

**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 248  
TO BE ANSWERED ON 25.02.2015**

**WITHDRAWAL RULES UNDER EPFO**

**248. SHRIMATI WANSUK SYIEM:**

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

- (a) whether the Employees' Provident Fund Organisation (EPFO) is planning to restrict premature withdrawals and hold back at least 10 per cent of the cumulative contribution till the member reaches the age of 50;**
- (b) whether this restriction is to ensure that EPF subscribers have a ready social security net in their old age; and**
- (c) if so, the details thereof?**

**ANSWER**

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

**(a): No, Sir.**

**(b) & (c): Does not arise in view of reply to part (a) of the Question above.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 238  
TO BE ANSWERED ON 25.02.2015**

**EPFO FUNDS FOR LOW COST HOUSING**

**238. SHRI PAUL MANOJ PANDIAN:**

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

- (a) whether it is a fact that Government has decided to deploy Employees' Provident Fund Organisation (EPFO) funds for low cost housing;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that Government has decided to set up an expert committee to examine deployment of EPFO fund for low cost housing; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a) & (b): No, Sir.**

**(c) & (d): No, Sir. However, the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) in its 205<sup>th</sup> meeting held on 19.12.2014 has decided to constitute a Sub-Committee to look into the issue of providing housing to members of the fund.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 1056  
TO BE ANSWERED ON 04.03.2015**

**UPDATION OF ACCOUNTS OF MEMBERS OF EPFO**

**1056. SHRI VIJAY GOEL:**

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

- (a) the number of members of Employees' Provident Fund Organisation (EPFO) as on 31 March, 2014;**
- (b) whether EPFO has updated accounts of its members;**
- (c) if so, the details thereof; and**
- (d) if not, by when the accounts are likely to be updated?**

**ANSWER**

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

**(a): Number of members of Employees' Provident Fund Organisation (EPFO) as on 31.03.2014 are 117813454.**

**(b) to (d): EPFO has updated approximately 99.52% of the total accounts as on 24.02.2015. The balance accounts are likely to be updated by 31.03.2015.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 1534  
TO BE ANSWERED ON 11.03.2015**

**EXCESS OF LIABILITIES OVER ASSETS UNDER EPS, 1995**

**1534. SHRIMATI RENUKA CHOWDHURY:**

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

- (a) whether it is a fact that the Employees' Pension Scheme, 1995 of the Employees' Provident Fund Organisation (EPFO) continues to not only suffer from a substantial excess of liabilities over assets but also the gap has continued to rise;**
- (b) if so, the year-wise details of assets and liabilities for the last three years along with the reasons therefor; and**
- (c) the corrective steps taken by Government to bridge the widening gap?**

**ANSWER**

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

**(a): As per the actuarial valuation reports for the valuation date 31.03.2012, 31.03.2013 and 31.03.2014, the deficit in the Employees' Pension Scheme Fund was Rs. 10,855.33 crore, Rs. 6,712.96 crore and Rs.7,832.74 crore.**

Further, it has been reported by the Actuary that the deficit in terms of present value is less than 4%, 2.00% and 2.50% of the total liability as on 31.03.2012, 31.03.2013 and 31.03.2014 respectively and it is not a matter of concern.

**(b): The year-wise details of assets and liabilities for the last three years, as actuarially determined, are at Annex.**

**(c): The following steps have been taken by the Government to bridge the widening gap between assets and liabilities in Employees' Pension Scheme (EPS), 1995:**

**Contd...2/-**

**(i) The membership of the Fund has been restricted to employees whose wages at the time of joining is at or below the wage ceiling of Rs. 15,000/- per month.**

**(ii) The provision available for contributing to the EPS on wages higher than the wage ceiling at the joint option of the member and employer has been withdrawn thereby restricting liability on the EPS Fund.**

**(iii) The contribution of 1.16% from the Government is also restricted only to such workers who join the scheme below the wage ceiling and only up to Rs.15,000/-.**

**(iv) Calculation of pension benefits taking into account the enhanced wage ceiling (from Rs. 6,500/- per month to Rs. 15,000/- per month) w.e.f 01.09.2014 are done only prospectively and on pro-rata basis taking into consideration the spells of service prior to enhancement of wage ceiling and thereafter thus safeguarding against any unintended leakage of benefits.**

**(v) Calculation of pensionable salary, which is a factor for benefit determination are based on an average of last five years instead of the previously applicable average of 12 months wages.**

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**Annex**

**Annex referred to in reply to part (b) of Rajya Sabha Unstarred Question No. 1534 by Shrimati Renuka Chowdhury for 11.03.2015 regarding Excess of liabilities over assets under EPS, 1995.**

<b>SUMMARY RESULTS OF VALUATION</b>			
<b>Particulars</b>	<b>31.03.2012</b>	<b>31.03.2013</b>	<b>31.03.2014</b>
Present Value of Liabilities (in crores) – [A]	3,22,602.79	3,43,044.07	3,86,222.54
Present Value of Future Contributions (in crores) – [B]	1,49,967.38	1,52,925.75	1,70,704.21
Value of Corpus /Assets (in crores) – [C]	1,61,780.08	1,83,405.36	2,07,685.60
<b>Net Liability (in crores) – [D] = A – (B + C)</b>	<b>- 10,855.33</b>	<b>- 6,712.96</b>	<b>- 7,832.74</b>

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 1532  
TO BE ANSWERED ON 11.03.2015**

**AGE LIMIT FOR PENSION UNDER EPS 95**

**1532. DR. K. P. RAMALINGAM:**

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

- (a) whether it is a fact that as per the valuer appointed by the Employees' Provident Fund Organisation (EPFO), the net liability or deficit was Rs. 10,855 crore as on March 31, 2012, Rs. 6712.96 crores as on March 31, 2013 and Rs. 7832.74 crores as on March 31, 2014;**
- (b) whether it is also a fact that raising the age limit for pension under EPS 95 would reduce the deficit in pension fund and increase the pension benefits for members;**
- (c) whether it is also a fact that increasing the age limit would reduce the shortfall in the pension fund to the extent of Rs. 27,067 crore; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a): Yes, Sir.**

**(b) to (d): The reduction in deficit of the pension fund to the extent of Rs.27,067 crore on account of increase in age limit for pension under Employees' Pension Fund, 1995 was estimated by the Actuary for the Expert Committee on Employees' Pension Scheme, 1995 which was appointed by the Government in 2009. The estimation of the reduction in deficit by the Actuary, which was done in 2010, was based on data and conditions existing as on that date.**

**If the member continues to contribute during the period of enhanced age limit, the pension amount would increase proportionately.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 1523  
TO BE ANSWERED ON 11.03.2015**

**RETURN OF UNCLAIMED FUNDS BY EPFO TO BENEFICIARIES**

**1523. SHRI ARVIND KUMAR SINGH:  
SHRI NEERAJ SHEKHAR:**

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

- (a) whether last year Government had announced to return the unclaimed Rs. 27,000/- crores of Employees' Provident Fund to its beneficiary;**
- (b) if so, the details thereof;**
- (c) the State-wise details of the number of account holders/ beneficiaries identified so far and the amount returned to them so far; and**
- (d) by when all unclaimed EPFO fund account holders are targeted to be located and fund would be returned?**

**ANSWER**

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

**(a) & (b): There is no unclaimed amount lying with Employees' Provident Fund Organisation (EPFO). However, as per para 72(6) of the Employees' Provident Fund Scheme, 1952, certain accounts are classified as 'Inoperative Accounts' in which contribution has not been received for 36 months continuously. All such Inoperative Accounts have, however, definite claimants. On the occasion of Shramyev Jayate Programme held on 16th October, 2014, it was announced that the provident fund accumulation which have become inoperative, shall be returned to the rightful persons.**

**(c): The number of inoperative accounts with Employees' Provident Fund Organisation is not maintained separately. However, state-wise details of amount disbursed out of inoperative accounts in 2013-14 are at Annex.**

**Contd...2/-**



**(d): No time-frame has been set for this purpose. However, the following steps have been taken to identify the Inoperative account holders and to return the provident fund accumulations to the rightful claimants:**

- (i) EPFO recently launched a portal namely 'Inoperative Accounts Online Help Desk' to assist the members to identify their inoperative accounts.**
- (ii) Instructions have been issued by EPFO to its field offices to reconcile the Inoperative accounts on priority and further identify the beneficiaries through employers.**
- (iii) EPFO has allotted unique, permanent numbers to its members called Universal Account Number (UAN) which will enable to identify the members without intermediation of the employers. UAN will also help in portability and consolidation of all previous accounts.**
- (iv) Awareness campaigns have been undertaken through the electronic as well as print media from time to time to educate the members.**

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**Annex referred to in reply to part (c) of Rajya Sabha Unstarred Question No. 1523 by Shri Arvind Kumar Singh and Shri Neeraj Shekhar for 11.03.2015 regarding Return of Unclaimed Funds by EPFO to beneficiaries.**

**State/UT-wise details of amount disbursed from Inoperative Accounts in the year 2013-14**

**(Amount in Rs.)**

S. No.	State/UT	2013-14
1	ANDHRA PRADESH (includes Telengana)	2,94,84,22,466.00
2	BIHAR	5,69,63,88,264.00
3	CHHATTISGARH	34,47,54,451.00
4	DELHI	3,13,96,86,002.00
5	GOA	22,69,39,587.00
6	GUJARAT (includes Daman & Diu and Dadra & Nagar Haveli)	2,01,92,48,501.00
7	HARYANA	1,87,75,30,180.00
8	HIMACHAL PRADESH	30,54,24,866.00
9	JHARKHAND	1,08,41,33,070.00
10	KARNATAKA	3,41,98,87,836.00
11	KERALA (includes Lakshadweep)	69,45,78,837.00
12	MADHYA PRADESH	1,03,37,58,771.00
13	MAHARASHTRA	4,72,20,61,711.00
14	States of Assam, Arunachal Pradesh, Tripura, Meghalaya, Nagaland, Manipur & Mizoram	0.00
15	ODISHA	1,28,44,97,152.00
16	PUNJAB (includes UT of Chandigarh)	1,47,92,29,317.00
17	RAJASTHAN	1,20,31,34,347.00
18	TAMIL NADU (includes Puducherry)	3,21,31,10,144.00
19	UTTARAKHAND	15,27,57,692.00
20	UTTAR PRADESH	2,26,52,76,870.00
21	WEST BENGAL (includes Sikkim and Andaman & Nicobar Islands)	6,05,62,59,868.00
	<b>All India Total</b>	<b>43,16,70,79,932.00</b>

**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 1519  
TO BE ANSWERED ON 11.03.2015**

**STREAMLINING REGISTRATION WITH EPFO AND ESIC**

**1519. SHRI AVINASH PANDE:**

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

- (a) the measures being taken by Government to reduce time taken for registration with the Employees' Provident Fund Organisation (EPFO) and Employees' State Insurance Corporation (ESIC);**
- (b) whether bottlenecks in the compliance processes have been identified; and**
- (c) the measures being taken to eliminate the same?**

**ANSWER**

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

**(a) to (c): The Government has taken cognizance of the bottlenecks for compliance of Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 and has taken the following steps to reduce the time taken for registration with Employees' Provident Fund Organisation (EPFO) and Employees' State Insurance Corporation (ESIC):**

**I. A facility for Online Registration of Establishments (OLRE) has been provided by EPFO to employers, who can now get their establishments registered online and generate provident fund code numbers online instantly.**

**II. Similarly, employers can register themselves under the Employees' State Insurance Act, 1948 by submitting information online. The registration certificate is sent to the employer by e-mail at the registered e-mail ID.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 697  
TO BE ANSWERED ON 29.04.2015**

**INVESTMENT IN EQUITY BY EPFO**

**697. SHRI PAUL MANOJ PANDIAN:**

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

- (a) whether it is a fact that the Central Board of Trustees of Employees' Provident Fund Organisation (EPFO) has decided to legally examine whether Government's notification on the new investment pattern is binding on it;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that the EPFO is also analyzing whether it can invest in equity in view of the scheme provisions of 1952; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a) to (d): As per Para 52 of Employees' Provident Funds Scheme, 1952, Ministry of Labour & Employment has approved a new Investment Pattern on the analogy of the one notified by Ministry of Finance on 2<sup>nd</sup> March, 2015 wherein there is provision to invest in Equity and Related Instruments (minimum 5 per cent and upto 15 per cent) of all incremental accretions belonging to the Fund.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA**

**UNSTARRED QUESTION NO. 707  
TO BE ANSWERED ON 29.04.2015**

**UNCLAIMED EPFO FUNDS**

**707. SHRI D. RAJA:**

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

- (a) whether Government's attention has been drawn to the announcements made by the Finance Minister in his budget speech that the unclaimed Employees' Provident Fund Organisation (EPFO) funds will be transferred to the proposed Senior Citizen Welfare Fund and another to let low wage earners choose between Provident Fund and National Pension Scheme;**
- (b) if so, the details thereof and the response of the Ministry thereto; and**
- (c) the estimated unclaimed funds so far, the main reasons for not having claimants and the steps proposed to be taken to make the claims hassle-free for the dependents of the deceased contributors who have failed to give their nominees?**

**ANSWER**

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

**(a) & (b): Union Finance Minister in his Budget Speech for the year 2015-16 has proposed the creation of a Senior Citizen Welfare Fund from approximately Rs. 6000 crore unclaimed deposits in Employees' Provident Fund (EPF) corpus and Rs. 3000 crore in Public Provident Fund (PPF) for appropriation of these amounts to a corpus which will be used to subsidize the premiums of vulnerable groups, such as, old age pensioners, BPL cardholders, small and marginal farmers and others.**

**Besides, with respect to EPF, the Budget Speech mentions about providing options to the employee to opt EPF or New Pension Scheme (NPS).**

**Contd...2/-**

**Employees' Provident Fund Organisation (EPFO) maintains a corpus of contributions and deposits made by its members. As per the Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952, employee/member is free to claim the amount at any time. EPFO maintains a record of "inoperative accounts" which are defined as "accounts wherein there has been no deposit/withdrawal in the last 3 years or more". Under the provision of the Act, the said corpus is maintained by EPFO as a "Trustee".**

**An amendment to EPF & MP Act, 1952 is required to implement the Budget announcement for providing options to the employees to opt EPF or New Pension Scheme (NPS). The same has been included in the proposed comprehensive amendment to the EPF & MP Act, 1952.**

**(c): As per Annual Accounts of the EPFO for the year 2013-14, an amount of Rs. 27,448.54 crore has been classified as Inoperative Accounts.**

**All these accounts have legitimate claimants. The amount paid to the claimants from Inoperative Accounts in the last three years is as follows:**

<b>Financial Year</b>	<b>Amount paid (Rs. in crore)</b>
<b>2011-12</b>	<b>955.51</b>
<b>2012-13</b>	<b>2890.40</b>
<b>2013-14</b>	<b>4316.71</b>

**As per para 70(III) of EPF Scheme, 1952, in case no nomination or family members subsists, the whole amount shall be payable to the person legally entitled to it.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 687  
TO BE ANSWERED ON 29.04.2015**

**INOPERATIVE ACCOUNTS IN EPFO**

**687. SHRI MAJEED MEMON:**

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

- (a) whether Employees' Provident Fund Organisation (EPFO) has been able to find out the exact number of Inoperative account holders whose money is lying Inoperative with various banks for quite a long time;**
- (b) what would be the total amount of account holders lying in Inoperative accounts; and**
- (c) whether Government has launched any drive to help retrieve the account holders along with their amount lying in operative accounts, if so, the details thereof?**

**ANSWER**

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

**(a): Statistics regarding the number of Inoperative accounts holders are not maintained separately by Employees' Provident Fund Organisation (EPFO).**

**(b): As per Annual Accounts of EPFO for the year 2013-14, an amount of Rs. 27,448.54 crore is lying in Inoperative Accounts of Employees' Provident Fund.**

**(c): The following steps have been taken by EPFO to identify the Inoperative account holders and to return the provident fund accumulations to the rightful claimants:**

**Contd..2/-**

- (i) EPFO recently launched a portal namely 'Inoperative Accounts Online Help Desk' to assist the members to identify their Inoperative accounts.**
- (ii) Instructions have been issued to the field offices of the Organisation to reconcile the Inoperative accounts on priority and further identify the beneficiaries through employers.**
- (iii) EPFO has allotted unique, permanent numbers to its members called Universal Account Number (UAN) to enable identification of members without intermediation of the employers.**
- (iv) Awareness campaigns have been undertaken through the electronic as well as print media from time to time to educate the members.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA**

**UNSTARRED QUESTION NO. 629  
TO BE ANSWERED ON 29.04.2015**

**LOW WAGE WORKERS UNDER EPF AND NEW PENSION SCHEME**

**629. SHRI S. THANGAVELU:**

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

- (a) whether it is a fact that Government is considering to let low wage earners choose between provident fund and the New Pension Scheme;**
- (b) whether it is also a fact that a bulk of the employees would be out of the Employees' Provident Fund (EPF) net if Government goes ahead with the above proposal;**
- (c) whether it is also a fact that the low paid worker suffers deductions greater than the better paid workers in percentage terms; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a):** A proposal to provide option to employees between Employees' Provident Fund (EPF) and National Pension System (NPS) has been included in the proposed comprehensive amendment to the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

**(b):** The impact of the proposed amendment cannot be assessed at this moment. It will depend on the options exercised by the members after amendment.

**(c) & (d):** The rate of Provident Fund contribution under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 is similar both for low paid and better paid workers. It is quite natural that the quantum of contribution will differ between low paid workers and better paid workers. The deduction will definitely impact much to low paid workers than better paid workers.

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**STARRED QUESTION NO. 67  
TO BE ANSWERED ON 29.04.2015**

**FORMULA FOR DETERMINING PENSIONABLE SALARY UNDER EPFO**

**\*67. SHRI S. THANGAVELU:**

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

- (a) whether it is a fact that the Employees' Provident Fund Organisation (EPFO) had changed the formula for determining the pensionable salary by calculating the average monthly pay for 60 months instead of 12 months;**
- (b) whether it is also a fact that the EPFO is also considering to restrict withdrawals from Employees' Provident Fund (EPF); and**
- (c) whether it is also a fact that the Central Board of Trustees (CBT) has agreed to allow subscribers to defer it by two years against the norm of allowing pension payment after 58 years, if so, the details thereof?**

**ANSWER**

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

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

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF RAJYA SABHA STARRED QUESTION NO. 67 FOR REPLY ON 29.04.2015 BY SHRI S. THANGAVELU REGARDING FORMULA FOR DETERMINING PENSIONABLE SALARY UNDER EPFO.**

**(a): The formula for determining pensionable service under Employees' Pension Scheme (EPS), 1995 has been amended vide Gazette Notification No. 609 (E) dated 22.08.2014 wherein the pensionable salary is determined on the basis of average salary of 60 months preceding the date of exit from membership/employment.**

**(b): In order to ensure that Employees' Provident Fund (EPF) members remain under social security umbrella and they have decent corpus at their disposal at the time of retirement, Employees' Provident Fund Organisation (EPFO) have invited suggestions from all stakeholders to consider restriction of withdrawal from the Provident Fund.**

**(c): The Central Board of Trustees (CBT), EPF has considered the matter in its 206<sup>th</sup> meeting held on 11.03.2015 and has recommended the deferment of age of drawing pension from 58 to 60 years with benefit of 4 per cent for each year of deferment at the option of the member.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 684  
TO BE ANSWERED ON 29.04.2015**

**LAWS GOVERNING EPF**

**684. SHRI S. THANGAVELU:**

**SHRI D. RAJA:**

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

- (a) whether it is a fact that Government is looking at sweeping changes to the laws governing Employees' Provident Fund (EPF);**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that Government is considering to doing away with mandatory 12 per cent contribution by employees in certain cases while retaining the employers' share; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a) & (b): A proposal for comprehensive amendment to the Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 is under consideration of the Government which, inter alia, includes reducing threshold limit from 20 to 10 employees for coverage under the Act, removal of Schedule for coverage under the Act, simplification of definition of wages, etc., multi-member EPF Appellate Tribunal, a new category of "Small Establishments" (employing upto 40 persons), exclusion of establishment/class of establishment/individual or class of employees on opting for National Pension System (NPS), etc.**

**(c) & (d): An enabling provision to exempt certain class of employees from making EPF contribution has also been included in the proposed comprehensive amendment to the Act.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1153  
TO BE ANSWERED ON 06.05.2015**

**SUSPENSION OF MINIMUM PENSION SCHEME UNDER EPFO**

**1153. SHRI D. RAJA:**

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

- (a) whether it is a fact that the Rs. 1000/- minimum monthly pension scheme of the Employees' Provident Fund Organisation (EPFO) has been suspended *w.e.f.* 1st April, 2015 as the notification in this regard was effective from 1st September, 2014 to 31<sup>st</sup> March, 2015; and**
- (b) if so, the details thereof and the reasons for not renewing the notification to continue the scheme beyond 31st March, 2015?**

**ANSWER**

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

**(a) & (b): The provision of minimum pension of Rs. 1000/- per month under the Employees' Pension Scheme (EPS), 1995 which was notified vide GSR No. 593 (E) dated 19.08.2014 was valid for 2014-15 only. However, the Union Cabinet in its meeting held on 29.04.2015 has approved the continuation of minimum pension of Rs. 1000/- per month under EPS, 1995 beyond 2014-15 with certain conditionalities. Instructions have been issued to EPFO to release monthly pension under Employees' Pension Scheme (EPS), 1995 with the minimum pension provision from the month of April, 2015 onwards.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**STARRED QUESTION NO. 112  
TO BE ANSWERED ON 06.05.2015**

**INVESTMENTS BY EPFO IN EXCHANGE TRADED FUNDS**

**\*112. DR. K.P. RAMALINGAM:**

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

- (a) whether it is a fact that Government is determined to push ahead with mandating the Employees' Provident Fund Organisation (EPFO) to invest upto 5 per cent of its incremental corpus in Exchange Traded Funds, if so, the details thereof; and**
- (b) whether it is also a fact that the move, vehemently opposed by labour unions, could see as much as Rs. 7,500 crores flowing into the stock market?**

**ANSWER**

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

**(a) & (b): A statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF RAJYA SABHA STARRED QUESTION NO. 112 FOR REPLY ON 06.05.2015 BY DR. K.P. RAMALINGAM REGARDING INVESTMENTS BY EPFO IN EXCHANGE TRADED FUNDS.**

**(a): The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) in its 207<sup>th</sup> Meeting held on 31<sup>st</sup> March, 2015 deliberated the new Pattern of Investment, 2015 notified by Ministry of Finance on 2<sup>nd</sup> March, 2015 which provides minimum 5 per cent and upto 15 per cent investment in equity and related investment and recommended the same for Employees' Provident Fund Organisation (EPFO) funds. The Government has, accordingly, notified a new Investment Pattern for EPFO wherein there is a provision to invest in Equity and Related Instruments (minimum 5 per cent and upto 15 per cent) of all incremental accretions belonging to the Fund.**

**(b): The CBT, EPF, which has, amongst its members, representatives from Trade Unions, employers' and Government representatives, in the above meeting, examined the issue of investment in Exchange Traded Funds (ETFs) in detail and after considering the various aspects, recommended the proposal to invest in Equity. This would entail an expected investment of Rs.5,000/ crore annually in Equity market.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1146  
TO BE ANSWERED ON 06.05.2015**

**AMENDMENT OF THE EMPLOYEES' PROVIDENT FUNDS AND  
MISCELLANEOUS PROVISIONS ACT, 1952**

**1146. SHRI A. K. SELVARAJ:**

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

- (a) whether it is a fact that Government will soon amend the Employees' Provident Funds (EPF) and Miscellaneous Provisions Act, 1952, to give employees the choice of investing in the New Pension Scheme or in the existing retirement fund body;**
- (b) if so, the details thereof;**
- (c) whether it is a fact that Government is going ahead with changes amid stiff opposition from trade unions which feel New Pension Scheme is not a substitute for EPF and the proposed amendments will deal a severe blow to the organization; and**
- (d) if so, the views of Government in this regard?**

**ANSWER**

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

**(a) & (b): A proposal to provide option to employees between Employees' Provident Fund (EPF) and National Pension System (NPS) has been included in the proposed comprehensive amendment to the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.**

**(c) & (d): Various Trade Unions raised concerns about the above proposal during the Tripartite Consultation on the proposed comprehensive amendment to the Act. The concerns raised during the meeting were clarified.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1142  
TO BE ANSWERED ON 06.05.2015**

**INCREASING OF MAXIMUM WAGES AND MINIMUM PENSION UNDER  
EPF**

**†1142. SHRI PRABHAT JHA:**

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

- (a) whether any decision has been taken by Government to increase maximum wages and minimum pension under the Employees' Provident Funds and Misc. Provisions Act;**
- (b) if so, the details of the benefits therefrom to the labours of the organized and unorganized sector;**
- (c) whether a 'Labour Facility Portal' has also been launched by the Central Government; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a) & (b): The Government vide Gazette Notifications No. GSR 609(E) dated 22.08.2014 and GSR 593(E) dated 19.08.2014 has increased the wage ceiling from Rs. 6,500/- to Rs. 15,000/- per month for coverage under Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 and the minimum pension under Employees' Pension Scheme (EPS), 1995 to Rs. 1,000/- per month respectively with effect from 1<sup>st</sup> September, 2014.**

**In terms of the notification No. GSR 609(E) dated 22.08.2014, more organized sector workers have come under the umbrella of the EPF & MP Act, 1952. In terms of the notification No.**

**Contd...2/-**

**GSR 593 (E) dated 19.08.2014 which took effect from 01.09.2014, all members, Widow/Widower, Disabled, Nominee and Parent pensioners drawing pension less than Rs. 1,000/- under the scheme have benefitted. The notification also benefits children and orphan pensioners whose minimum pension would be Rs. 250/- per month and Rs. 750/- per month respectively.**

**(c) & (d): The Shram Suvidha Portal was launched on 16.10.2014 under the Pandit Deendayal Upadhyay Shramev Jayate Karyakram. The salient features of this Portal are as follows:**

**(i) Unique Labour Identification Number (LIN) is allotted to Units to facilitate online registration.**

**(ii) Filing of self-certified and simplified Single Online Return by the industry. Units will only file a single consolidated Return online instead of filing separate Returns.**

**(iii) Transparent Labour Inspection Scheme through computerized system based on risk based criteria and uploading the inspection reports within 72 hours by the Labour Inspectors.**

**(iv) Timely redressal of grievances would be ensured with the help of the portal.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1154  
TO BE ANSWERED ON 06.05.2015**

**NON-PAYMENT OF PF AND GRATUITY DUES OF SAHAGANJ, HOOGHLY  
UNIT OF DUNLOP**

**1154. SHRIMATI RENUKA CHOWDHURY:**

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

- (a) whether Government is aware that the workers of Sahaganj, Hooghly unit of Dunlop have not been given their Provident Fund (PF) and gratuity dues for the last ten years;**
- (b) if so, the details thereof along with the reasons therefor; and**
- (c) the corrective steps taken by Government to ensure payment of PF and gratuity dues to the affected workers?**

**ANSWER**

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

**(a) & (b): M/s. Dunlop is an exempted establishment under the provisions of Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 and maintains its own Trust. The Provident Fund (PF) contribution of workers was remitted to the Trust by the establishment. However, the Trust has not paid the PF dues of the workers despite instructions issued to the Trustees by Employees' Provident Fund Organisation (EPFO). However, pension and Employees' Deposit-Linked Insurance (EDLI) claims are being settled regularly by EPFO.**

**No application for non-payment of gratuity is pending with the concerned authorities.**

**Contd...2/-**

**(c): The following actions have been taken by EPFO against the Board of Trustees and the establishment to ensure payment of the due benefits to the affected workers:**

**i) An FIR has been filed against the Board of Trustees and Authorized Signatory of the establishment with the local Police Station for defalcation of fund of exempted PF Trust.**

**ii) Prosecution under Section 14 of the EPF & MP Act, 1952 has been filed with the appropriate Court for non-submission of returns.**

**iii) Recommendation has also been made to the appropriate Government, i.e., Government of West Bengal for cancellation of exemption granted to the establishment which is under consideration of the State Government.**

**iv) Since winding up petition has been filed before the Hon'ble High Court of Calcutta by the creditors of the defaulter company and an Official Liquidator has been appointed by the Hon'ble High Court, claims on PF dues defaulted by the Board of Trustees have been filed by EPFO before the Official Liquidator appointed by the High Court towards recovery of PF dues.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1965  
TO BE ANSWERED ON 13.05.2015**

**ACTION TAKEN ON COMMITTEE REPORT REGARDING PROVIDENT FUND  
PENSIONERS**

**†1965. DR. SATYANARAYAN JATIYA:**

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state the action taken in the interest of Provident Fund pensioners with reference to the questions raised *vide* Report number 147 of the Committee on Petitions presented in the Rajya Sabha on 3rd September, 2013?**

**ANSWER**

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

**The 147<sup>th</sup> Report of the Committee on Petitions, Rajya Sabha had, inter alia, recommended increasing the Government's share of contribution to Employees' Pension Scheme (EPS), 1995 from 1.16 per cent to 8.33 per cent to support the minimum pension level of Rs. 3,000/- per month.**

**The recommendations of the Committee were examined by the Government and it emerged that if the Government's share is increased from 1.16 per cent to 8.33 per cent, as recommended by the Committee, it would involve a substantial increase in the financial burden of the Government. It was estimated to involve Rs. 16,417 crore for the year 2013-2014 to implement this recommendation. The EPS, 1995 being a contributory scheme, obligations of all payments are met from the assets of the Fund. The higher level of minimum pension at Rs. 3,000/- is not possible without compromising the financial viability of the Scheme. However, Government *vide* notification No. GSR 593 (E) dated 19-8-2014 implemented the provision of minimum pension of Rs.1,000/- per month with effect from 01.09.2014 for the financial year 2014-15 by providing budgetary support keeping in view the interest of the most vulnerable sections. The Union Cabinet in its meeting held on 29.04.2015 has approved the continuation of minimum pension of Rs. 1,000/- per month under EPS, 1995 beyond 2014-15 with certain conditionalities.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA**

**UNSTARRED QUESTION NO. 1973  
TO BE ANSWERED ON 13.05.2015  
MEDICAL BENEFITS TO PENSIONERS OF EPFO**

**1973. SHRI RAJ BABBAR:**

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

- (a) whether EPFO's Pension and EDLI Implementation Committee (PEIC) has recently decided to extend medical benefits to its pensioners and has forwarded to the Ministry for its approval;**
- (b) if so, the details thereof;**
- (c) whether pensioners of EPFO have not been extended any medical facilities/benefits till now;**
- (d) if so, details thereof and reasons therefor;**
- (e) how many pensioners will be benefitted if such a scheme is implemented; and**
- (f) the steps taken by Government to extend such benefits to pensioners and their families?**

**ANSWER**

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

**(a) & (b): A proposal for providing medical benefits to the pensioners of Employees' Pension Scheme (EPS), 1995 is under consideration of the Pension & Employees' Deposit-Linked Insurance (EDLI) Implementation Committee (PEIC) of the Central Board of Trustees (CBT), Employees' Provident Fund (EPF).**

**(c) & (d): The Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 and the Schemes framed thereunder do not have any provision for providing medical benefits to the pensioners of Employees' Pension Scheme (EPS), 1995.**

**(e) & (f): There are 46,90,667 pensioners under EPS, 1995 as on 31.03.2014 who would be benefitted, if medical benefits are provided under EPS, 1995.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1972  
TO BE ANSWERED ON 13.05.2015**

**PRIVATE FIRMS AVOIDING DEPOSITING OF EPF CONTRIBUTION**

**†1972. SHRI MAHENDRA SINGH MAHRA:**

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

- (a) whether the Ministry is aware that private firms in the country including Delhi appoint employees to the post of manager or on other higher posts for meagre salary to avoid their provident fund contribution;**
- (b) if so, whether private firms are not depositing the amount of Employees' Provident Fund in their accounts;**
- (c) the provisions for taking action against those who are involved in the abovesaid misdeed and the number of firms against whom action has been taken so far; and**
- (d) whether the Ministry would contemplate to get all the said facts enquired into, if not, the reasons therefor?**

**ANSWER**

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

**(a) & (b): Employees' Provident Fund Organisation (EPFO) is concerned with ensuring deposit of contribution by the establishments, both public sector and private sector covered under the Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 on the wages disbursed by them. Instances have come to the notice of EPFO where private firms covered under the EPF & MP Act, 1952, including those in Delhi, failed to deposit Provident Fund in respect of their workers.**

**Contd...2/-**

**(c): The following actions as provided under the EPF & MP Act, 1952 and the Schemes framed thereunder are taken against the defaulting establishments:**

**(i) For quantification of dues payable by the employers/establishments (both public sector and private sector), proceedings under Section 7A of the Act are initiated. During the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> December, 2014, 10,481 Section 7A enquiries have been initiated.**

**(ii) For belated remittance of dues, damages are levied under Section 14B of the Act and interest is levied under Section 7Q of the Act. During the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> December, 2014, 1,71,001 Section 14B enquiries have been initiated.**

**(iii) For recovery of dues due from the employers/establishments, recovery actions are taken as provided under Section 8B to 8G of the Act which comprise attachment and sale of movable and immovable property of the establishment or of the employer; appointment of receiver for management of the movable and immovable properties of the establishment/employer; and arrest of the employer and his detention in civil prison.**

**(iv) Prosecution actions under Section 14 of the Act are initiated for non-deposit of dues and non-submission of returns. During the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> December, 2014, 1064 prosecution cases have been filed.**

**(v) Complaints under Section 406/409 of Indian Penal Code (IPC) have been filed with police authorities for deduction of provident fund contribution from the salaries of the employees and non-deposit of the same which tantamount to criminal breach of trust. During the period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> December, 2014, 157 such complaints have been filed with police authorities.**

**(d): As per provisions under the EPF & MP Act, 1952, contributions are deducted from the wages (upto the statutory wage ceiling of Rs. 15,000/-) of the employees irrespective of their holding of posts.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT**

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1966  
TO BE ANSWERED ON 13.05.2015**

**MEASURES FOR PENSION BENEFICIARIES UNDER EPF**

**†1966. DR. SATYANARAYAN JATIYA:**

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state the measures taken by Government to meet the demands of pension beneficiaries under the Employees' Provident Fund Pension Scheme, 1995 for increasing minimum pension to a respectable level of Rs. 3000 for better standard of living and provision for Dearness Allowance as per price index and fixation of pension on the basis of total length of service?**

**ANSWER**

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

**As per the provisions contained in the Employees' Pension Scheme (EPS), 1995, pension to employees who joined on or after 16.11.1995 is calculated on the basis of pensionable service and pensionable salary. EPS, 1995 is a largely self-funded scheme with combined features of "Defined Benefit" and "Defined Contribution." Accordingly, the Scheme describes the rate of contribution payable as well as the scale of benefits admissible. Para 32 of the EPS, 1995 provides for annual valuation of Employees' Pension Fund by a Valuer appointed by the Central Government. Based on the results of such valuations and health of Employees' Pension Fund and to ensure the sustainability and viability of EPS, 1995, actuarial impact on the Scheme due to any increase in benefit is required to be kept in view. Therefore, providing a minimum pension of Rs. 3,000/- to lakhs of existing pensioners and crores of prospective pensioners has very huge financial implications and could jeopardize the existence of the Pension Fund itself.**

**Contd...2/-**

**However, Government vide notification No. GSR 593 (E) dated 19.08.2014 implemented the provision of minimum pension of Rs.1,000/- per month with effect from 01.09.2014 for the financial year 2014-15 by providing budgetary support keeping in view the interest of the most vulnerable sections. The Union Cabinet in its meeting held on 29.04.2015 has approved the continuation of minimum pension of Rs. 1,000/- per month in perpetuity under EPS, 1995 beyond 2014-15 with certain conditionalities.**

**Further, index-linking of pension, i.e., increase in pension to fully neutralize inflation was considered by the Expert Committee constituted by the Government to review EPS, 1995, and the same was found not feasible through a funded scheme like EPS, 1995 wherein the contribution of employer and Government is at a fixed rate of 8.33 per cent and 1.16 per cent.**

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