

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 194
TO BE ANSWERED ON 22.07.2024**

INCREASING MINIMUM IN THE EPF PENSION

194. SHRI RAJA A:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government is receiving demands from stakeholders like trade unions, public representatives for increasing the minimum pension by the EPF;**
- (b) if so, the details of demands of the stakeholders and the response of the Government thereto;**
- (c) whether the Government would consider positively the hike in minimum pension for the EPF subscribers in view of rise in the cost of living index and hike in wages;**
- (d) if so, the details thereof and the time by which it is expected to be announced; and**
- (e) whether the Government/EPFO will revise pension calculation formula since the present one is arbitrary and biased against pensioners, if so, the details thereof?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a) to (e): Yes Sir. Various representations have been received from various stakeholders to increase the minimum pension under the Employees' Pension Scheme (EPS), 1995.

The Employees' Pension Scheme (EPS), 1995 is a 'Defined Contribution-Defined Benefit' Social Security Scheme. The corpus of the Employees' Pension Fund is made up of (i) contribution by the employer @ 8.33 per cent of wages; and (ii) contribution from Central Government through budgetary support @ 1.16 per cent of wages, up to an amount of Rs.15,000/- per month. All benefits under the scheme are paid out of such accumulations. The fund is valued annually as mandated under paragraph 32 of the EPS, 1995.

Contd..2/-

Amount of member's pension under the Scheme is determined taking into account the pensionable period of service and pensionable salary as per following formula:

Pensionable Service X Pensionable Salary

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It is evident that the amount of pension is based on a predefined formula. However, the Government, for the first time, in the year 2014, provided a minimum pension of Rs. 1000 per month to the pensioners under the EPS, 1995 by providing budgetary support, which was in addition to the budgetary support of 1.16% of wages provided annually towards EPS to Employees' Provident Fund Organisation (EPFO).

Considering the demands of Employees' Pension Scheme (EPS), 1995 pensioners, the Government constituted a High Empowered Monitoring Committee (HEMC) for complete evaluation and review of EPS 1995. The Committee considered the issue of dearness allowance under EPS, 1995 and has recommended, inter-alia, that linking the pension admissible under EPS 95 with cost of living index is not feasible in view of actuarial position of the Fund.
