

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

**RAJYA SABHA**

**STARRED QUESTION NO. 40  
TO BE ANSWERED ON 27.04.2016**

**SOCIAL SECURITY SCHEMES FOR CONSTRUCTION WORKERS**

**\*40. SHRI T. RATHINAVEL:**

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

- (a) whether Government is considering to ensure that all construction workers in the country are covered under social security schemes such as the Employees' Provident Fund;**
- (b) whether Government has written to State Governments to seek their cooperation in this endeavour;**
- (c) whether the biggest challenge in bringing millions of country's construction workers under various welfare schemes is the seasonal and migrant nature of their job; and**
- (d) if so, the details thereof?**

**ANSWER**

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

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

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**STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. \*40 FOR 27.04.2016 BY SHRI T. RATHINAVEL REGARDING SOCIAL SECURITY SCHEMES FOR CONSTRUCTION WORKERS.**

**(a) to (d): The Government has enacted the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and the Building and other Construction Workers' Welfare Cess Act, 1996 to regulate the employment and conditions of service of building and other construction workers and to provide for their safety, health and welfare measures. It applies to every establishment which employs ten or more building workers. Under the Building and Other Construction Workers' Welfare Cess Act, 1996, a cess @ 1% of the cost of construction is collected for meeting the expenses on welfare of construction workers.**

**The Cess fund is utilized by the State Building and Other Construction Workers Welfare Boards to provide for immediate assistance to a beneficiary in case of accident, payment of pension on completion of sixty years of age, loans and advances for construction of houses, premia for Group Insurance Scheme, financial assistance for education of children, medical expenses for treatment of major ailments, payment of maternity benefit, and other welfare measures and facilities.**

**Further, the Central Government vide order dated 8<sup>th</sup> October, 2015, issued under Section 60 of the Building and Other Construction Workers (RECS) Act, 1996, has directed the State/ UTs to ensure coverage of death and disability due to accident, natural death, pension during old age, health & maternity benefit, financial support for primary & secondary education and skill training for construction workers and their wards.**

**In addition to the above, the construction workers working in the establishments employing twenty or more persons avail benefits under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and those workers employed in establishments having ten or more persons get coverage under the Employees' State Insurance Act, 1948.**

**Contd..**

**Moreover, the Unorganized Workers' Social Security Act, 2008 has been enacted to cover unorganised workers, including construction workers and migrant workers. The Unorganized Workers' Social Security Act, 2008, provides for life and disability cover, health and maternity benefits, old age protection and other benefits by way of the following schemes listed in the Schedule I of the Unorganized Workers' Social Security Act, 2008, as under:**

- 1. Indira Gandhi National Old Age Pension Scheme (Ministry of Rural Development)**
- 2. National Family Benefit Scheme (Ministry of Rural Development)**
- 3. Janani Suraksha Yojana (Ministry of Health & Family Welfare)**
- 4. Handloom Weavers' Comprehensive Welfare Scheme (Ministry of Textiles)**
- 5. Handicraft Artisans' Comprehensive Welfare Scheme (Ministry of Textiles)**
- 6. Pension to Master Craft persons (Ministry of Textiles)**
- 7. National Scheme for Welfare of Fishermen and Training and Extension (Ministry of Agriculture)**
- 8. Janshree Bima Yojana (Ministry of Finance)**
- 9. Aam Admi Bima Yojana (Ministry of Finance)**
- 10. Rashtriya Swasthya Bima Yojana (Ministry of Health and Family Welfare).**

**Considering the seasonal and migratory nature of construction workers and other such workmen, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 has been enacted to regulate their employment and to provide for their conditions of service. The Act, inter-alia, provides for payment of journey allowance, displacement allowance, residential accommodation, medical facilities and protective clothing etc. to these workers.**

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

**RAJYA SABHA  
UNSTARRED QUESTION NO.87  
TO BE ANSWERED ON 24.02.2016**

**INVESTMENTS BY EPFO IN AA+ OR HIGHER VALUED BONDS**

**87. DR. K. P. RAMALINGAM:**

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

- (a) whether it is a fact that the Employees' Provident Fund Organisation (EPFO) has decided to begin investments in bonds rated AA+ or higher issued by private sector banks;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that the professional fund managers appointed by the EPFO had asked for relaxing the norms so that more corporate debt becomes eligible for investments; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a) & (b): The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) in its 209<sup>th</sup> meeting held on 24<sup>th</sup> November, 2015 has decided to invest in dual AA+ rated Private Scheduled Commercial Banks (SCBs) bonds.**

**(c) & (d): Based on the suggestion of the professional fund managers, an agenda was placed before the CBT in its 201<sup>st</sup> Meeting held on 25.02.2013, wherein the professional fund managers had suggested to gradually expand the investment universe of AAA rated securities and subsequently also move to AA and A rated securities.**

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 90  
TO BE ANSWERED ON 24.02.2016**

**EARNING ON THE INVESTMENTS BY EPFO**

**90. DR. K. P. RAMALINGAM:**

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

- (a) whether it is a fact that the Employees' Provident Fund Organisations (EPFOs) investment avenues have not kept pace with the surge in the assets under its watch;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that during 2015-16 the EPFO is expected to receive Rs. 1,15,000 crore of fresh accruals from employees' PF contributions; and**
- (d) whether it is also a fact that the savings had earned a return of 8.75 per cent in 2014-15 and if so, the details thereof?**

**ANSWER**

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

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

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

**(c): During 2015-16 (upto January, 2016) Employees' Provident Fund Organization (EPFO) received Rs. 27,673.94 crore as fresh accruals from Provident Fund (PF) contributions (both employees' and employers' share) in Employees' Provident Fund (EPF) Scheme, 1952.**

**(d): Yes, Sir. The savings in EPFO had earned a return of 8.75 per cent in 2014-15.**

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 410  
TO BE ANSWERED ON 27.04.2016**

**INSURANCE SCHEME FOR PLANTATION WORKERS**

**410. DR. CHANDAN MITRA:**

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

- (a) whether Government plans to launch an insurance scheme for plantation sector;**
- (b) if so, the details thereof along with salient features of the scheme; and**
- (c) the fresh steps taken by Government to provide social security safety net for the small holders and plantation workers in order to protect them against price and other risks?**

**ANSWER**

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

**(a) to (c): Employees' State Insurance Act does not apply to plantation workers.**

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 412  
TO BE ANSWERED ON 27.04.2016**

**INOPERATIVE ACCOUNTS IN EPF**

**412. SHRIMATI WANSUK SYIEM:**

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

- (a) whether out of a total of over 15 crore Employees Provident Fund (EPF) accounts, about 9 crore accounts worth Rs. 32,000 crores are inoperative as on March 31, 2015 with only about 4 crore accounts making contributions;**
- (b) whether Government has restored payment of interest to only those accounts that have become idle due to cessation of employment; and**
- (c) whether to assuage the feelings of discrimination among EPF workforce numbering around 20,000, Government has set up an Anomalies Committee to look into their grievances in regard to career advancement and promotion?**

**ANSWER**

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

**(a): As per Annual Accounts of Employees' Provident Fund Organisation (EPFO) as on 31.03.2015, an amount of Rs. 35,531.39 crore has been classified as inoperative accounts in Employees' Provident Fund (EPF). The number of accounts for which this amount pertains is not collected and compiled separately as part of the Annual Accounts compilation process of EPFO.**

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

**(c): Yes, Sir. The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) in its 212<sup>th</sup> meeting held on 29.03.2016 constituted an Anomaly Redressal-cum-Implementation Committee consisting of Central Provident Fund Commissioner, Joint Secretary (Social Security), Ministry of Labour and Employment and Financial Advisor & Chief Accounts Officer, EPFO to complete the gaps.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 414  
TO BE ANSWERED ON 27.04.2016**

**CALCULATION AND DEPOSITION OF PF DUES BY EMPLOYERS**

**414. 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 Organization (EPFO) has removed the grace period of five days given to employers to deposit provident fund contribution with effect from February, 2016;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that employers compute wages and EPF liabilities electronically and file electronic Challan-cum-return;**
- (d) whether the remittance is also being deposited through internet banking; and**
- (e) whether it is also a fact that this has reduced the process and time taken in calculation of PF dues and its remittance in the bank?**

**ANSWER**

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

**(a) & (b):** The grace period of 5 days given to employers to deposit the provident fund contribution has been withdrawn from February, 2016.

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

**(d):** The employers are now required to deposit statutory dues through Internet Banking. However, in case of difficulties in operating internet based bank accounts, employers can remit dues through cheques.

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

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 419  
TO BE ANSWERED ON 27.04.2016**

**AMENDMENT TO PF ACT**

**419. DR. PRADEEP KUMAR BALMUCHU:**

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

- (a) whether Government is planning to expand the Provident Fund (PF) coverage benefit to employees of small business houses also, if so, the details thereof; and**
- (b) the details of the changes being introduced in the PF Act?**

**ANSWER**

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

**(a): 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 for coverage from 20 to 10 employees under the Act.**

**(b): The amendment proposal, 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), option for employees to opt for National Pension System (NPS), etc.**

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**GOVERNMENT OF INDIA  
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**RAJYA SABHA  
UNSTARRED QUESTION NO. 425  
TO BE ANSWERED ON 27.04.2016**

**REDUCTION IN THE INTEREST RATE ON EPF AND PF**

**†425. SHRI RAM KUMAR KASHYAP:**

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

- (a) whether Government has reduced the interest rates on EPF and PF, etc.;**
- (b) if so, the details thereof;**
- (c) what are the facts considered by Government while deciding the interest rates on EPF and PF and whether any definite formula has been prescribed for it; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

**ANSWER**

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

**(a) & (b): Ministry of Finance has ratified the Employees' Provident Fund (EPF) interest rates at 8.70 per cent for the financial year 2015-16 against 8.75 per cent for the financial year 2014-15. There is no change in the interest rate on General Provident Fund (GPF) for the financial year 2014-15 and 2015-16, i.e., 8.70 per cent.**

**(c) & (d): The interest rates on EPF is decided on the basis of recommendations of Central Board of Trustees, Employees' Provident Fund (EPF), prevailing investment environment and financial sustainability. The interest rate on GPF is fixed at par with Public Provident Fund (PPF) interest rates.**

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 430  
TO BE ANSWERED ON 27.04.2016**

**CHANGES IN NPS**

**430. SHRI A. W. RABI BERNARD:**

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

- (a) whether Government has proposed to bring changes to make National Pension Scheme (NPS) attractive after rolling back the proposed tax on Employees' Provident Fund (EPF) withdrawals;**
- (b) if so, the details thereof;**
- (c) whether the roll back makes EPF more attractive as withdrawals are not taxable while all withdrawals from NPS are taxable; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a) & (b): The Government has proposed the following in the Finance Bill, 2016 with regard to the National Pension System (NPS):**

- i. Allowing 40 per cent of the NPS corpus tax exempt on lump sum withdrawal.**
- ii. Waiving service tax on the NPS corpus utilized for purchase of annuity.**
- iii. The amount receivable by the nominee in case of death of the subscriber covered under NPS has been made tax exempt.**
- iv. One-time portability without any tax implication has been allowed to the subscriber for shifting from recognized provident fund to NPS.**
- v. One-time portability without any tax implication has been allowed to the subscriber for shifting from superannuation fund to NPS.**

**Contd..2/-**

**(c) & (d): As per the provisions of the Finance Bill, 2016, 40 per cent of the pension corpus under NPS is proposed to be tax exempt on lump sum withdrawal. Also, the proposal in the Union Budget, 2016-17 for taxation of 60 per cent of provident fund corpus under the Income Tax Act, 1961 has been withdrawn by the Government. Employees' Provident Fund (EPF) remains an Exempt Scheme.**

**However, EPF and NPS are different schemes available to separate categories of subscribers and they are not comparable on one-to-one basis.**

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**GOVERNMENT OF INDIA  
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**RAJYA SABHA  
UNSTARRED QUESTION NO. 432  
TO BE ANSWERED ON 27.04.2016**

**DEDUCTION OF PF IN COMPANIES WITH 10 EMPLOYEES**

**†432. SHRI LAL SINH VADODIA:**

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

- (a) whether Government is contemplating to formulate a law providing for deduction of provident fund even by the companies having 10 employees;**
- (b) if so, whether Government has taken any steps in this direction till now; and**
- (c) if so, the details thereof and if not, the reasons therefor?**

**ANSWER**

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

**(a) to (c): 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 the threshold limit for coverage under the Act from 20 to 10 employees.**

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

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1214  
TO BE ANSWERED ON 04.05.2016**

**EPFO INVESTMENT IN PSU BONDS**

**1214. SHRI S. THANGAVELU:**

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

- (a) whether it is a fact that Employees' Provident Fund Organisation (EPFO) is sitting on surplus funds but has cited losses on its investments in PSU bonds and weak stock markets to argue for a relaxation to invest more in Government securities;**
- (b) whether it is also a fact that EPFO wants the nod of Government to invest Rs. 11,000 crore in Government bonds; and**
- (c) if so, the details thereof and whether Government has conveyed its approval for the same?**

**ANSWER**

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

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

**(b): Employees' Provident Fund Organisation (EPFO) had sought approval from the Government for higher investment in Government bonds.**

**(c): The Government has conveyed increase from 45-50 per cent to 45-65 per cent investment in Government Securities.**

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

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1221  
TO BE ANSWERED ON 04.05.2016**

**NORMS FOR PF WITHDRAWAL**

**1221. SHRI DILIP KUMAR TIRKEY:**

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

- (a) whether it is a fact that Employees' Provident Fund Organisation (EPFO) has changed its norms for PF withdrawal by increasing the eligibility age from 54 years to 57 years;**
- (b) whether this menace will affect the welfare of workers at large; and**
- (c) if so, the reasons and rationale behind such a move?**

**ANSWER**

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

**(a): Yes, Sir. However, notification No. G.S.R. 158(E) dated 10.02.2016 vide which the norms for PF withdrawal under Para 68-NN of the Employees' Provident Funds Scheme, 1952 were also amended by increasing the eligibility age from 54 years to 57 years, has since been withdrawn by the Government on 19.04.2016.**

**(b): The proposal was to strengthen the Social Security cover/protection of the workforce at the time of retirement.**

**(c): Provident Fund, being a Social Security instrument is a means to provide financial assistance/support to the worker when his working life is at its end. Considering the fact that retirement age in most of the establishments is 58 years or more, the Employees' Provident Fund (EPF) withdrawal was proposed to be permitted at the time of retirement, and not earlier. The proposal intended to provide financial protection to the workers at the time of retirement.**

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

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1224  
TO BE ANSWERED ON 04.05.2016**

**NORMS FOR WITHDRAWAL OF PF**

**1224. SHRI S. THANGAVELU:**

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

- (a) whether it is a fact that Employees' Provident Fund Organisation (EPFO) has tightened norms for withdrawing the provident fund as well as to invest it in the Varishtha Pension Bima Yojana;**
- (b) if so, the details thereof,**
- (c) whether it is also a fact that the members will also have to wait till they are 57 years old to claim PF for transfer to Life Insurance Corporation of India for investment; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a): No, Sir. Provision for investment in Varishtha Pension Bima Yojna is available in para 68-NNN of Employees' Provident Funds (EPF) Scheme, 1952 and there is no change in paragraph 68-NNN of EPF Scheme, 1952.**

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

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

**(d): Does not arise in view of reply to part (c) of the Question above**

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

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1226  
TO BE ANSWERED ON 04.05.2016**

**SETTING UP OF LABOUR BANK**

**1226. SHRI DEVENDER GOUD T.:**

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

- (a) whether it is a fact that Employees' Provident Fund Organisation (EPFO) is in the process of setting up of Labour Bank for providing better services to its subscribers;**
- (b) if so, the details of the proposal;**
- (c) whether it is also a fact that EPFO has 6.5 lakh crores of corpus and getting Rs. 70,000 crores as deposits; and**
- (d) if so, by when the proposal would be fructified?**

**ANSWER**

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

**(a) & (b): No, Sir. However, a proposal made by Trade Union Members of Central Board of Trustees (CBT) for setting up Workers' Bank is being examined by the Government.**

**(c): As per audited Annual Accounts of Employees' Provident Fund Organisation (EPFO) for the year 2014-15, the corpus of Funds is Rs. 6,34,174 crore.**

**During the year 2014-15, total contribution (including refund of withdrawal and transfer of securities) under the three Schemes framed under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is Rs. 83,089.96 crore.**

**(d): No timeframe can be given, as at this stage, feasibility is being examined.**

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

**RAJYA SABHA**

**UNSTARRED QUESTION NO. 1229  
TO BE ANSWERED ON 04.05.2016**

**MINIMUM PENSION**

**1229. DR. E.M. SUDARSANA NATCHIAPPAN:**

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

- (a) whether Government is working on pension and minimum pension issues so that there is uniformity of policy of Rs. 1000 as minimum pension with Dearness Allowance (D.A.) along with other Government employees; and**
- (b) if so, the details thereof and if not, the hindrance in implementing UPA Government policy?**

**ANSWER**

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

**(a) & (b): No, Sir. The Government has notified a minimum pension of Rs. 1000/- per month to the pensioners under Employees' Pension Scheme (EPS), 1995 vide Notification No. G.S.R. 593 (E), dated 19<sup>th</sup> August, 2014 effective from 01.09.2014 for the year 2014-15 which is continued beyond March, 2015 without any break.**

**However, no proposal is under consideration of the Government at present for providing inflation-linked Dearness Allowance (DA) to pensioners of EPS, 1995. The issue of index-linking of pension by fully neutralizing inflation was considered by the Expert Committee constituted by the Government in the year 2009 for review of EPS, 1995 and the same was found not feasible in the case of a funded scheme like EPS, 1995 wherein the contribution of the employer and Government is at a fixed rate of 8.33 per cent and 1.16 per cent respectively. Therefore, the value of benefits cannot be left open-ended by linking it with inflation which is variable.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2008  
TO BE ANSWERED ON 11.05.2016**

**TAX ON EMPLOYEES' PF SAVINGS ON RETIREMENT**

**2008. SHRI PAUL MANOJ PANDIAN:**

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

- (a) whether it is a fact that Government was forced to make a complete and unconditional rollback of new norms that barred employees from withdrawing their provident fund corpus before retirement;**
- (b) whether it is also a fact that Government was also forced to scrap its proposal to tax employees' provident fund savings at retirement;**
- (c) whether it is also a fact that the country witnessed widespread protests against both the said proposals of Government; and**
- (d) if so, the details thereof?**

**ANSWER**

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

**(a):** The Government has since withdrawn notification No. G.S.R. 158 (E) dated 10.02.2016 restricting the withdrawal not exceeding employee's own total contribution including interest thereon on ceasing to be an employee in any establishment to which the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 applies.

**(b):** The Government has also withdrawn a proposal in the Union Budget 2016-2017 to tax 60 per cent of the corpus of an individual if a person does not buy an annuity scheme.

**(c) & (d):** Some instances of protest against these proposals had come to the notice of the Government.

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2010  
TO BE ANSWERED ON 11.05.2016**

**CREDIT OF INTEREST IN CLOSED PF ACCOUNTS**

**†2010. SHRI HARIVANSH:**

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

- (a) whether employees would be benefited with credit of interest in the accounts lying closed;**
- (b) the sectors in which the maximum number of such accounts of the employees have been lying closed;**
- (c) the action taken by Government in the last two years against the companies who are not providing Provident Fund (PF) to the employees; and**
- (d) the amount deposited in different schemes in the country for which there is no claimant?**

**ANSWER**

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

**(a): No, Sir. An account is closed when the dues are settled. Hence, question of crediting of interest on closed accounts does not arise.**

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

**(c): Various actions taken by the Employees' Provident Fund Organisation (EPFO) in the last two years against the companies which were not providing Provident Fund (PF) to the employees are as under:**

- (1) Action under Section 7A of the Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952 against the establishments where a dispute arises regarding the applicability of the Act to decide such dispute and determination of dues against the defaulting establishments.**

**Contd...2/-**

**(2) Action under Section 14B of the Act for levy of damages for belated deposit of dues.**

**(3) Action under Section 7Q of the Act for levy of interest for belated remittances.**

**(4) Recovery actions as provided under Section 8B to 8G of the Act.**

**(5) Action under Section 14 of the Act for filing prosecution against the defaulters before the competent Court of law.**

**(6) Action under Section 406/409 of Indian Penal Code (IPC) against the employer for non-payment of employees' share of contribution deducted from the wages/salary of the employees but not deposited in the Fund.**

**(d): All accounts maintained under the Employees' Provident Funds Scheme, 1952 whether contributing (active) accounts or inoperative accounts have definite claimants.**

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**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2019  
TO BE ANSWERED ON 11.05.2016**

**INCREASING PENDENCY OF CASES BEFORE EPF APPELLATE  
TRIBUNAL**

**2019. SHRI PALVAI GOVARDHAN REDDY:**

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

- (a) the reasons for increasing the pendency of cases before the EPF Appellate Tribunal from 1904 in 2011-12 to nearly 3500 in 2014-15;**
- (b) the reasons for increase in the cases in Andhra Pradesh and Telangana from 74 to more than 150 during the above period; and**
- (c) what efforts Government is making to reduce the pendency and clear the cases as Provident Fund is the crucial money for employees?**

**ANSWER**

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

**(a) & (b): Main reason for increase in pendency of cases before Employees' Provident Fund Appellate Tribunal (EPFAT) including those pertaining to Andhra Pradesh and Telangana, are as follows:**

- (i) Increase in workload of cases to be decided during the years.**
- (ii) There was no Presiding Officer in EPFAT for some time during the said period.**

**(c): One more EPFAT has been established at Bengaluru for expeditious disposal of cases related to the States of Andhra Pradesh & Telangana, Karnataka, Tamil Nadu, Kerala, Goa and UTs of Andaman & Nicobar Islands & Puducherry.**

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 2167  
TO BE ANSWERED ON 16.03.2016**

**RECOMMENDATIONS OF BHAGAT SINGH KOSHYARI COMMITTEE**

**†2167. SHRI MAHENDRA SINGH MAHRA:**

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

- (a) whether the Bhagat Singh Koshyari Committee constituted to resolve the problems of pensioners, has submitted its report to Government;**
- (b) if so, when;**
- (c) whether Government is facing difficulties to implement the recommendations of the Committee; and**
- (d) if so, the details of efforts made by Government to address the problems?**

**ANSWER**

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

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

**(b): The 147<sup>th</sup> Report of the Committee on Petitions, Rajya Sabha (Bhagat Singh Koshyari Committee Report) was presented on 03.09.2013.**

**(c) & (d): The recommendations of the Committee have been considered by the Government and to the extent of administrative and financial feasibility, the same have been implemented or taken up for implementation. The details of main recommendations and the action taken thereof are at Annex.**

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## ANNEX

**ANNEX REFERRED TO IN REPLY TO PARTS (c) & (d) OF RAJYA SABHA UNSTARRED QUESTION NO. 2167 TO BE ANSWERED ON 16.03.2016 BY SHRI MAHENDRA SINGH MAHRA REGARDING RECOMMENDATIONS OF BHAGAT SINGH KOSHYARI COMMITTEE.**

### **Main Recommendations of the 147<sup>th</sup> Report of the Committee on Petitions (Rajya Sabha) and Action Taken thereof.**

The recommendations of the 147<sup>th</sup> Report of the Committee on Petitions (Rajya Sabha) also known as the Bhagat Singh Koshyari Committee Report have been considered by the Government and to the extent of administrative and financial feasibility, the same have been implemented or taken up for implementation. The main recommendations of the Committee and the action taken thereon are briefly enumerated below :

- (i) The Committee had recommended increasing Government's contribution to Employees' Pension Scheme (EPS), 1995 from 1.16 per cent of member's wages to at least 8.33 per cent to support a minimum pension of Rs. 3,000/- per month.

Given the constraints of financial feasibility the Government has implemented a minimum pension of Rs. 1,000/- per month under EPS, 1995 with effect from 01.09.2014 by providing budgetary support for the initiative.

- (ii) The recommendation for enhancing the wage ceiling for contributions has been implemented and the wage ceiling has been enhanced from Rs. 6,500/- per month to Rs. 15,000/- per month with effect from 01.09.2014.
- (iii) The Committee had recommended review of the Employees' Deposit-Linked Insurance (EDLI) Scheme, 1976 with a view to create incentive for enhanced Provident Fund (PF) accumulation. It had also advised optimizing use of surplus EDLI funds to provide relief/indexation to existing pensioners.

Accordingly, an actuarial valuation of the EDLI funds was conducted by a professional actuary and based on the recommendations of the study, a proposal for increase in the benefits under EDLI Scheme to a maximum of Rs. 6,00,000/- from Rs. 3,60,000/- duly linking the benefits to PF balance to incentive building of PF accumulation is presently under consideration. However, the use of surplus EDLI funds to provide meaningful relief to pensioners was not found feasible.

Contd..2/-

- (iv) As recommended by the Committee, Employees' Provident Fund Organisation (EPFO) has taken up the task of adopting modern accounting methods consistent with the standards prescribed by Comptroller and Auditor General (C&AG) in the organisation with the help of expertise from the Institute of Chartered Accountants of India.
- (v) The Committee had suggested appointment of Fund Managers and investment in equity for better management of the corpus fund.

EPFO has already appointed fund managers since September, 2008 for better and efficient management of funds and the investments are carried out as per Pattern of Investment prescribed by the Ministry of Finance and notified by Ministry of Labour & Employment and the guidelines laid down by Central Board of Trustees (CBT), Employees' Provident Fund (EPF) from time to time within the parameters of the Investment Pattern.

- (vi) The Committee had suggested that the quantity and quality of data in respect of Employees' Pension Scheme (EPS), 1995 members for purposes of valuation of the fund should be improved significantly. The Committee had also recommended that the actuarial valuation of the fund should be conducted after every 3 years instead of every year presently and also that the Government should take responsibility to curb actuarial deficit. It had also suggested replacement of the existing Employees' Pension Scheme, 1995 with a Provident Fund-cum-Pension Annuity Scheme with mandatory annuitization.

As suggested by the Committee, special efforts have been made to collect information of members and the valuation for 2011-12, 2012-13 and 2013-14 was carried out with data of almost 60 per cent of active contributing members and 100 per cent of the pensioners data resulting in better quality and reliability of the valuation exercise. Taking into account the recommendations of the actuarial valuation report and the suggestions of the Ministry of Finance while agreeing to the minimum pension proposal, a number of amendments have been carried out in the Employees' Pension Scheme, 1995 to curtail the deficit. These measures, inter-alia, include calculating pensionable salary on the basis of 60 months' average instead of 12 months' average and determination of eligible service on the basis of contributory service instead of simple length of service. The improvement in the quality of data and the amendments have resulted in significant drop in the deficit of the Employees' Pension Fund. As regards the suggestion for conducting valuation every 3 years and replacement of the Scheme with an annuity based scheme, it is stated that these were considered by the Central Board of Trustees, Employees' Provident Fund in its 190<sup>th</sup> and 202<sup>nd</sup> meeting where no consensus could emerge on the proposal for an annuity based scheme and it was felt that the annual valuation should continue.

- (vii) The Committee had also recommended for providing price rise neutralization in the pension amount to offset inflation.

The Employees' Pension Scheme (EPS), 1995 being a funded Scheme with features of defined benefits and defined contribution, it is not found feasible to provide for increase in pension by neutralizing effect of inflation. However, if the annual valuation reveals surplus in future then appropriate relief can be considered as per the provision of the Scheme.

- (viii) The Committee had suggested that withdrawal from the Pension Fund should be discouraged and the age of superannuation should be increased from 58 years to 60 years.

In this connection, it is stated that the EPFO has introduced the Universal Account Number (UAN) for members and an online transfer claim portal providing ease to members to transfer their accounts instead of seeking withdrawal. A proposal for deferring the age for vesting pension from 58 years to 60 years on voluntary basis is also under consideration.

- (ix) The Committee had also suggested a separate grievance redressal mechanism for pensioners and for grant of interest in case of delay in credit in pension.

In this connection, it is stated that a separate Customer Service Division (CSD-VI) is in place for pension grievances in EPFO headquarters apart from the fact that an Online Grievances Portal is also in operation. As regards the delay in credit of pension is concerned, it is mentioned that EPS pensions are credited electronically through core banking system every month and every effort is taken to ensure that the pension is credited on the first working day of each month.

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

**RAJYA SABHA  
UNSTARRED QUESTION NO. 2172  
TO BE ANSWERED ON 16.03.2016**

**EXPECTED FRESH ACCRUALS FROM EMPLOYEES' CONTRIBUTIONS IN  
EPFO**

**2172. SHRI PAUL MANOJ PANDIAN:**

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

- (a) whether it is a fact that the retirement savings managed and overseen by the Employees' Provident Fund Organization (EPFO) have crossed Rs. 10 lakh crore mark, making it the eleventh largest pension fund in the world;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that during 2015-16, the EPF coffers are expected to receive Rs. 1,15,000 crore of fresh accruals from employees' contributions;**
- (d) whether it is also a fact that the above would be 15 per cent higher than it was originally estimated; and**
- (e) if so, the details thereof?**

**ANSWER**

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

**(a) & (b): As per the Audited Consolidated Annual Accounts of Employees' Provident Fund Organization (EPFO) for the year 2014-15, the closing balance of Funds managed by EPFO is Rs. 6,34,174.33 crores.**

**Regarding EPFO being the eleventh largest pension fund in the world, no such information is available with EPFO.**

**(c): No, Sir. The fresh accruals in 2015-16 in the three Schemes framed under the Employees' Provident Funds & Miscellaneous Provisions (EPF & MP) Act, 1952, as per the revised estimates, is Rs. 1, 01,538.54 crore.**

**Contd..2/-**

**(d)& (e): The revised estimates for the year 2015-16 are projected to be 13.81 per cent higher than the Budget estimates. The details of revised estimates of the three Schemes are as under:**

**(i) Employees' Provident Funds (EPF) Scheme, 1952 : Rs. 71,398.25 crore**

**(ii) Employees' Pension Scheme (EPS), 1995 : Rs. 29,000.00 crore**

**(iii) Employees' Deposit-Linked Insurance (EDLI) Scheme, 1976 :  
Rs. 1,140.29 crore.**

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**कर्मचारी भविष्य निधि संगठन**

(श्रम एवं रोजगार मंत्रालय, भारत सरकार)

**EMPLOYEES' PROVIDENT FUND ORGANISATION**

(Ministry of Labour & Employment, Govt. of India)

मुख्य कार्यालय / Head Office

भविष्य निधि भवन, 14-भीकाजी कामा प्लेस, नई दिल्ली-110 066.

Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi – 110 066.

No. PQ/201/2017

Dated: 03.02.2017

To

\* The Secretary to the Govt. of India  
Ministry of Labour & Employment  
Shram Shakti Bhawan, Rafi Marg  
New Delhi – 110 001

\*(By Name to: Shri Ajeet Kumar, Under Secretary, Parliament Unit)

Sub: - Rajya Sabha admitted P Q No. S-800 (726) for 08.02.2017 raised by Hon'ble  
Sh. Ripun Bora, MP regarding 'Suicides by Labourers due to demonetisation'.

Sir,

The above said Rajya Sabha admitted P Q No. S-800 (726) for 08.02.2017  
raised by Hon'ble Sh. Ripun Bora, MP has been examined and its found that this P Q does  
not ~~pertain~~ <sup>pertain</sup> to Employess' Provident Fund Organisation.

(This issues with the approval of Central P.F. Commissioner).

Yours faithfully,

(Navendu Rai)

Regional Commissioner (PQ)

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