

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

UNSTARRED QUESTION NO:1900
ANSWERED ON:19.08.2013
RECOMMENDATIONS ON EPS
Devappa Anna Shri Shetti Raju Alias

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

- (a) the details of the recommendations of the expert committee constituted to examine the various issues pertaining to Employees' Pension Scheme (EPS), 1995;
- (b) whether the Government has accepted all the recommendations of the committee;
- (c) if so, the details thereof and if not, the reasons for delay; and
- (d) the time by which a final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI KODIKUNNIL SURESH)

(a): An Expert Committee constituted by the Government to review the Employees' Pension Scheme (EPS), 1995, has, inter alia recommended either of the two options below:

(i) Introduction of Provident Fund-cum-Pension Annuity Scheme wherein pension is linked to accumulations of members in the Fund or

(ii) Modifications in the existing EPS, 95 such as:

increase in wage ceiling from Rs. 6500/- to Rs. 10,000/-;

provision of annual relief of 3%;

a minimum pension of Rs. 1000/- to all categories of pensioners; and

Following modifications in EPS, 1995 to offset the cost of above benefits as much as possible:

Pensionable Salary to be calculated as an average of last 3 years of service.

Withdrawal option to be deleted.

Bonus of 2 years to be disallowed

The age of superannuation to be raised to 60 years; and

The age for early pension to be raised to 55 years

Nominee pension to be disallowed.

(b) to (d): The report of the Expert Committee was forwarded by the Government for consideration of Central Board of Trustees (CBT), Employees' Provident Fund (EPF). The CBT, EPF considered this report in its 190th meeting held on 15.09.2010 and decided that the report be first considered by Pension Implementation Committee (PIC), a sub-Committee of Central Board of Trustees (CBT), Employees' Provident Fund (EPF). The recommendation of the Expert Committee was considered by PIC, which inter-alia recommended that a minimum monthly pension under Employees' Pension Scheme, 1995 be increased to Rs. 1000/- per month as an interim measure. The recommendation of the PIC was considered by CBT, EPF. However, the discussion remained inconclusive. A proposal for providing minimum pension of Rs. 1000/- under EPS, 1995 is under consideration of the Government.