

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

UNSTARRED QUESTION NO:3590
ANSWERED ON:16.08.2010
FAMILY PENSION SCHEME
Ahir Shri Hansraj Gangaram

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

- (a) whether the Government has decided to withdraw cent per cent insurance cover provided to the beneficiary of the Family Pension Scheme after the death of pensioner;
- (b) if so, the details thereof;
- (c) whether the Government has also decided to cut 3 to 4 percent in the pension of the employees taking voluntary retirement;
- (d) if so, the details thereof alongwith the reasons for curtailment to existing rights of the employees;
- (e) whether the dialogue/discussion was held with the employees organisations/trade unions before incorporating the said changes in the pension rules; and
- (f) if so, the details thereof and if not, the reasons therefor alongwith the steps taken to protect the interest of the employees/pensioners?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI HARISH RAWAT)

- (a) & (b): The ceased Employees' Family Pension Scheme, 1971 is replaced by the Employees' Pension Scheme, 1995. All the benefits provided under the ceased Employees' Family Pension Scheme, 1971 are continued in the Employees' Pension Scheme, 1995.
- (c) & (d): The Central Government has increased reduction factor from 3% to 4% on early pension payable under the Employees' Pension Scheme, 1995, to the members, leaving employment before the age of 58 years. This has been done with a view to arrest the growing actuarial deficit reported in the 6th, 7th and 8th valuations of the Employees' Pension Fund and save the scheme to be sustainable.
- (e) & (f): The Chairman, Central Board of Trustees, Employees' Provident Fund [(CBT(EPF))] had a meeting with all the Central Trade Unions in 2006 wherein elaborate discussions took place to control the increasing actuarial deficit in the Employees' Pension Fund.