

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

UNSTARRED QUESTION NO:4937

ANSWERED ON:07.05.2012

EPF PENSION SCHEME

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

(a)whether the Government has received the expert committee report set up for reviewing the Employees` Provident Fund (EPF) Pension Scheme;

(b)if so, the details thereof and the reaction of the Government thereto; and

(c)the action plan initiated by the Government to improve the structure of the Pension scheme specially for the welfare of the unorganised sector?

Answer

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

(a) & (b): The Central Government had constituted an Expert Committee for reviewing the Employees' Pension Scheme (EPS), 1995. The Expert Committee submitted its report to the Central Government on 5th August, 2010 and the recommendations of the Committee were placed before the Central Board of Trustees, Employees' Provident Fund [CBT (EPF)] for consideration on 15th September, 2010. The CBT (EPF) directed that the report be first considered by the Pension Implementation Committee (PIC). The report of the Pension Implementation Committee (PIC) was forwarded to the CBT (EPF) on 23rd August, 2011. The recommendations of the PIC was deliberated by the CBT (EPF) in its 197th and 198th Meetings held on 23rd December, 2011 and 22nd February, 2012, respectively. However, the deliberations have remained inconclusive and the Board has decided to defer the discussion.

(c): The New Pension Scheme (NPS) for all citizens, including the unorganized sector, on voluntary basis has been launched with effect from 1st May, 2009 with 40% annuitisation of corpus fund through Insurance Regulatory and Development Authority (IRDA) regulated Insurance Company. The corpus fund will be invested by Six Pension Fund Managers of the subscribers' choice. The investment guidelines for NPS for all citizens provide adequate flexibility in terms of a wide variety of financial instruments as well as freedom to actively manage the portfolio in accordance with the risk-return trade-off.