

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

UNSTARRED QUESTION NO:546
ANSWERED ON:23.11.2009
INCREASE IN INTEREST RATE ON EPF
Ahir Shri Hansraj Gangaram

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

- (a) whether the Government proposes to increase the interest rate on contribution made to Employees Provident Fund (EPF) in view of the steep rise in the prices of essential commodities in the country;
- (b) if so, the details thereof;
- (c) whether the various Central Trade Unions have demanded for increasing the EPF interest rate in proportion to the income for EPF; and
- (d) if so, the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI HARISH RAWAT)

- (a) & (b): There is no such proposal under consideration at present.
- (c): Yes, Madam. The trade unions had demanded to enhance the rate of interest to 9.5% at the time of declaration of rate of interest.
- (d): The rate of interest is determined as per the provisions contained in the Employees' Provident Fund Scheme, 1952 where the interest declaration is to be based on the actual income earned on investments. Since the income earned did not justify the declaration of interest as demanded by the Trade Unions, their demand for enhanced rate of interest could not be acceded to by the Government.