

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

UNSTARRED QUESTION NO:3136

ANSWERED ON:16.03.2015

FUNCTIONING OF EPFO

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

- (a) the total number of members of Employees' Provident Fund Organisation (EPFO) and pensioners under Employees Pension Scheme in the country, as on date;
- (b) whether the interest rate on contribution of such members and pensioners is hovering around 8 per cent during the last three years and if so, the details thereof and the reasons therefor;
- (c) whether the EPFO has recently decided to adopt a new investment pattern in order to gain better returns and if so, the details thereof along with the mechanism through which the subscribers/ pensioners are likely to be protected from the risk of open market;
- (d) whether the cases of irregularities/corruption in the functioning of EPFO have come to the notice of the Government during each of the last three years and the current year and if so, the details thereof, State/UT-wise and the reasons therefor along with the action taken/ being taken by the Government against the erring officials in such cases; and
- (e) the other steps taken by the Government to improve the functioning of the EPFO?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT (SHRI BANDARU DATTATREYA)

(a): As per Annual Administrative Report of Employees' Provident Fund Organisation (EPFO) for the year 2013-14:

(i) Total number of members of Employees' Provident Fund Organisation (EPFO) is 11.78 crore.

(ii) Total No. of pensioners under Employees' Pension Scheme, 1995 is 46.91 lac.

(b): Rate of Interest on deposit in Employees' Provident Fund depends upon the earnings on the investment of the EPF corpus. Details of the rate of interest declared for the last three years are as under:

Year	Interest rate
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2012-13	8.50%
2013-14	8.75%
2014-15	8.75%

In respect of pensioners under Employees' Pension Scheme, 1995, there is no provision of declaration of interest rate.

(c): Ministry of Labour & Employment, Government of India has notified a new Investment Pattern vide Gazette Notification No.3450 (E) dated 21st November, 2013 for investments of EPFO corpus without investment in equity.

(d): The State/UT-wise details of cases of corruption/irregularities during the last three years, including this year (upto February, 2015) are given at Annex.

The reason for initiation of cases are as follows:

- i. Demand /acceptance of bribe in the CBI/ACB trap cases.
- ii. Complaints received from CVC and other sources.

Action taken/being taken against erring officials is as under:

- i. Grant of prosecution sanction in criminal cases.
- ii. Initiation of disciplinary proceedings for major/minor penalties for violation of EPF Staff (CCA) Rules, 1971.

(e): The following steps have been taken by the Government to improve the functioning of EPFO:

- i. EPFO has developed a Software for HR-personal Information System to collect the comprehensive data bank for Human Resource Management.
- ii. Online Staff Grievance Handling System (SGHS) has also been operated in EPFO for settlement of grievances of staff as well as pensioners.