GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT

RAJYA SABHA

UNSTARRED QUESTION NO. 2491
TO BE ANSWERED ON 24.03.2022

DEMAND TO ENHANCE EPFO WAGE CEILING LIMIT

2491. SHRI JOHN BRITTAS:

Will the Minister of Labour and Employment be pleased to state:

(a) whether Government would consider compassionately the growing demand for enhancing EPF wage ceiling limit for employers' contribution from the current ceiling of ₹ 15,000/-;
(b) if not, reasons therefor;
(c) whether Government would consider the option of permitting employees also to contribute towards Employees' Pension Scheme;
(d) if not, reasons therefor;
(e) whether Government has plans for raising the minimum pension under Employees' Pension Scheme to ₹ 10,000/- per month considering the present cost of living;
(f) whether EPFO mulls New Pension Scheme for employees drawing salary above ₹15,000/-;
(g) if so, details thereof; and
(h) quantum of amount lying unclaimed with EPFO?

ANSWER

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SHRI RAMESWAR TELI)

(a) & (b): The wage ceiling for coverage under the Employees' Provident Fund (EPF) Scheme, 1952 is revised from time to time. Presently, it is Rs.15000/- per month.

Contd..2/-

(c) & (d): **As per paragraph 3 of the Employees' Pension Scheme (EPS), 1995, the corpus of the Employees' Pension Fund is made up of (i) contribution by the employer @ 8.33 per cent of wages; and (ii) contribution from Central Government through budgetary support @ 1.16 per cent of wages. Thus, there is no contribution from the employees towards EPS, 1995.**

(e): **The Employees' Pension Scheme (EPS), 1995 is a 'Defined Contribution-Defined Benefit' Social Security Scheme. The corpus of the Employees' Pension Fund is made up of (i) contribution by the employer @ 8.33 per cent of wages; and (ii) contribution from Central Government through budgetary support @ 1.16 per cent of wages, up to an amount of Rs.15,000/- per month. All benefits under the scheme are paid out of such accumulations. The fund is valued annually as mandated under paragraph 32 of the EPS, 1995. Since the year 2020, the fund ran into actuarial deficit. However, the Government, for the first time, in the year 2014, provided a minimum pension of Rs. 1000 per month to the pensioners under the EPS, 1995 by providing budgetary support, which was in addition to the budgetary support of 1.16 per cent of wages provided annually towards EPS to Employees' Provident Fund Organisation (EPFO).**

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

(g): **Does not arise.**

(h): **As per paragraph 72(6) of the Employees' Provident Fund (EPF) Scheme, 1952, certain accounts are classified as 'Inoperative Accounts' and such accounts, have definite claimants. As on 31.03.2021, the amount lying in these inoperative accounts was Rs. 3930.85 crore (unaudited).**

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