

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 726
TO BE ANSWERED ON 08.02.2024**

INCREASING MINIMUM PENSION IN EPF PENSION SCHEME

**726. SHRI VAIKO:
SHRI M. SHANMUGAM:**

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

- (a) whether Government is receiving demands from stakeholders like trade unions, public representatives for increasing the minimum pension in the EPF Pension Scheme;**
- (b) if so, the demands of the stakeholders in brief;**
- (c) the response of Government thereto;**
- (d) whether Government would consider positively the hike in minimum pension for the EPF subscribers, in view of rise in the cost of living index and hike in wages;**
- (e) if so, by when it is expected to be announced;**
- (f) whether pension calculation formula will be revised since the present one is arbitrary and biased against pensioners; and**
- (g) if so, Government's response thereto?**

ANSWER

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

(a) to (g): Representations have been received from various stakeholders including trade unions and public representatives to increase the minimum pension under the Employees' Pension Scheme (EPS), 1995 from existing Rs. 1000/- per month.

The 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

Contd..2/-

such accumulations. The fund is valued annually as mandated under paragraph 32 of the EPS, 1995 and as per the valuation of the fund as on 31.03.2019, there is an actuarial deficit.

Amount of member's pension under the Scheme is determined taking into account the pensionable period of service and pensionable salary as per following formula:

$$\frac{\text{Pensionable Service X Pensionable Salary}}{70}$$

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).
