

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
RAJYA SABHA
UNSTARRED QUESTION NO. 2022
TO BE ANSWERED ON 12.12.2024**

MINIMUM PENSION UNDER EPS

2022. SMT. JEBI MATHER HISHAM:

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

- (a) whether the demand to enhance minimum pension in Employees Pension Scheme (EPS) is under consideration of Government;**
- (b) whether 'One Rank One Pension' scheme will be implemented in the EPS domain; and**
- (c) whether Tribunals will be set up for settling EPS pension related claims without delay?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SUSHRI SHOBHA KARANDLAJE)**

(a): 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.

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:

Pensionable Service X Pensionable Salary

70

It is evident that the amount of pension is based on a predefined formula. 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,

Contd..2/-

which was in addition to the budgetary support of 1.16% of wages provided annually towards EPS to Employees' Provident Fund Organisation (EPFO).

Considering the demands of Employees' Pension Scheme (EPS), 1995 pensioners, the Government constituted a High Empowered Monitoring Committee (HEMC) for complete evaluation and review of EPS 1995. The Committee considered the issue of dearness allowance under EPS, 1995 and has recommended, inter-alia, that linking the pension admissible under EPS 95 with cost of living index is not feasible in view of actuarial position of the Fund.

(b) & (c): Pension under EPS is not linked to Ranks. There is no proposal to set up Tribunals for settling pension claims.
