

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

UNSTARRED QUESTION NO:4882
ANSWERED ON:07.05.2012
INTEREST RATE ON EPF
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Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) the interest rate paid to all Provident Fund (PF) account holders during the last three years and the current year, year-wise;
- (b) whether the interest rate on PF accounts has been slashed by 1.25 per cent for the financial year 2011-12;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government has not yet completed computation of interest on the PF accounts of crores of subscribers; and
- (e) if so, the steps initiated by the Government in this regard?

Answer

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

(a): The interest rate paid on Employees Provident Fund (EPF) accounts during the last three years and the current year are as under:

Year	Interest Rate
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2008-09	8.50%
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2009-10	8.50%
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2010-11	9.50%
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2011-12	8.25%
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(b) & (c): The Central Government has approved 8.25% rate of interest on EPF for the year 2011-12 against 9.5% for the year 2010-11.

As per para 60(1) of the Employees' Provident Funds Scheme, 1952, rate of interest on EPF in a particular year is determined by the Central Government in consultation with the Central Board of Trustees, Employees Provident Fund depending on the earnings of the fund during that year. Central Government declared 8.25% rate of interest on EPF accumulation for the year 2011-12 based on the earnings of the Fund during the year.

(d) & (e): Computation of interest for credit into the member's accounts for the year 2011-12 became due only after 31.3.2012. The process of crediting interest into member's accounts has already started.