

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

STARRED QUESTION NO:198

ANSWERED ON:11.03.2013

INOPERATIVE EPF ACCOUNTS

Joshi Dr. Murli Manohar;Singh Shri Rajiv Ranjan (Lalan)

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

- (a) whether there is a large amount of money of the employees lying in inoperative accounts in the Employees Provident Fund;
- (b) if so, the facts in this regard;
- (c) whether the amount in this Fund is not being claimed and if so, the facts and reasons therefor;
- (d) whether the Government has formulated any proposal to utilise this unused amount; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI MALLIKARJUN KHARGE)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO 198 FOR 11.03.2013 REGARDING 'INOPERATIVE EPF ACCOUNTS' BY SHRI RAJIV RANJAN SINGH ALIAS LALAN SINGH AND DR. MURLI MANOHAR JOSHI.

(a) & (b): An amount of Rs. 22,636.57 Crore (as on 31.03.2012) is lying with the Employees' Provident Fund Organisation, which is classified as 'Inoperative Accounts'.

(c): The amount lying in inoperative accounts have definite claimants. Members whose amount is lying in the inoperative accounts can claim their dues at any point of time by filing claim for settlement.

Members do not withdraw their amount from the fund due to the following reasons:

- i) The interest earned on the deposits with EPFO is exempt from Income Tax.
 - ii) Such deposits are safe investments and cannot be attached even by decree of any Court.
 - iii) In case of frequent change in employment, the members sometimes do not apply for transfer of their provident fund balance from their previous account to the new account opened under the new employer.
- (d) & (e): There is a definite claimant to each account. Therefore, the amount available in inoperative accounts can not be used for any other purpose.