

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

UNSTARRED QUESTION NO:2779
ANSWERED ON:12.12.2011
INTEREST RATE ON PPF
Bhujbal Shri Sameer

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

- (a) the reasons for continuing with a higher rate of interest by the Government on the Public Provident Fund under EPFO;
- (b) the actual details of expenditure incurred by the Government on this count;
- (c) whether the Government plans to decrease the rate of interest in the near future; and
- (d) if so, the details thereof?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

- (a): The Provident Fund handled by the Employees' Provident Fund Organisation is known as Employees' Provident Fund (EPF). Rate of interest on Employees' Provident Fund for every year is recommended by the Central Board of Trustees, Employees' Provident Fund on the basis of estimated interest income available and estimated liability on interest payment of the particular year. Assessment on above lines is made every year by the Central Board of Trustees, Employees' Provident Fund before recommending rate of interest to the Government of India.
- (b): Actual details of expenditure for the year 2011-12 would be arrived only after updation of all the annual accounts of 2010-11.
- (c) & (d): Rate of interest for the year 2011-12 is to be recommended by the Central Board of Trustees, Employees' Provident Fund based on both estimated interest income and estimated liability on interest payment to the Provident Fund members.