

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

RAJYA SABHA

**UNSTARRED QUESTION NO. 279
TO BE ANSWERED ON 23.11.2011**

NEED TO INCREASE EMPLOYEES, CONTRIBUTION UNDER EPS, 1995

279. SHRI TAPAN KUMAR SEN:

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

- (a) whether Parliamentary Standing Committee on Labour in its 39th report in February 2009, had recommended that rate of contribution from Government to the Employees Pension Scheme (EPS), 1995 should be fixed at least at half of the rate of contribution by the employer or the employees;**
- (b) if so, whether the same has been accepted by Government; and**
- (c) if not, the reasons therefor?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a): Yes, Sir.

(b): No, Sir.

(c): An Expert Committee was constituted under the Chairmanship of the Additional Secretary (L&E) in June, 2009 to review the Employees' Pension Scheme, 1995 entirely. The Committee submitted its report to the Central Government on 5th August, 2010 and the same is under examination of the Central Board of Trustees (CBT), Employees' Provident Fund.

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

RAJYA SABHA

**UNSTARRED QUESTION NO. 282
TO BE ANSWERED ON 23.11.2011**

BRINGING GOVERNMENT CONTRACTORS UNDER PF UMBRELLA

282. SHRI T.M. SELVAGANAPATHI:

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

- (a) whether it is a fact that the Employees' Provident Fund Organisation (EPFO) is considering to bring even the Government contractors under the PF umbrella;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that EPFO is considering to make major changes to the law governing statutory savings; and**
- (d) if so, the details thereof?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a) & (b): The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 applies to such classes of establishment which are notified by Government of India employing 20 or more employees in accordance with provisions under Section 1(3)(b). The Act would also apply to contractors engaged in Government establishment in eligible cases.

However, if the Government contractor is an establishment belonging to or under the control of Central or State Government and whose employees are entitled to the benefits of contributory provident fund or old age pension in accordance with any scheme or rule framed by such government; the Act shall not apply to such establishment as per Section 16 of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.

(c) & (d): Comprehensive amendments in the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 as proposed by the Working Group constituted by the Chairman, Central Board of Trustees, Employees' Provident Fund [CBT(EPF)], had been approved by the Board. It is under examination.

**GOVERNMENT OF INDIA
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RAJYA SABHA

**UNSTARRED QUESTION NO. 283
TO BE ANSWERED ON 23.11.2011**

FINANCIAL IRREGULARITY IN EPFO

283. SHRI RUDRA NARAYAN PANY:

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

- (a) whether it is a fact that the Comptroller and Auditor General has recently exposed certain irregularity in the financial accounts of Employees' Provident Fund Organisation (EPFO);
- (b) if so, the details thereof; and
- (c) what are the planning of Government to make the EPFO corruption free?

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a) & (b): The Comptroller and Auditor General inter-alia has made certain observations in the Separate Audit Report on the Accounts of Employees' Provident Fund Organisation (EPFO) for the year ended on 31st March, 2010. The gist of observations is given at Annexure.

(c): EPFO is seized of the matter of corruption and has taken the following steps:

- A detailed circular on combating corruption was issued to standardize operation in the field units and their monitoring by introduction of new revised forms to ensure that inspections are carried out comprehensively and are reflected in quantifiable terms.
- Action against erring officials have been intensified resulting in the number of charge-sheets going up significantly.
In pursuance to para 2.13(v) and 2.13 (vi) of the Central Vigilance Commission's Vigilance Manual, a list of Officers of Doubtful Integrity (ODI) has been finalized with the intention that such officers are not posted to sensitive or corruption prone areas. Further, the Organisation has also firmed up the classification of the sensitive and non-sensitive posts and the same has been circulated.

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STATEMENT REFERRED TO IN REPLY TO PART (a) & (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 283 FOR 23.11.2011 REGARDING FINANCIAL IRREGULARITY IN EPFO BY SHRI RUDRA NARAYAN PANY.

Gist of observations in the Separate Audit Report of Comptroller and Auditor General of India on EPFO as on 31.03.2010.

• **Inoperative Account Rs. 8318.69 crore (Schedule IV)**

The above head was understated by Rs.68.43 crore due to disclosure of the amount at Rs. 359.97 crore instead of Rs.428.40 crore under above head in respect of the accounts of EPFO's Regional Office Raipur (Chhattisgarh).

• **Interest Suspense Account (Schedule VI) – Rs. 16998.78 crore**

The above include total amount of Rs. 4671.83 crore available for crediting into EPF subscribers accounts as on 31.3.2010. However, it was observed that interest on 4.72 crore members' accounts were yet to be credited and were pending as on 31.3.2010. The actual interest liability on 4.72 crore pending accounts is not ascertainable. In the absence of the same the adequacy of above balance of Rs. 4671.83 crore to meet the future interest liability for pending accounts cannot be verified in audit.

• **Investment Account**

There are differences between the figures of balance sheets and details of Investments furnished by the EPFO in the Employees' Provident Fund (EPF), Staff Provident Fund (SPF), Pension-cum-Gratuity Fund, Employees' Pension Scheme (EPS) and Employees' Deposit Linked Insurance (EDLI).

• **Fixed Assets**

No depreciation had been provided on 'Buildings' resulting in overstatement of fixed assets and understatement of expenditure.

• **Common Format of Accounts:**

EPFO has not adopted the Common Format of Accounts prescribed by the Government of India, Ministry of Finance. Organization informed (November 2009) the likelihood of adopting Common Format of accounts from 2011-2012.

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RAJYA SABHA

**UNSTARRED QUESTION NO. 288
TO BE ANSWERED ON 23.11.2011**

ENHANCING THE PENSION OF EPF PENSIONERS

†288. SHRI MOHAN SINGH :

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

(a) whether the assurance given by Government for enhancing the pension of the economically weak pensioners of EPF would be fulfilled this time, if so, the burden to be caused by it on Government exchequer; and

(b) the steps Government is going to take to improve the condition of EPF pensioners?

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a) & (b): An Expert Committee was constituted under the Chairmanship of the Additional Secretary (L&E) in June, 2009 to review the Employees' Pension Scheme, 1995 entirely. The Committee submitted its report to the Central Government on 5th August, 2010.

The report of the Expert Committee was placed before the Central Board of Trustees (CBT), Employees' Provident Fund for consideration on 15.09.2010. CBT directed that the report be first considered by the Pension Implementation Committee (PIC). PIC has since submitted its recommendations to Employees' Provident Fund Organisation for placing these before CBT for their consideration.

**GOVERNMENT OF INDIA
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RAJYA SABHA

**UNSTARRED QUESTION NO. 1663
TO BE ANSWERED ON 07.12.2011**

MINIMUM PENSION TO WORKERS COVERED BY EPFO

1663. SHRI S. THANGAVELU:

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

- (a) whether the proposal to provide a minimum pension amounting to Rs.1000 per month to the 1.5 million workers covered by the Employees Provident Fund Organisation is running into trouble as there is no agreement on who should fund this scheme;**
- (b) if so, the details thereof and whether it will require 0.63 per cent increase in the contribution to pay a minimum pension of Rs.1000 and it would be in addition to the 8.33 per cent the employers already contributed; and**
- (c) if so, the details thereof and follow up action in this regard?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a): The recommendations of the Pension Implementation Committee (PIC) of the Employees' Provident Fund Organisation to increase the minimum pension amount to Rs. 1000 per month is to be placed before Central Board of Trustees, Employees Provident Fund {{CBT(EPF)}} in its ensuing meeting for its consideration.

(b) & (c): The decision to increase minimum pension to Rs. 1000 per month as per actuarial valuation would require 0.63 per cent increase in the contribution in addition to the existing rate of employers contribution of 8.33 per cent. Any follow-up action would arise only after consideration by CBT (EPF).

**GOVERNMENT OF INDIA
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RAJYA SABHA

**UNSTARRED QUESTION NO. 1671
TO BE ANSWERED ON 07.12.2011**

PENDING CLAIM CASE UNDER EPF SCHEME

1671. SHRIMATI VIPLOVE THAKUR:

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

- (a) whether it is a fact that under the Employees' Provident Fund (EPF) Scheme claims are settled within 30 days but a large number of cases are pending for settlement all over the country;**
- (b) if so, the State-wise details thereof for the last three years and the current year;**
- (c) the reasons for pendency of such large number of cases;**
- (d) whether Government has taken any effective steps for speedy disposal of such cases; and**
- (e) if so, the details thereof along with the time by when the said cases are likely to be cleared?**

**ANSWER
MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a): Effort is made to settle claims within 30 days of its receipt. However, delays beyond 30 days have been noticed in settlement of claims.

(b): The details are given at Annexure.

(c): The main reasons for pendency of claims are:

i) During the current year, a special drive was launched by the Employees' Provident Fund Organisation to update the members' accounts in a time-bound manner. Accordingly, more manpower was engaged in updation of accounts resulting in some delay in settlement of claims.

ii) Higher number of claims were received over the previous year.

Contd...2/-

(d): Following remedial measures have been taken for speedy settlement of claims:

- i) Introduction of NEFT (National Electronic Fund Transfer) facility.**
- ii) Computerization and introduction of new software in all its field offices for better and speedy settlement.**
- iii) Upgradation of existing offices and opening of new offices with reference to the workload.**
- iv) Monitoring of settlement of claims by the Regional Provident Fund Commissioner/In-charge of office himself.**

(e): Settlement of claims is a continuous process. Claims which are pending in a month are settled in the subsequent cycle of the settlement of claims.

STATEMENT REFERRED TO IN REPLY TO PART (b) OF THE RAJYA SABHA UNSTARRED QUESTION NO. 1671 FOR 7.12.2011 REGARDING PENDING CLAIM CASE UNDER EPF SCHEME BY SHRIMATI VIPLOVE THAKUR

STATE-WISE PENDENCY OF CLAIMS FOR THE LAST THREE YEARS AND CURRENT YEAR UPTO 30.11.2011

Sl. No.	State	No. of Claims pending as on			
		31.03.2008	31.03.2009	31.03.2010	2011-12 (as on 30.11.2011)
1	Andhra Pradesh	28389	53888	19693	66480
2	Bihar	547	65	3782	7968
3	Chhattisgarh	159	66	67	2020
4	Delhi	72868	69163	124406	226857
5	Goa	1109	413	9643	5156
6	Gujarat	11427	42477	40156	54858
7	Haryana	53487	97815	56054	139357
8	Himachal Pradesh	5332	0	2874	6811
9	Jharkhand	2468	3758	3377	6822
10	Karnataka	151906	55021	131843	338771
11	Kerala	2206	3397	13339	24560
12	Madhya Pradesh	382	3603	3365	11505
13	Maharashtra	201376	231718	99661	711688
14	North E. Region	1647	322	3110	7401
15	Orissa	3553	7342	1730	12822
16	Punjab	10734	4607	11670	28880
17	Rajasthan	0	10907	6636	16730
18	Tamil Nadu	68278	104270	72165	184523
19	Uttar Pradesh	3608	3577	27809	42914
20	Uttarakhand	3291	9392	3683	8468
21	West Bengal	28384	21663	39107	58437
	Total	651151	723464	674170	1963028

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

RAJYA SABHA

**UNSTARRED QUESTION NO. 1685
TO BE ANSWERED ON 07.12.2011**

PAYMENTS THROUGH NEFT BY REGIONAL OFFICES OF EPFO

1685. DR. K.P. RAMALINGAM:

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

- (a) whether the Employee Provident Fund Organisation has instructed all regional offices to ensure that most payments take place through National Electronic Fund Transfer (NEFT);**
- (b) if so, the details thereof and whether this decision has been taken by Government because of malpractices which caused loss of lakhs of rupees to EPFO; and**
- (c) if so, the details thereof?**

**ANSWER
MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a) to (c): Yes, Sir. With a view to improve the service delivery to Provident Fund members by ensuring faster credit of Provident Fund monies to members' accounts, instructions were issued to all Regional Offices first on 29.04.2010 and subsequently on 31.05.2010 to ensure that most payments take place through National Electronic Fund Transfer (NEFT). Wherever payments were not possible through NEFT, payments through cheques were also allowed.

GOVERNMENT OF INDIA

MINISTRY OF LABOUR AND EMPLOYMENT

RAJYA SABHA

**UNSTARRED QUESTION NO. 2442
TO BE ANSWERED ON 14.12.2011**

BENEFIT OF EPF SCHEME TO INDUSTRIAL WORKERS

2442. DR. MANOHAR JOSHI:

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

- (a) the State-wise percentage of industrial workers in the country getting the benefit of Employees Provident Fund (EPF) Scheme;**
- (b) the details of Government mechanism for ensuring full benefits under the labour laws to all the workers;**
- (c) whether Government is aware of the activities of certain unscrupulous elements in the EPF offices, who are allegedly exploiting the workers; and**
- (d) if so, the steps taken/proposed to be taken by Government to check such activities to prevent exploitation of the workers?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a): Employees' Provident Funds and Miscellaneous Provisions Act, 1952 statutorily applies to employees getting wages upto Rs. 6500/- in respect of scheduled establishments employing 20 or more workers. State-wise details are given at Annexure.

(b): The mechanism to regulate and monitor the implementation of Labour Laws is incorporated in respective Labour Laws.

(c) & (d) Occasional instances of such nature have been noticed in the Employees Provident Fund offices.

All such observed cases are pursued vigorously and several measures have been taken to prevent and discourage such instances as per details given hereunder:-

(i) The Employees' Provident Fund Organisation website as on date provides all relevant information to its various stakeholders i.e. employees, employers, subscribers as well as the public at large.

(ii) All information relating to Employees' Provident Funds & Miscellaneous Provisions Act, 1952 & Scheme provisions including various application forms have been provided in a downloadable format.

(iii) Claim settlement status has also been provided on the website offline which is updated every day.

(iv) Facilities such as National Electronic Fund Transfer (NEFT), Short Messaging Service (SMS) (informing members on the settlement of their claims), facility to view account balances (in selective offices), claim status, filing of e-Challans in a few offices have also been made operational.

(v) Work related to processing, calculation & disbursement of payment is mostly computerized and carried out through the software provided by National Informatics Centre of Government of India in an environment where public interface is minimal.

(vi) The computerization has resulted in increased settlement thereby reducing pendency and backlog thus leading to lesser complaints and grievances. It has also led to a more effective monitoring of pendency and settlements.

(vii) Besides complaint based investigations are carried out, checks are also undertaken during Surprise Inspections as well as Preventive Vigilance Inspections and for any irregularity noticed, actions are initiated against the officials involved.

(viii) To streamline and clearly define activities, circulars on Combating Corruption in Compliance matters have also been issued by the Vigilance Wing.

Annexure

STATEMENT REFERRED TO IN REPLY TO PART (a) OF RAJYA SABHA UNSTARRED QUESTION NO.2442 FOR 14.12.2011 BY DR. MANOHAR JOSHI REGARDING BENEFIT OF EPF SCHEME TO INDUSTRIAL WORKERS.

STATE-WISE DETAILS OF ESTABLISHMENTS COVERED AND WORKERS ENROLLED UNDER THE EMPLOYEES' PROVIDENT FUND SCHEME, 1952

(As on 31.03.2011)

STATE	ESTABLISHMENTS	No. OF MEMBER ACCOUNTS
Andhra Pradesh	58,651	35,55,127
Bihar	8,513	3,58,622
Chhattisgarh	7,990	4,24,319
Delhi	41,688	50,87,138
Goa	3,442	7,15,663
Gujarat	58,231	33,03,243
Haryana	32,315	41,72,951
Himachal Pradesh	6,918	1,96,828
Jharkhand	10,264	10,08,136
Karnataka	44,235	88,95,497
Kerala	18,332	19,45,981
Madhya Pradesh	19,280	20,12,058
Maharashtra	1,06,621	1,01,98,186
North East Region	9,164	3,66,594
Orissa	14,988	7,22,370
Punjab	32,253	35,44,884
Rajasthan	23,109	12,27,658
Tamil Nadu	75,999	84,21,904
Uttar Pradesh	43,225	19,38,354
Uttarakhand	5,508	6,19,013
West Bengal	39,820	28,74,144
TOTAL	6,60,546	615,88,670

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 2443
TO BE ANSWERED ON 14.12.2011**

PEOPLE COVERED UNDER EPF AND ESIC

2443. SHRI NARESH GUJRAL:

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

- (a) how many people were covered by Government under Employees Provident Fund Scheme till the end of March, 2011 and the figure as on 31 March, 2010 and 31 March, 2009;
- (b) how many employees were covered by Employees State Insurance (ESI) Corporation at the end of March, 2011 and two years preceding it; and
- (c) how many companies had defaulted in depositing their dues to the E.P.F. and E.S.I.C. at the end of 31 March, 2011 and the total amount of default for EPF and ESIC deposit as on 31 March, 2009, 31 March, 2010 and 31 March, 2011?

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

- (a): The people covered under the Employees' Provident Fund Scheme, 1952 during the last three years is given below:

Number of Members' Accounts (in lakhs)

2008-09	2009-10	2010-11
470.72	587.86	615.89

- (b): The details are given hereunder:

i) March, 2009	125.69 lakhs
ii) March, 2010	138.96 lakhs
iii) March, 2011	154.28 lakhs

- (c): Details of the number of companies and the total amount in default for the last three years are given below:

Year	Total number of establishments defaulted	Amount in Default (Rs. in Crores)			
		EPF	ESIC	EPF	ESIC
2008-09	79,931	1,08,184	2,993.12	1,267.32	
2009-10	79,059	1,32,087	2,923.14	1,309.00	
2010-11	78,588	1,64,964	2,979.71	1,357.00	

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 3205
TO BE ANSWERED ON 21st DECEMBER, 2011**

FIXING MINIMUM PENSION BY EPFO

**3205. SHRI GOVINDRAO ADIK:
SHRI SANJAY RAUT:
SHRI BAISHNAB PARIDA:**

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

- (a) whether it is a fact that the Employees Provident Fund Organisation (EPFO) is mulling over fixing the minimum pension for its subscribers at Rs. 1,000 a month;**
- (b) if so, the details thereof; and**
- (c) whether Government proposes to raise additional fund requirement for this purpose?**

**ANSWER
MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a) & (b): The recommendations of the Pension Implementations of the Committee (PIC) of the Employees' Provident Fund Organisation to increase the minimum pension amount to Rs. 1,000/- per month for its subscribers is to be placed before the Central Board of Trustees, Employees Provident Fund {CBT(EPF)} in its ensuing meeting for its consideration.

(c): The recommendation of the PIC to increase minimum pension to Rs. 1,000/- per month as per actuarial valuation would require 0.63 per cent increase in the contribution of 8.33 per cent. Any follow-up action would arise only after consideration by CBT (EPF).

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 3217
TO BE ANSWERED ON 21st DECEMBER, 2011**

AMENDMENT IN THE PENSION SCHEME

3217. SHRI RAMA CHANDRA KHUNTIA:

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

- (a) whether the EPF linked pension is very low, the minimum pension and maximum pension under the scheme is not attractive and any employee could get more benefit in different other schemes; and
- (b) whether Government is proposing to bring amendment to the pension scheme so that workers could be rest assured of getting more pensions after retirement?

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

(a): Pension under the Employees' Pension Scheme, 1995 is linked with pensionable service and pensionable salary. As per Section 6A of the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, contribution in Employees' Pension Fund is mandated @ 8.33% of wages which is restricted upto wage ceiling of Rs.6500/- only. However, option is available to the member to contribute at the higher rate than the wage ceiling (i.e. Rs. 6500/-) which entitles him/her for a higher pension.

(b): The Central Government had constituted an Expert Committee for revision of Pension. The Expert Committee submitted its report to the Central Government on 5th August, 2010 and the recommendations of the Committee were placed before the Central Board of Trustees, Employees' Provident Fund [CBT (EPF)] for consideration on 15th September, 2010. The CBT (EPF) directed that the report be first considered by the Pension Implementation Committee (PIC). The PIC has since finalized its report and sent it to Employees' Provident Fund Organisation for placing before the CBT (EPF) for taking a final decision in the matter in its ensuing meeting.

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

RAJYA SABHA

**UNSTARRED QUESTION NO. 3220
TO BE ANSWERED ON 21st DECEMBER, 2011**

EPF PENSION

†3220. SHRI RUDRA NARAYAN PANY:

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

- (a) whether it is a fact that minimum amount of pension to be given from the Employees Provident Fund (EPF) has been fixed at Rs. 3,500 per month;**
- (b) if so, the details thereof; and**
- (c) if not, by when a decision of this intent will be taken and by when the minimum amount of Rs. 3,500/- per month will be paid to the beneficiaries?**

ANSWER

**MINISTER OF LABOUR AND EMPLOYMENT
(SHRI MALLIKARJUN KHARGE)**

- (a): No, Sir.**
- (b): Does not arise in view of reply to part (a) above.**
- (c): There is no such proposal.**
