

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

UNSTARRED QUESTION NO:1111

ANSWERED ON:15.11.2010

EPF PENSION SCHEME

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

- (a) whether the workers of the organised sector under Employees Provident Fund (EPF) Pension Scheme have been demanding increase in the superannuation pension in view of the increase in the rate of interest on EPF scheme;
- (b) if so, when the increase in pension was last effected;
- (c) whether the Government has considered the demand for increased pension;
- (d) if so, the details thereof;
- (e) whether the Ministry has proposed to invest EPF Funds in the stock market;
- (f) whether the Government envisages to enhance the rate of interest of EPF in view of the spiraling prices of essential commodities;
- (g) if so, the number of employees likely to be benefited as a result thereof; and
- (h) the total number of EPF accounts lying in operative and decision regarding continuance of those inoperative account?

**Answer**

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

(a) to (d): The workers of the organized sector under the Employees' Pension Scheme, 1995 have been demanding to increase in superannuation pension. Paragraph 32 of the Employees' Pension Scheme, 1995 provides for annual valuation of the pension Fund by valuer appointed by the Central Government. As the first four valuations showed a surplus upto the year 2000, the last relief was declared by the Central Government at 4 percent with effect from 31.03.2000. After 01.04.2000 no relief could be declared as actuarial deficit has been reported by the valuer in all subsequent valuations. The Central Government appointed an Expert Committee under the Chairmanship of Additional Secretary (Labour & Employment) to look into the Employees' Pension Scheme, 1995 in June, 2009. The issues relating to revision of rate of contribution, minimum pension, revision of pension benefits, linkage of pension with price index, etc., were placed before the Committee for examination and consideration. The Expert Committee on pension has submitted its report to the Ministry of Labour & Employment on 05.08.2010. The recommendations of the Expert Committee are under examination of the Central Government for taking further steps.

(e) All monies belonging to Employees' Provident Fund are invested in accordance with pattern of investment notified by Government of India in 2003 under para 52 of the Employees' Provident Fund Scheme, 1952 which are risk free.

(f) The EPF rate is determined in accordance with Para 60(11) read with Para 60(4) of the EPF Scheme, 1952.

As per the provisions contained in Paragraph 60 (1), EPFO is required to credit interest on the balance available in the accounts of the EPF members at such rate as may be determined by the Central Govt. in consultation with the Central Board of Trustees. Para 60(4) says that, 'in determining the rate of interest, the Central Govt. shall satisfy itself that there is no overdrawal on the Interest Suspense Account as a result of debit thereto of the interest credited to the accounts of members'.

(g) Not applicable.

(h) As per sample data collected from 22 filed offices of the Employees' Provident Fund Organisation (EPFO), an extrapolation has been made which projects the number of inoperative accounts to be 3,04,98,595.

The inoperative accounts will continue to remain included in the accounts of EPFO till they are settled.