

**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 2167  
TO BE ANSWERED ON 18.12.2025**

**RECENT EPFO WITHDRAWAL RESTRICTIONS**

**2167. SHRI MOHAMMED NADIMUL HAQUE:**

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

- (a) whether any financial or social impact assessment was conducted before increasing the EPF unemployment-withdrawal period from 2 months to 12 months and the pension withdrawal period to 36 months;**
- (b) the number of members who withdrew funds within the earlier two-month window during the last five years and how many would now be ineligible;**
- (c) whether any analysis was done before mandating a 25% non-withdrawable balance; and**
- (d) if so, the details thereof and if not, the reasons therefor?**

**ANSWER**

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

**(a) & (b): The Central Board of Trustees of EPFO which is a tripartite body of Employees, Employers and Government Representatives took the decision for increasing the withdrawal period on the basis of EPFO data of member claims. During FY 2024-25, over 17.32 lakh Members who had availed Final Settlement of Provident Fund after 2 months waiting period from the date of exit of employment, re-joined another/same establishment within 1 year from their exit. The new rules would facilitate such employees retaining their membership and maintaining their service period.**

**The number of Members who have closed their EPF accounts after 2 months waiting period but before 1 year from the Exit of Employment during the past 5 years is:**

<b>Year</b>	<b>Members</b>
<b>2020-2021</b>	<b>35,55,064</b>
<b>2021-2022</b>	<b>31,59,219</b>
<b>2022-2023</b>	<b>30,73,313</b>
<b>2023-2024</b>	<b>32,16,199</b>
<b>2024-2025</b>	<b>36,31,377</b>

**(c) & (d):** The Central Board of Trustees of EPFO decided the minimum balance based on the data that nearly 50% of the members had a PF balance of less than Rs. 20,000/- The CBT, EPF was of the considered opinion that a majority of the members were not able to take advantage of high interest rates offered by EPFO due to multiple withdrawals for immediate needs. This compromised members' long-term social security. Hence, based on inputs from employee and employer organizations, a decision was taken to mandate 25% minimum balance on the one hand but allow increased flexibility to withdraw the remaining amount. The remaining 25% can also be withdrawn after one year. Further, the full withdrawal of the entire PF balance (including the minimum balance of 25%) is also allowed in case of retirement after attaining 55 years of service, permanent disability, incapacity to work, retrenchment, voluntary retirement or leaving India permanently etc.

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