

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

UNSTARRED QUESTION NO:2914

ANSWERED ON:14.03.2011

INOPERATIVE EPF ACCOUNTS

Das Gupta Shri Gurudas;Lingam Shri P.;Reddy Shri Magunta Srinivasulu;Yadav Shri Ranjan Prasad

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

- (a) whether the Finance Ministry has made a suggestion to the Government saying that the employees should not be permitted to withdraw from the Employees Provident Fund accounts to meet the expenses such as medical, education, marriages, etc.;
- (b) if so, the details thereof and the reaction of the Government thereto;
- (c) whether the Government is putting lock-in period for EPF withdrawals;
- (d) if so, the details thereof;
- (e) whether the Government has decided to stop the interest payment on inoperative EPF accounts;and
- (f) if so, the details thereof and the total number of inoperative accounts and the total amount lying in these accounts?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a): Yes, Madam.

(b): The Finance Ministry while recommending adoption of investment pattern notified by them on 14.08.2008 for Employees' Provident Fund and "Exempt Funds" suggested that liberal advances and withdrawals from Employees' Provident Fund (EPF) should be shunned to achieve old age income security for employees because by not adhering to "one instrument one policy objective" most employees retire with as little as less than Rs. 35,000/- in their accounts. Ministry of Labour and Employment has replied to the Ministry of Finance mentioning the need for continuation of the provision for partial withdrawal from provident fund account of the subscribers.

(c): No, Madam.

(d): Does not arise.

(e) & (f): Yes, Madam. With effect from 01.04.2011 interest will not be paid on Inoperative Accounts as per Notification dated 15.01.2011 issued by the Ministry of Labour & Employment, Government of India.

Data containing number of Inoperative Accounts is not maintained separately. However, total number of Inoperative Accounts has been estimated to be around three crore.

As per the Consolidated Annual Accounts of the Employees' Provident Fund Organisation for the year 2009-10, an amount of Rs. 8,318.69 crore is lying in Inoperative Accounts.