

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

UNSTARRED QUESTION NO:4336

ANSWERED ON:29.08.2011

EPF ACCOUNTS

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

- (a) whether the Employees Provident Fund Organisation (EPFO) has updated all the Provident Fund (PF) accounts before declaring the higher rate of interest;
- (b) whether the Government has propose to invest EPF in the Equity/sharemarket;
- (c) if so, whether the Government proposes to allow the EPFO to invest in the Government securities only; and
- (d) if so, the rate of return of the invested fund?

Answer

MINISTER OF LABOUR AND EMPLOYMENT(SHRI MALLIKARJUN KHARGE)

(a): Updations of annual accounts are done after receiving contribution and statutory returns from the employers and it is a continuous process. At times delay/pendency in updation of accounts slows down because of the following reasons:

1. Non-deposit of contribution by the employers in time;
2. Short-remittance of contribution by the employers;
3. Delay as well as non-submission of statutory returns in prescribed formats; and
4. Delay in declaration of rate of interest by the appropriate Government.

A special drive has been undertaken for updating the members' accounts for the period upto the year 2008-09, 2009-10 and 2010-11. Due to constant monitoring at Zonal level and Head Office level, sizeable quantum of members' accounts could be updated which includes the updation for the year 2010-11 for which rate of interest i.e. 9.5 percent was declared.

(b): No, Madam,

(c): The funds of the Employees' Provident Fund Organization are at present being invested as per the Pattern of Investment notified by the Ministry of Labour and Employment.

(d): Rate of return of the invested fund during the past three years is higher than the benchmark rate of earning determined by CRISIL rating agency which is 8.52%.