

**GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA**

UNSTARRED QUESTION NO:1060
ANSWERED ON:27.02.2006
INTEREST RATE ON EPF
Singh Shri Mohan

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

- (a) the amount likely to be spent by Employees Provident Fund Organisation (EPFO) at interest rate of 9.5%;
- (b) the savings likely to accrue as a result of current reduction in the interest rate;
- (c) whether subsidy has to be given to EPFO for paying off the interest; and
- (d) if so, the subsidy given to EPFO during each of the last two years and the current year?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR & EMPLOYMENT (SHRI CHANDRA SEKHAR SAHU)

- (a): The liability of the Employees' Provident Fund Organisation for payment of interest at the rate of 9.5% to the members of the Employees Provident Fund for the year 2005-06 comes to Rs.7,699.52 crore.
- (b): The liability and income of the Organisation at the declared rate of 8.5% comes to Rs.6,889.04 crore and Rs. 6,523.15 crore respectively. Hence, even at the declared rate of interest, the Organisation has to divert an amount of Rs. 365.89 crore from the Special Reserve Fund/other sources in order to meet the shortfall.
- (c): No, Sir.
- (d): Does not arise in view of (c) above.