

**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:

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

Contd..2/-

(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 The remaining 25% can also be withdrawn after one year.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.
