

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

LOK SABHA

**UNSTARRED QUESTION NO. 4259
TO BE ANSWERED ON 22.03.2021**

INTEREST PAYMENTS OF EPFO

4259. SHRI SUBBARAYAN K.:

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

- (a) whether it is a fact that there has been delay in the interest payments to around four million people registered with the Employees Provident Fund Organization (EPFO) for 2019-20; and**
- (b) if so, the details thereof; and**
- (c) the action taken by the Government in this regard?**

ANSWER

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

(a) to (c): As per Para 60(1) of the Employees' Provident Funds Scheme, 1952, the Commissioner shall credit to the account of each member interest at such rate as may be determined by the Central Government in consultation with the Central Board. The Central Board of Trustees' (CBT), Employees' Provident Fund (EPF) in its 226th meeting held on 05.03.2020 had recommended the rate of interest at 8.50 per cent for the financial year 2019-20. However, this was later on reaffirmed by the CBT in its 227th meeting held on 09.09.2020 on account of certain procedural adjustments necessitated due to prevalence of Covid-19 pandemic. The rate of interest recommended by the CBT was approved by Government of India on 31.12.2020. Accordingly, the rate of interest for 2019-20 @ 8.5 per cent was notified and credit of interest to the members' accounts was made.

The interest is credited to the members' account on the monthly running balance basis w.e.f. the last day in each year as provided under Para 60(2) of the EPF Scheme, 1952. Accordingly, the interest for the year 2019-20 gets credited to the members' account as on 31.03.2020. Therefore, no loss will be caused to the PF members due to delay in the credit of interest.
