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Title : Alleged irregularities in EPF Pension Scheme.

SHRI K. SUDHAKARAN (KANNUR): Mr. Chairman, Sir, I would like to draw the attention of this august House and the Government to the exploitation taking place on the hard earned money of the employees of the organized sector under the shield of Provident Fund Pension Scheme.

The Employees Provident Fund Pension Scheme, 1995 covers nearly four crores of beneficiaries in its ambit. It is known that their contribution towards EPF Pension alone comes to over Rs. Three lakh crore. It is surprising to know that a scheme having such a huge capital is paying only a meagre static amount to its members as Pension, which does not even come to par with the returns that could be earned from any other investment.

An employee who retired after 15 years of service, after contributing Rs. 541 per month towards EPF Pension Scheme, last month drew a meagre amount of Rs. 1,393 only as pension. It is shocking to learn how the EPFO, for a long time, has been exploiting the Provident Fund pensioners, keeping them under the cloud. On analyzing, it is learnt that if an amount of Rs. 541 per month is deposited under any recurring deposit scheme for 15 years, it would yield up to approximately Rs. Two lakh, inclusive of interest earned, by the end of 15 years. If this saving of Rs. Two lakh is deposited for interest at the rate of 10 per cent per annum, then the minimum return would be Rs. 1,558 per month, apart from keeping their deposits safe in their own account. But in the EPF Pension Scheme, the Pension paid is only Rs. 1,393 apart from the ownership of deposit fund being with the Government.

This is a gross injustice being done to the common man, who largely belongs to economically weaker class. For worsening the damage done to these employees, two main attractive provisions beneficial to the members were withdrawn two years ago. They are Death Relief Fund and Commutation. Both these provisions, which were quite beneficial to the employees, were scrapped even without the consultation of the Trade Union leaders.

Taking into account the total EPF Pension contributions of an employee throughout his employment, it is very clear that even the meagre pension which he draws under the EPF Pension Scheme is much below than what he would have earned, had he deposited his total contributions to some other account.

My request here to the Government is to immediately set up a Commission in this regard to study this case and to ensure a satisfactory pension to these retired employees. I would also urge upon the Government to restore the two main attractive provisions, namely, Death Relief Fund and Commutation which were withdrawn, for the true welfare of the employees of the organized sector, which I understand, may not cause any financial burden on the Government.