

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

UNSTARRED QUESTION NO:4964
ANSWERED ON:07.05.2012
AMOUNT DEPOSITED IN EPF ACCOUNT
Meghwal Shri Arjun Ram

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

- (a) whether the Government contributes the amount equivalent to the deduction made by the employer for depositing in Employees' Provident Fund (EPF) Organisation under the EPF Pension Scheme, 1995;
- (b) if so, the State-wise total number of unorganised employees in whose accounts such funds have been deposited;
- (c) whether the amount out of the total deposited amount made in the EPF accounts is being deposited in family pension account;
- (d) if so, the details of the average monthly pension being drawn by the employee of the unorganised sector under the scheme;
- (e) whether the Government proposes to increase the pension in view of the prevalent high inflation rate;
- (f) if so, the details thereof; and
- g) if not, the reasons therefor?

Answer

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

- (a): Under the Employees' Provident Funds & Miscellaneous Provisions (EPF&MP) Act, 1952, out of the contribution of 12 percent of the pay of the members of the Employees' Pension Scheme (EPS), 1995 payable by the employer, 8.33 percent is remitted to the Employees' Pension Fund while the Central Government contributes 1.16 percent of the pay (limited to Rs.6500/-).
- (b): The EPF&MP Act, 1952 does not make any distinction between organized and unorganized sector employees. State-wise membership under EPS, 1995 is annexed.
- (c): The contribution of employers as well as that of Central Government is deposited in the Employees' Pension Fund.
- (d): As already mentioned, the EPF&MP Act, 1952 does not make any distinction between organized and unorganized employees. There are around 36 lakh pensioners and the amount of pension disbursed in 2010-11 was Rs.3,839.47 crore. Accordingly, the average pension works out to be Rs.888/- per month (approximately). However, the actual average may be slightly less as the above amount includes arrears paid during the year.
- (e) & (f): The Central Government had constituted an Expert Committee for reviewing the Employees' Pension Scheme (EPS), 1995. The recommendations of the Expert 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 PIC has since finalized its report and recommended that a minimum monthly pension under EPS, 1995 be increased to Rs.1000/- per month as an interim measure by enhancing the rate of contribution in the EPS, 1995 by 0.63%. 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.
- (g): Does not arise in view of reply to part (e) & (f) of the Question.