

There has been a Chief Ministers' Conference. Unfortunately, those papers are not laid on the Table of the House for our consumption. In that Conference, there was a controversy on this point that if there is a subsidy on the supply of foodgrains for the people below the poverty line, what would happen to the deficit States like Kerala, where only fourteen per cent of the local needs could be met from the local produce? Would such areas - there are many other areas also - be covered under the public distribution system? Otherwise, there would be a terrific rise in the market prices of foodgrains, etc. What is the approach of the Government?

SHRI DEVENDRA PRASAD YADAV : As for the P.D.S. as I said last time also, the State Governments also share the responsibility of controlling prices. We make allocations at the national level. About the concern expressed by the hon. Member about Kerala, I have to say that in the Chief Ministers' Conference on basic needs, held on July 4-5, I had cleared my position on P.D.S. The Chief Minister of Kerala had raised certain questions. Day before yesterday, he was here. I discussed the matter at length with him for about an hour. We are not distributing the subsidy being given by the Kerala Government on the basis of internal resources. But we shall positively provide goods at the specially subsidized rates to the persons living below poverty line...*(Interruptions)*

SHRI RAM KRIPAL YADAV : The hon. Minister has just now accepted in reply to a question that he proposes to revamp the P.D.S....*(Interruptions)*

[English]

MR. SPEAKER : You ask your question please.

[Translation]

SHRI RAM KRIPAL YADAV : I would like to know as to when you propose to implement your scheme to revamp the P.D.S. and how it will benefit the poor people living in the hill, tribal and backward areas of Bihar and Uttar Pradesh.

SHRI DEVENDRA PRASAD YADAV : We shall take a final decision for the restructuring of the P.D.S. at all levels in the coming month. The tribal and hill areas of Bihar will be benefited immensely under the P.D.S. because most of the people there are living below poverty line. We shall provide foodgrains to them at the special subsidized rates.

[English]

### Employees Pension Scheme

\*302. SHRI A.C. JOS : Will the Minister of LABOUR be pleased to state :

(a) the changes suggested by the Labour Unions etc. in the Employees Pension Scheme, 1995;

(b) whether these suggestions have been examined;

(c) if so, the outcome thereof;

(d) the time by which necessary amendments are proposed to be made in the above scheme; and

(e) the number of employees opted for the pension scheme so far?

THE MINISTER OF LABOUR (SHRI M. ARUNACHALAM) : (a) to (e). A statement is laid on the Table of the House.

### STATEMENT

The Government had received suggestions for making certain changes in the Employees' Pension Scheme, 1995. The suggestions inter-alia relate 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 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 have since been examined and on 28.2.1996 a notification was issued for carrying out necessary amendments in the Employees' Pension Scheme, 1995. Other suggestions like providing individual option, linking pension with the consumer's price index and giving pension as third benefit have not been found actuarially feasible for acceptance. As on 30.7.1996 pension under the new scheme has been distributed among 72,372 beneficiaries.

SHRI A.C. JOS : Sir, everybody is espousing the cause of workers of the organised sector, especially Unions like CITU, AITUC etc. Then have become bank employees organisations. I can understand it. And only bank employees and other salaried class employees benefit out of it.

But only ten per cent of the workers are in the organised sector. The remaining ninety per cent of the workers, including the construction workers, are in the unorganised sector. Will the hon. Minister consider extending the benefits of this scheme to the construction workers also?

SHRI M. ARUNACHALAM : Sir, I agree with the hon. Member that ninety per cent of the workers are in the unorganised sector. As far as the Act is concerned, the Employees Provident Fund Act, it does not distinguish between the regular, contract and casual employees. Sir, any worker who is a member of the Provident Fund automatically becomes a member of the Pension Scheme. Nearly 19.5 million workers are members of Provident Fund scheme.

The Provident Fund Scheme includes number of employees from unorganised sector including agriculturists, workers of fish processing units, stone quarry workers, building and construction workers. Even

the coir workers of Kerala are included in this scheme. When the Act was introduced in 1952, there were only about six establishments which were covered at that time. But, now nearly 177 establishments have been covered.

SHRI A.C. JOS : Now, there is Rs.8,900 crore in the corpus fund which comes to Rs.9,000 crore. This money is put in different places. They are not getting proper interest. If they get proper interest, the pension could be increased. Even from this amount it could be increased. I would like to know from the hon. Minister whether he would utilise - whether he would give instructions to properly utilise - this Rs.9,000 crore so that maximum yield is got from that money which can be in turn given to the workers.

Secondly, now the schemes envisages particular predicament that those who were not members of the Family Pension Scheme, 1971 cannot be the beneficiary of this scheme. If they want to be covered under this scheme, they have to pay a huge sum. But it is practically impossible. I would like to know from the hon. Minister whether he would give one time exemption to those people who were not members of the Family Pension Scheme, 1971 so that they can get the benefit under this scheme.

SHRI M. ARUNACHALAM : Sir, as you know, every provident fund scheme involves certain contributions and payments. The scale of benefits would depend upon the size of the corpus and the rate of return on the investments made. In the case of Employees Provident Fund, we have a good corpus and stable corpus. The pattern of investment on Provident Fund money is laid down by the Finance Ministry. The pattern is not a static one and it is improved from time to time. There are certain rules, Central and State Government securities, where the rate of return on investment is less. There are, however, other investments such as Special Deposit Scheme of Central and State public sector undertakings, the rate of return ranges between 11 to per cent. The average rate of return is 11.00 per cent. We are paying interest to the Provident Fund subscribers at the rate of 12 per cent. It will continue to be our endeavour to maximise the rate of return on investments by constantly and vigorously pursuing the matter with the Finance Minister.

Sir, I can assure you that I would take up the matter personally with the Minister of Finance.

SHRI A.C. JOS : Sir, my second question has not been answered. Can the people who have not become members of the Family Pension Scheme, 1971 be given one time exemption?

SHRI M. ARUNACHALAM : As far as subscribers who are in 1971 Scheme, the option is available. I do not know whether the money to be paid is exempted or not. I have to go back and do some homework.

MR. SPEAKER : You can examine it.

SHRIMATI GEETA MUKHERJEE : Sir, in the statement, the hon. Minister states that linking pension with the price index has not been found feasible for acceptance. Why did the Government find it impossible to link pension with the consumer price index when it can be taken into account while paying Dearness Allowance?

SHRI M. ARUNACHALAM : Sir, as I mentioned in the statement, it is not possible to link pensionary benefits with the consumer price index because the pension scheme is a contributory scheme and in such a contributory scheme, any open-ended indexation is not possible. Increase in pension from time to time would be possible only if the fund position so permits.

Sir, the scheme as initially notified had a provision for evaluation of pension fund at an interval of three years on the demand of the Central Trade Union Organisation. Now, the Government have already decided to have an evaluation of the Pension fund and review of all pensionary benefits on an annual basis. The fund position so permitting, the employees are expected to get some more increase in their pension every year.

[Translation]

DR SATYA NARAYAN JATIA : The hon. Minister stated that the pension scheme cannot be linked with the price-index. Giving pension means providing relief to the retired employees so that they may make both ends meet. If dearness is linked with the price-index, then the price-index will increase or decrease with the dearness. If pension scheme is not being linked with the price-index, then are some other relief measures being contemplated?

[English]

SHRI M. ARUNACHALAM : Sir, I have replied to it just now.

MR. SPEAKER : I want to inform the House that Pension Scheme Bill has been passed by Rajya Sabha last night. It is coming here today. So, this bill has to be passed by the Lok Sabha before the Ordinance lapses. So, either today late in the evening or definitely by tomorrow, this Bill is to be discussed. Therefore, the Members will have enough opportunity to express their views on this particular matter.

SHRI NIRMAL KANTI CHATTERJEE : It has to be passed. It is neither here nor there. We may turn it down so that the Ordinance lapses.

MR. SPEAKER : You may turn it down but you can get whatever information you want from the Minister.

SHRI NIRMAL KANTI CHATTERJEE : But it has to be passed' cannot come from the Chair.

MR. SPEAKER : All right. I stand corrected.