

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

UNSTARRED QUESTION NO:1355
ANSWERED ON:02.08.2010
REVISION OF CONTRIBUTION RATE UNDER EPS, 1995
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the rate of contributions of Employees as well as of employers to the Employees' Pension Scheme (EPS), 1995 has not been revised for the last one decade;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps taken by the Government for periodically review of said rate?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI HARISH RAWAT)

(a) to (c): The employer and employee contribute to the Provident Fund each @ 12% of wages. Out of employer share of Provident Fund, 8.33% contribution is diverted to Employees' Pension Fund.

The rate of contribution by the Employer to Employees' Pension Fund has not been raised by the Central Government for the last one decade as the total contribution as percentage of wages is at sufficient level i.e. 25.66%.

However, the Central Government has also appointed an Expert Committee on the Employees' Pension Scheme, 1995 under the Chairmanship of Additional Secretary (Labour & Employment). The issues relating to revision of rate of contribution, minimum pension, revision of pension benefits, linkage of pension with price index, etc. have been placed before the Committee for examination and consideration.