

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

STARRED QUESTION NO:217
ANSWERED ON:09.08.2010
INTEREST RATE FOR PENSIONERS
Karunakaran Shri P.

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

- (a) the criteria to determine the interest rate for the Provident Fund pensioners every year;
- (b) the present interest rate fixed by this Central Board of Trustees of the Employees Provident Fund;
- (c) whether there is any demand to increase the said interest rate; and
- (d) if so, the details thereof alongwith the steps taken by the Government in this regard?

Answer

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

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.217 FOR 09-08-2010 RAISED BY SHRI P. KARUNAKARAN REGARDING INTEREST RATE FOR PENSIONERS.

(a): Declaration of the rate of interest is made under the provisions of Para 60(1) of the Employees' Provident Fund Scheme, 1952, which contains that the Employees' Provident Fund Organisation (EPFO) is required to credit interest on the balance available in the accounts of the Employees' Provident Fund (EPF) members at such rate as may be determined by the Central Government in consultation with the Central Board of Trustees, Employees' Provident Fund [CBT (EPF)].

(b): The present rate of interest on EPF is 8.50% for the year 2009-10.

(c) & (d): Yes, Madam. The trade unions have demanded to enhance the rate of interest to 9.5% at the time of declaration of rate of interest.

However, the interest rate to members of EPF is declared every year, based on the return on investments of EPF funds.