hope that the partnership would substantially improve awareness and adoption of pension products, including the **National Pension System (NPS)**, among rural households that remain outside formal retirement and social-security mechanisms.

The collaboration will also strengthen monitoring of outreach and enrolment through **digital dashboards and mobile- and web-based solutions including the Department's own LoKoS system**, enabling the participating institutions to track progress and identify gaps in coverage. Community-level outreach will be supported by appropriate digital systems for monitoring and service delivery.

The MoU brings together two complementary strengths: **PFRDA's expertise in pension regulation and retirement-security systems and DAY-NRLM's unparalleled community reach through women's collectives and trained grassroots cadres.** The partnership seeks to convert this institutional reach into a sustained pension-awareness and enrolment effort across rural India. The initiative marks an important evolution in the role of the Mission's community cadres—from facilitating access to banking and livelihoods to helping rural households build **long-term financial security and resilience**.

India's rural households are increasingly participating in formal financial systems, but access to banking does not automatically translate into adequate retirement planning. For many households dependent on agriculture, informal employment and small enterprises, incomes can be irregular and vulnerable to economic shocks. Building awareness and encouraging early, informed pension participation can therefore become an important component of household financial resilience. The initiative would therefore contribute to a broader shift in the rural financial inclusion agenda—from **access to financial services towards informed participation, long-term savings and financial resilience**.

Signing of the Memorandum of Understanding between the Department of Rural Development, Ministry of Rural Development, and PFRDA on 14 September 2026.

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