

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

LOK SABHA

**UNSTARRED QUESTION NO. 3671
TO BE ANSWERED ON 20.12.2021**

SOCIAL SECURITY TO INDUSTRIAL AND UNORGANISED WORKERS

†3671. SHRI BALUBHAU ALIAS SURESH NARAYAN DHANORKAR:

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

- (a) whether there is dissatisfaction amongst the beneficiary members of pension scheme implemented for providing social security to industrial and unorganized workers, due to shortcomings in the scheme;**
- (b) if so, whether the Government has taken any decision to link dearness allowance and Government grants in the pension scheme so as to get proper benefit of pension;**
- (c) the response of the Government on the recommendations contained in the report of the Parliamentary Committee presented in the Parliament on 20 February, 2009;**
- (d) whether an expert Committee had presented its report to the Government on 5th August, 2010 to give proper benefit to the pensioners of 1995 scheme under social security;**
- (e) if so, the details of the said report of the expert Committee thereof; and**
- (f) whether the Government proposes to provide dearness allowance and grants to the pensioners of 1995 as per their demands?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SHRI RAMESWAR TELI)**

(a) to (f): The Employees' Pension Scheme (EPS), 1995 is a 'Defined Contribution-Defined Benefit' Social Security Scheme. There is a pooled account for providing pension under EPS consisting 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.

Contd..2/-

The Government had constituted an Expert Committee to review the Employees' Pension Scheme, 1995 based on the recommendations/suggestions made by the Parliamentary Standing Committee on Labour in its 29th Report presented to Parliament on 20.02.2009.

As per the recommendations of the Expert Committee, the Government, for the first time, provided a minimum pension of Rs. 1000 per month to the pensioners under EPS, 1995 from 01.09.2014 by providing additional budgetary support. Further, the wage ceiling for coverage under Employees' Provident Fund Organisation (EPFO) was revised from Rs.6500 to Rs.15000 per month with effect from 01.09.2014.

Considering the demands of EPS pensioners, the Government had constituted a High-Empowered Monitoring Committee (HEMC) for evaluation and review of EPS, 1995.

As recommended by the HEMC, the Government has notified its decision vide G.S.R. 132 (E) dated 20.02.2020 for restoration of normal pension after completion of fifteen years from the date of such commutation, in respect of those members who availed the benefit of commutation of pension under the erstwhile paragraph 12A of the EPS, 1995, on or before 25.09.2008.

However, the Committee did not recommend any linking of monthly pension with cost of living index as this may severely affect the financial health of the Employees' Pension Fund, as assessed by the Actuary appointed by the Government under paragraph 32 of the EPS, 1995.
