

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

UNSTARRED QUESTION NO:589  
ANSWERED ON:09.12.2013  
INVESTMENT IN EPF  
Sudhakaran Shri K.

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

- (a) whether large corpus of Employee Provident Fund Organisation (EPFO) is presently invested in Government securities and sovereign-guaranteed PSU securities to ensure a steady no risk return;
- (b) if so, the details thereof;
- (c) whether out of this corpus only a `Defined pension` is paid out leaving our annual accretion of around Rs. 1.5 lakh crores which forms a pooled fund;
- (d) whether the Government would also venture to start a pilot project with a nominal investment from the pooled funds, foraying the capital market and consider future expansion on the outcome of the pilot project; and
- (e) if so, the details thereof and if not, the reasons therefor?

**Answer**

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

(a) & (b): Yes, Madam. Corpus to the tune of Rs.4,73,145.59 Crores on face value as on 31.03.2013 of Employees' Provident Fund Organisation (EPFO) comprising Employees Provident Fund (EPF), Employees' Pension Scheme (EPS) and Employees Deposit Linked Insurance (EDLI) Schemes has been invested in Government Securities and sovereign-guaranteed PSU securities to ensure a steady no risk return as per details given hereunder:-

(Rs. in Crores )

1 Central Govt. Securities	1,16,302.61
2 State Govt./Govt. Guaranteed Securities	82,222.33
3 Special Deposit Scheme	54,133.11
4 Public Sector Financial Institutions (Including Pvt. Sector Bonds)	1,50,513.51
5. Public Account	69,974.03
Total	4,73,145.59

(c): The Employees' Pension Fund is a pooled fund which has the following two sources of funding:

i) diversion of 8.33% of the wages, dearness allowance and retaining allowance of each member of the pension fund from and out of the Employer's contribution of 12% (of wages, dearness allowance and retaining allowance, if any) as provided in Section 6 of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952;

ii) The Central Government also contributes into the fund @ 1.16% of the pay (upto wage ceiling of Rs. 6500/-) of the members of the Employees' Pension Scheme, 1995.

Pension and withdrawal benefits are paid to members/ pensioners of Employees' Pension Scheme, 1995 as per provisions of Para 12 of Employees' Pension Scheme, 1995 and all such benefits are paid from and out of the pooled Employees' Pension Fund.

(d) & (e): Investment of the fund is done as per the Pattern of Investment notified by Ministry of Labour & Employment from time to time. As per existing Pattern of Investment, investment in capital market is allowed but only in debt segment and no investment is allowed to be made in equity.