

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT**

LOK SABHA

**UNSTARRED QUESTION NO. 286
TO BE ANSWERED ON 05.02.2018**

PF CONTRIBUTION

286. SHRI RAM CHARITRA NISHAD:

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Board of Trustees of Employees Provident Fund Organization is considering a proposal to reduce the share of mandatory contribution by employers' to 10 per cent each from 12 per cent of the income as of now and if so, the details thereof;**
- (b) whether the three trade unions have opposed the said proposal on the grounds that this will dilute these social security schemes;**
- (c) if so, the details thereof and the response of the Government thereto;**
- (d) whether the EPFO is also considering to raise the investment limit in Exchange Traded Funds to 15 per cent from 10 per cent; and**
- (e) if so, the details thereof?**

ANSWER

**MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI SANTOSH KUMAR GANGWAR)**

(a) to (c): An agenda item for lowering the rate of contribution under Employees' Provident Funds and Miscellaneous Provisions (EPF & MP) Act, 1952 from the present 12 per cent to 10 per cent was deliberated in the 218th meeting of the Central Board of Trustees (CBT), Employees' Provident Fund (EPF) held on 27.05.2017.

The employees', employers' and State Government representatives were against reducing the rate of contribution from 12 per cent to 10 per cent. Thereafter, no further action has been taken in the matter.

(d) & (e): The investment limit in Exchange Traded Funds (ETFs) has been raised from 10 per cent to 15 per cent by the CBT, EPF in its 218th meeting held on 27.05.2017.
