

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

STARRED QUESTION NO:416
ANSWERED ON:21.02.2014
PENSION IN PRIVATE SECTOR
Bali Ram Dr. ;Singh Shri Rakesh

Will the Minister of FINANCE be pleased to state:

- (a) whether any ceiling has been fixed with regard to the minimum pension to persons working in private sector and if so, the details thereof;
- (b) whether the Government proposes to increase the said ceiling and also to review the existing pension scheme for such private sector and if so, the details thereof and if not, the reasons therefor;
- (c) whether Dearness Allowance is applicable to such pensioners;
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) whether the Government also proposes to relax the norms to enable employees of the Central Public Sector Companies to join the New Pension Scheme and if so, the details thereof and the reasons therefor?

Answer

MINISTER OF FINANCE (SHRI P. CHIDAMBARAM)

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

STATEMENT AS REFERRED TO IN REPLY TO PARTS (A) TO (E) OF LOK SABHA STARRED QUESTION NO. 416 TO BE ANSWERED ON 21ST FEBRUARY, 2014 REGARDING PENSION IN PRIVATE SECTOR BY SHRI BALIRAM JADHAV AND SHRI RAKESH SINGH

(a): Under the provisions of the Employees' Pension Scheme (EPS), 1995, the following minimum pension is paid to following categories of members/pensioners:

(I) Member Pension

i) New members who joined the EPS, 95 on or after 16.11.95 no minimum pension is prescribed.

ii) Members having part of service prior to 16.11.95 (under erstwhile Employees' Family Pension Scheme, 1971) and where total service is not less than 24 years are eligible for the following minimum pension depending on the date of commencement of pension.

After 16/11/2005 : Rs.800/-p.m.
Between 16/11/2000 and 16/11/2005 : Rs 600/- p.m.
Before 16/11/2000 : Rs. 500/- p.m.

However, where service is less than 24 years, the calculated pension is further reduced proportionately and is subject to following minimum pensions:

After 16/11/2005 : Rs. 450/ p.m.
Between 16/11/2000 and 16/11/2005 : Rs 325/- p.m.
Before 16/11/2000 : Rs. 265/- p.m.

iii) Disabled Member Pension is equivalent to member pension with a minimum of Rs. 250/- p.m.

(II) Widow/Widower/Nominee/Dependent Parents are entitled to maximum of member pension or amount mentioned in Table 'C' of Employees' Pension Scheme, 1995 subject to a minimum of Rs. 450/- p.m.

(III) Children/Disabled Children Pension is 25% of widow pension for two children with minimum of Rs. 150/- p.m.

(IV) Orphan/Disabled Orphan Pension is 75% of widow pension for two orphans with minimum of Rs. 250/- p.m.

(b): A proposal of Ministry of Labour & Employment for enhancing the minimum pension to the pensioners under Employees' Pension Scheme (EPS), 1995 to Rs.1000 per month is under consideration.

(c) & (d): No Dearness Allowance is applicable to such Pensioners.

(e): As per Department of Public Enterprises' O.M. dated 26.11.2008, pension & medical benefits can be extended to those executives who superannuate from the Central Public Sector Enterprise (CPSE) and who have put in a minimum of 15 years of service in the CPSE prior to superannuation. Department of Public Enterprises have stated that a proposal to grant flexibility to Central Public Sector Enterprises to opt for any pension scheme including National Pension System (NPS) is under consideration.