

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 1218
TO BE ANSWERED ON 09.12.2015**

INVESTMENT OF EPFO FUNDS IN STOCK MARKET

1218. SHRI AHMED PATEL:

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

- (a) whether Employees' Provident Fund Organisation (EPFO) funds are allowed to be invest in stock markets, what are the guidelines in place to ensure corpus funds are not affected by market fluctuations; and**
- (b) what is the projected investments by EPFO for the next three years?**

ANSWER

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

(a): The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) has not permitted Investment in individual stocks. It has allowed investment only in the Exchange Traded Funds (ETFs) of Nifty and Sensex-based Index. ETF as an instrument is affected by market fluctuations.

(b): The CBT in its 207th Meeting held on 31.03.2015 decided to invest up to 5 per cent of its total corpus in ETFs for this financial year, i.e., 2015-2016. Approximately, a sum of Rs. 5,000 crore per year is likely to be invested in ETFs in the next three years till 2017-18.

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 1221
TO BE ANSWERED ON 09.12.2015**

EPFO INVESTMENT IN EXCHANGE TRADED FUNDS

1221. SHRI ANAND SHARMA:

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

- (a) whether Government has allowed Employees' Provident Fund (EPF) to invest part of its corpus in Exchange Traded Funds (ETFs);**
- (b) if so, whether stakeholders consultation was held before the decision was made; and**
- (c) the response of the organizations and major trade unions to Government proposals?**

ANSWER

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

(a): Yes, Sir.

(b) & (c): The proposal was discussed and approved by the Central Board of Trustees, (CBT), Employees' Provident Fund (EPF), a tripartite body of employees', employers' and Government representatives.

Some of the organisations and trade unions have expressed their reservations in the decision to invest in equity. However, their concerns have been replied suitably.

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 1225
TO BE ANSWERED ON 09.12.2015**

SOCIAL SECURITY UNDER NEW CHILD LABOUR LAW

†1225. SHRI MAHENDRA SINGH MAHRA:

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

- (a) whether private institutes, factories and the persons who employed people at home are bound to provide facilities of provident fund contribution, insurance, medical to child labour under new child labour law; and**
- (b) if not, whether Government will consider to formulate any law for this purpose and the manner in which Government will secure the future of child labourers?**

ANSWER

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

(a) & (b): Child Labour (Prohibition and Regulation) Act, 1986 prohibits the employment of children below 14 years in certain occupations and processes and regulates the conditions of work of children in occupations and processes where the employment of children is not prohibited. A Bill to amend the Child Labour (Prohibition & Regulation) Act, 1986 has been introduced in Rajya Sabha in 2012. The Government has decided to move Official Amendments to the Amendment Bill. The Official Amendments along with the Amendment Bill, inter-alia, covers complete prohibition on employment of children below 14 years, linking the age of prohibition with the age under Right of Children to Free and Compulsory Education Act, 2009 and making the punishment for employer for contravention of the provisions of the Act more stringent.

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 1228
TO BE ANSWERED ON 09.12.2015**

PROVIDENT FUNDS ENTERING EQUITY MARKET

1228. SHRI JESUDASU SEELAM:

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

- (a) whether this would be the first time that Provident Funds will enter the equity market and whether Government has considered all the risks attached to this move;**
- (b) if so, the details thereof and if not, the reasons therefor;**
- (c) whether Government will provide a guarantee for such investment in the stock market;**
- (d) if so, the details thereof and if not, the reasons therefor; and**
- (e) whether this move has faced stiff opposition by trade unions, if so, the reasons therefor?**

ANSWER

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

(a) & (b): Yes, Sir. Employees' Provident Fund Organisation (EPFO) has entered the equity market through investment in Exchange Traded Funds (ETFs).

The Central Board of Trustees (CBT), Employees' Provident Fund (EPF) has approved the proposal of investing in ETFs after considering the possible risk associated with the investments.

(c) & (d): The Government has not provided any guarantee for such investments in the stock market as investment in such instruments are subject to market movements.

(e): Some of the trade unions have expressed their reservations over the decision to invest in equity as they are concerned about the risk associated with the investments in stock market.

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 2011
TO BE ANSWERED ON 16.12.2015**

LOW WAGES TO TEA GARDEN WORKERS

2011. SHRI TAPAN KUMAR SEN:

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

- (a) the State-wise number of closed tea gardens in the country;**
- (b) whether Government is aware that tea garden workers get very low wages and are deprived of social securities; and**
- (c) if so, the action being taken by Government to take remedial measures?**

ANSWER

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

(a): The Ministry of Commerce & Industry has informed that eight (08) tea gardens are closed in the country as on 31.10.2015. The details of the State-wise closed tea gardens in the country are as under:

Sl.No.	State	No. of closed Tea Gardens
1	West Bengal	06
2	Assam	01
3	Kerala	01

(b) & (c): The tea plantation workers are paid wages as per the negotiated agreement reached through a process of collective bargaining between the producer associations and workers unions.

Various initiatives have been taken by the Government, through Tea Board, during the XII Plan Period, which includes, holding meetings with the State Governments & Tea Boards & emphasizing on including all tea growing areas under the flagship scheme for social welfare; requesting State Governments to cancel the lease of land for closed tea garden & identifying new lessees for managing the garden; request for deputing nodal officers to cooperate in formulating revival package for closed tea garden and payment of Rs 3000/- to the wards of workers in closed tea estate by the Tea Board under Tea Development & Promotion Scheme.

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

**RAJYA SABHA
UNSTARRED QUESTION NO. 2826
TO BE ANSWERED ON 23.12.2015**

SOCIAL SECURITY FOR LABOUR FORCE IN UNORGANISED WORKERS

†2826. SHRI PRABHAT JHA:

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

- (a) whether it is a fact that only ten percent of total labour force, which is working in organised sector, has required social security;**
- (b if so, the details thereof;**
- (c) whether Government has taken/proposes to take adequate policy measures during the last one year to provide required social security for remaining ninety per cent of labour force which is working in unorganised sector; and**
- (d) if so, the details thereof?**

ANSWER

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

(a) to (d): The Government of India has set up a robust social security and welfare platform for labourers both in organised and unorganised sector. The labourers in organised sector are covered by Employees State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provision Act, 1952, the Employees' Compensation Act, 1923, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. For the workers in unorganised sector, Unorganised Workers' Social Security Act, 2008 has been enacted to provided social security and other welfare benefits. The Act provides for formulation of suitable welfare schemes for unorganised workers on matters relating to: (i) life and disability cover, (ii) health and maternity benefits, (iii) old age protection and (iv) any other benefit as may be determined by the Central Government through the National Social Security Board.

Contd..2/-

Various Social Security Schemes, formulated by the Government to provide social security cover to the unorganized workers, listed in the Schedule I of the Unorganised Workers' Social Security Act, 2008 are as under:

- i. Indira Gandhi National Old Age Pension Scheme. (Ministry of Rural Development)**
- ii. National Family Benefit Scheme. (Ministry of Rural Development)**
- iii. Janani Suraksha Yojana. (Ministry of Health and Family Welfare)**
- iv. Handloom Weavers' Comprehensive Welfare Scheme.(Ministry of Textiles)**
- v. Handicraft Artisans' Comprehensive Welfare Scheme. (Ministry of Textiles)**
- vi. Pension to Master Craft Persons. (Ministry of Textiles)**
- vii. National Scheme for Welfare of Fishermen and Training and Extension. (Department of Animal Husbandry, Dairying & Fisheries)**
- viii. Aam Aadmi Bima Yojana. (Ministry of Labour and Employment).**
- ix. Rashtriya Swasthya Bima Yojana. (Ministry of Health and Family Welfare)**

In addition to the above, the Government has launched the Atal Pension Yojana, especially targeting unorganised workers, under which fixed minimum pensionis provided based on the slab of contribution.

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 2828
TO BE ANSWERED ON 23.12.2015**

SOCIAL SECURITY SCHEME FOR FORMAL AND INFORMAL SECTORS

2828. DR. K. P. RAMALINGAM:

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

- (a) whether it is a fact that Government is considering to bring in all the employees of both formal and informal sector under social security scheme;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that Government is considering to introduce a law which will ensure minimum wages to be paid to every worker, irrespective of formal or informal sector; and**
- (d) if so, the details thereof?**

ANSWER

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

(a) & (b): Workers employed in organized (formal) sector are provided social security through the following five Acts:-

- i. The Employees' Provident Funds & Miscellaneous Provisions Act, 1952.**
- ii. The Employee's Compensation Act, 1923.**
- iii. The Employees' State Insurance Act, 1948.**
- iv. The Payment of Gratuity Act, 1972.**
- v. The Maternity Benefit Act, 1961.**

Workers employed in unorganized (informal) sector are provided social security through Unorganised Workers' Social Security Act, 2008. Various Schemes formulated by the Government listed in Schedule-I of the Act, are as under:

Contd..2/-

- i. Indira Gandhi National Old Age Pension Scheme.**
- ii. National Family Benefit Scheme.**
- iii. Janani Suraksha Yojana.**
- iv. Handloom Weavers' Comprehensive Welfare Scheme.**
- v. Handicraft Artisans' Comprehensive Welfare Scheme.**
- vi. Pension to Master Craft Persons.**
- vii. National Scheme for Welfare of Fishermen and Training and Extension.**
- viii. Aam Admi Bima Yojana.**
- ix. Rashtriya Swasthya BimaYojana.**

(c) & (d): Under the provisions of the Minimum Wages Act, 1948, both Central and State Governments are appropriate Governments to fix, review and revise the minimum wages for different categories of workers employed in the scheduled employment under their respective jurisdictions. Rates fixed in the Central sphere are applicable to establishments under the authority of Central Government, railway administrations, mines, oil-fields, major port or any corporation established by a Central Act.

The enforcement of the provisions of the Minimum Wages Act, 1948 has been prescribed under provisions of the Act. It is secured at two levels. The implementation of the Minimum Wages Act, 1948 is carried out by the Centre as well as the States in respect of their respective jurisdiction.

**GOVERNMENT OF INDIA
MINISTRY OF LAW & JUSTICE
DEPARTMENT OF LEGAL AFFAIRS
RAJYA SABHA
UNSTARRED QUESTION NO. 208
TO BE ANSWERED ON 24/04/2015
Implementation of National Litigation Policy**

208. SHRIMATI VANDANA CHAVAN:

Will the Minister of LAW AND JUSTICE be pleased to state:

- (a) the steps taken by Government towards implementation of National Litigation Policy;
- (b) the data pertaining to number of cases where Government is a litigant pending before different courts, Department-wise including duration of pendency and current stage of the cases;
- (c) the steps taken by Government to encourage settlement *via* ADR by Government Departments and the number of cases in which ADR has been resorted to by Government Departments;
- (d) the number of cases where action has been taken by Government Departments during the notice period u/s 80 of CPC; and
- (e) whether Government would create a comprehensive database on pendency of cases?

**ANSWER
MINISTER OF LAW & JUSTICE
(SHRI D V SADANANDA GOWDA)**

(a) to (e) The information is being collected and will be laid on the Table of the House.

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO.406
TO BE ANSWERED ON 02.12.2015**

**ENHANCEMENT OF INSURANCE BENEFIT TO DEPENDENTS OF EPF
MEMBERS**

406. SHRI T. RATHINAVEL:

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

- (a) whether Central Board of Trustees of Employees' Provident Fund Organization has decided to enhance the insurance benefit payable to dependents of the members of the Employees' Provident Fund from the present Rs. 3.60 lakh to Rs. 6.0 lakh;**
- (b) whether the said move under the Employees' Deposit Linked Insurance Scheme, 1976, will benefit four crore EPF contributing members;**
- (c) whether Government has also decided to remove the condition of continuous employment of one year under the current employer for eligibility to the insurance scheme; and**
- (d) whether even a day's employment was enough to be eligible for the insurance scheme?**

ANSWER

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

(a) & (b): Yes, Sir.

(c): The condition of continuous employment of one year under current employer was in place for eligibility for enhanced benefits of Employees' Deposit Linked Insurance (EDLI) under para 22(3) of the Employees' Deposit-Linked Insurance (EDLI) Scheme, 1976. The Central Board of Trustees has recommended removal of this norm so that all members are eligible for the enhanced benefits. The proposal is under consideration of the Government.

(d): The membership of EDLI Scheme, 1976 is available to members of the Employees' Provident Funds Scheme, 1952 from the date they become such members.

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

**RAJYA SABHA
UNSTARRED QUESTION NO.413
TO BE ANSWERED ON 02.12.2015**

EPFO's PLAN TO INVEST IN SBI MUTUAL FUND

413. 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 Organization (EPFO) plans to invest a corpus of Rs. 5,000 crore initially through SBI Mutual Fund;**
- (b) whether it is also a fact that EPFO manages a corpus of Rs. 6.5 lakh crore of pension fund of five crore subscribers; and**
- (c) whether it is also a fact that the EPFO is also considering to enter into stock exchange equities with the corpus available with it; and if so, the details thereof?**

ANSWER

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

(a): Yes, Sir. Employees' Provident Fund Organization (EPFO) has started investment in Exchange Traded Funds (ETFs) through SBI Mutual Fund, the total Asset Under Management (AUM) of which is expected to be around Rs. 5,000 crore at the end of this financial year.

(b): As per the draft Annual Report for the financial year 2014-15, EPFO manages Rs. 3.79 Lakh crore in Employees' Provident Funds (EPF) Scheme, 1952, Rs. 2.38 lakh crore in Employees' Pension Scheme (EPS), 1995 and Rs.0.15 lakh crore in Employees' Deposit-Linked Insurance (EDLI) Scheme, 1976. The total number of subscribers as per the said Draft Annual Report is 3.49 crore.

(c): At present, no such proposal is under consideration.

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

**RAJYA SABHA
UNSTARRED QUESTION NO.417
TO BE ANSWERED ON 02.12.2015**

PF SETTLEMENTS

417. SHRI S. THANGAVELU:

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

- (a) whether it is a fact that if employee's account is attached with Aadhaar details, PF settlements will be done in four hours or maximum within a day;**
- (b) whether from March, 2016, PF settlements will be done in a day;**
- (c) whether Employees' Provident Fund Organisation (EPFO) has brought out a lot of changes like filling of monthly returns, getting PF code and making remittance easier and faster through online service; and**
- (d) whether as of now the PF settlements are done in paper form, but in a few months time this will be a thing of past?**

ANSWER

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

(a): Various Know Your Customer (KYCs) such as Permanent Account Number (PAN), Bank Account, Passport, Driving License, Voters' Identity Card, AADHAAR can be seeded in Universal Account Number (UAN) data base and AADHAAR number is one of the KYCs.

No decision for timelines to settle Provident Fund (PF) in four hours or maximum within a day has been taken at present.

(b): At present no such proposal is under consideration.

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(c): Employees' Provident Fund Organisation (EPFO) has introduced Electronic Challan-cum-Return (ECR) through which employers can submit their contribution online.

EPFO has introduced Online Registration of Establishments (OLRE) through which employers can get PF Code number for the establishment online. They can also remit their contribution payments online through internet banking.

EPFO has also introduced National Electronic Fund Transfer (NEFT) through which the payment of claim settlement will be paid in the bank account of the member.

(d): Presently PF settlements are done in paper form. However, settlement of PF claims online may take considerable time.

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

**RAJYA SABHA
UNSTARRED QUESTION NO.418
TO BE ANSWERED ON 02.12.2015**

EPFO PROPOSAL TO INVEST IN EQUITIES

418. SHRI S. THANGAVELU:

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

- (a) whether it is a fact that Government has backed the idea of the Employees' Provident Fund investing up to 15 per cent of its assets in equities to stabilize the stock market and lower volatility;**
- (b) if so, the details thereof;**
- (c) whether it is also a fact that Employees' Provident Fund Organisation (EPFO), to begin with, would put in only 5 per cent of its incremental flows or about Rs. 400 crore per month; and**
- (d) if so, the details thereof?**

ANSWER

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

(a) & (b): The Government has notified the Pattern of Investment for investment by Employees' Provident Fund Organisation (EPFO) wherein it has permitted investment in equity from 5 per cent to 15 per cent. However, the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) has decided to invest only in Exchange Traded Fund (ETF). The purpose of this investment by EPFO is to maximize its earnings on investment.

(c) & (d): As per the approval of the CBT, EPFO would invest only upto 5 per cent of its total investment in ETF during this financial year. Investment in ETF started in the month of August, 2015 and a total of Rs.2909 crores have been invested till 26th November, 2015.

**Government of India
Ministry of Finance
Department of Expenditure**

RAJYA SABHA

UNSTARRED QUESTION No.1047

**TO BE ANSWERED ON 08TH DECEMBER, 2015/17TH AGRAHAYANA,
1937 (SAKA)**

POOL OF DOMESTIC INSTITUTIONAL FUNDS TO COUNTER VOLATILITY

1047: SHRI MAJEED MEMON

Will the Minister of FINANCE be pleased to state:

- (a) whether is it a fact that Employees Provident Fund Organisation (EPFO) has started investing 5 per cent of its incremental inflows or about Rs.400 cr per month in stocks;**
- (b) whether it is also a fact that the Government now wants to create a large pool of domestic institutional funds to counter volatility due to sudden spike in inflows and withdrawal by foreign investors;**
- (c) whether Government has allowed smaller pension funds to seek SEBI help for investing in stocks; and**
- (d) a detailed report thereon?**

ANSWER

**MINISTER OF STATE FOR FINANCE
(SHRI JAYANT SINHA)**

(a) Ministry of Labour & Employment has intimated that as per the approval of the Central Board of Trustees (CBT), Employees' Provident Fund Organisation (EPFO) would invest only upto 5% of its total investment in Exchange Traded Fund (ETF) during the Financial Year. Investment in ETF started in the month of August, 2015 and a total of Rs.3174 crores have been invested till 30th November, 2015.

(b) The Central Board of Trustees has decided to invest in Exchange Traded Fund (ETF) only. The purpose of this investment by EPFO is for maximizing its earnings on investment.

(c) & (d) The information is being collected and will be laid on the Table of the House

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

**RAJYA SABHA
STARRED QUESTION NO.106
TO BE ANSWERED ON 09.12.2015**

**NON-DEPOSITING OF PF CONTRIBUTION OF STAFF IN THEIR
ACCOUNTS**

†*106. SHRI MAHENDRA SINGH MAHRA:

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

- (a)whether Government is aware that the Provident Fund (PF) contribution of the staff working in private factories and institutions in the country is not being deposited in their PF accounts by their owners;**
- (b)if so, whether such complaints have been received by the Ministry;**
- (c)if so, the details of the action taken on the complaints received; and**
- (d)if not, the reasons therefor?**

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.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF RAJYA SABHA STARRED QUESTION NO. 106 TO BE ANSWERED ON 09.12.2015 BY SHRI MAHENDRA SINGH MAHRA REGARDING NON-DEPOSITING OF PF CONTRIBUTION OF STAFF IN THEIR ACCOUNTS.

(a) & (b): Some complaints have been received by EPFO through its field offices that some of the establishments which are covered under Employees' Provident Funds & Miscellaneous Provisions Act, 1952 fail to deposit provident fund contribution of their staff.

(c): The details of actions taken against such defaulting establishments are as under:-

- i. Wherever the establishments are found coverable under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, the same are covered under the Act.**
- ii. In case of default in remittance of dues, enquiry under Section 7A of the Act is being initiated.**
- iii. Recovery of dues under Section 8B to 8G of the Act is initiated for recovery.**
- iv. In case of belated remittance, action under Section 14B of the Act is taken for levy of penal damages and under Section 7Q of the Act for calculating interest.**
- v. Action under Section 14 of the Act is taken for filing prosecution against the defaulters before the competent court of law.**
- vi. Wherever it is found that the provident fund contribution has been deducted from salary of employees but not deposited in the fund, action under Section 406/409 of Indian Penal Code (IPC) is taken.**
- vii. During 2014-15, 228 FIRs and 1490 prosecutions were filed and 14,000 enquiries under Section 7A of the Act were initiated against defaulting establishments. For late payment of provident fund, an amount of Rs. 730/- crore was collected as damages and interest.**

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