

**GOVERNMENT OF INDIA
LABOUR
LOK SABHA**

UNSTARRED QUESTION NO:2174
ANSWERED ON:08.03.2000
EMPLOYEES PROVIDENT FUND
BIKASH CHOWDHURY

Will the Minister of LABOUR be pleased to state:

- (a) whether the Central Board of Trustees of Employees Provident Fund had made recommendations for improvements in the employees pension scheme, 1995;
- (b) if so, the details of the recommendations accepted by the Government; and
- (c) the reasons for not accepting the rest of the recommendation?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI MUNI LALL)

(a): Yes, Sir.

(b) and (c): The recommendations/ suggestions received from the Central Board of Trustees, Employees Provident Fund and Other sources related inter-alia to removal of discrimination between married sons and married daughters and between remarrying widows and remarrying widowers, extension of the scheme benefits to the employees drawing wages beyond Rs. 5000/- per month, provision for commutation, reduction in discounting rate for early payment of pension, provision of ensuring pension payment in default cases, application of the scheme to the serving subscribers who did not join the Family Pension Scheme, 1971, refund of family pension related withdrawal benefit in the case of exemption and coverage of piece-rated workers. These suggestions were examined and a notification carrying out necessary amendments in the Employees' Pension Scheme, 1995 was issued on 28.2.1996. Based on the recommendations of the Central Board of Trustees, Employees Provident Fund the scheme has been further amended providing, inter-alia, for payment of pension to the dependant parents, life long pension to the disabled children, enhancement of minimum children pension from Rs. 115/- to Rs. 150/- per month, minimum orphan pension from Rs. 170/- to Rs. 250/- per month and minimum widow pension to Rs. 450/- per month in respect of the beneficiaries of the ceased Family Pension Scheme, 1971. Consequent to the second annual valuation of the Pension Fund as on 31.3.98, an increase of 5.5% on pension in payment has been sanctioned to the pensioners w.e.f. 1.4.1998. However, the recommendation of the Central Board of Trustees for enhancement of interest on the pension fund kept in public account from 8.5% to 12% per annum has not been found acceptable by the Government due to financial constraints.