

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:1314
ANSWERED ON:27.10.2008
MANAGEMENT OF EPF
Acharia Shri Basudeb

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

(a) whether some Trade Unions have opposed the decision of Board of Employees' Provident Fund Organisation to appoint some fund management companies to manage the employees provident fund;and

(b) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT(SHRI OSCAR FERNANDES)

(a) & (b): Representations have been received from Trade Unions opposing selection of Asset Management Companies as Portfolio Managers of EPF Funds.

In order to have greater efficiency and lower cost of fund management and for optimization of returns on investment of PF money, Central Board of Trustees (CBT) of Employees' Provident Fund, in its 181st meeting held on 24.1.2008 gave its approval for appointment of more than one fund manager and EPFO began a detailed exercise for it. The Selection of the Portfolio Managers has been done through an objective, fair and transparent process and was duly approved by the Central Board of Trustees, EPFO in its Special Meeting held on 29.7.2008. Formal Portfolio Management Agreement has been entered into with the selected portfolio managers and they have started managing the fund, from 17.9.2008 onwards.