

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4663
ANSWERED ON:04.05.2012
LINKING OF GPF INTEREST RATES WITH EPFO QUESTION
Pal Shri Jagdambika

Will the Minister of FINANCE be pleased to state:

- (a) Whether there is a difference in the interest rates for the Provident Fund accounts governed by the Employees Provident Fund Organisation (EPFO) and the General Provident Fund (GPF) accounts of the Government employees;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has taken a view to link interest rates on GPF with those recommended by the EPFO; and
- (d) if so, the details thereof and if not, the reasons there for?

Answer

MINISTER OF STATE IN FOR FINANCE (SHRI NAMO NARAIN MEENA)

- (a) Yes, Madam.
- (b) The rates of interest on General Provident Fund (GPF) is 8% for the period from 1.04.2011 to 30.11.2011 and 8.6% from 1.12.2011 to 31.03.2012, whereas the rate of interest on EPF for the financial year 2011-12 is 8.25%. Rate of interest on EPF is fixed on the recommendation of the Central Board of Trustees (CBT) by the Employees Provident Fund Organisation (EPFO), Ministry of Labour and Employment based on the income earned on the accumulated fund during the financial year. However, rate of interest on GPF is generally fixed after taking into consideration the average secondary market yields on government securities of similar maturity.
- (c) No, Madam.
- (d) Same as at (b) above.