

- 1st Relief @ 4% w.e.f. 15.11.1996 to the pensioners as on 15.11.1996 (i.e. 17.5% as on date).
- 2nd Relief @ 5.5% w.e.f. 01.04.1998 to the pensioners as on 31.03.1998 (i.e. 13.5% as on date).
- 3rd Relief @ 4% w.e.f. 01.04.1999 to the pensioners as on 31.03.1999 (i.e. 8% as on date).
- 4th Relief @ 4% w.e.f. 01.04.2000 to the pensioners as on 31.03.2000 (i.e. 4% as on date).

(b) The Employees' Pension Scheme, 1995 is a defined contribution and benefit scheme. Further relief to the pensioners can be given if actuarial valuations find any distributable surplus.

#### **Interest Rate on EPF**

579. SHRI D. RAJA:

SHRI R.C. SINGH:

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

(a) whether the Central Trade Unions have demanded 12 per cent interest on Employees' Provident Fund for the year 2007-08 due to the high rate of inflation; and

(b) if so, the details thereof and Government's decision thereon?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES): (a) Yes, Sir. Some Central Trade Unions were demanding higher rate of interest on Employees' Provident Fund (EPF) contributions.

(b) The rate of interest on EPF balances is declared as per the provisions contained in Paragraph 60(1) of the Employees' Provident Funds Scheme, 1952. Employees' Provident Fund Organization is required to credit interest on the balance available in the accounts of the EPF members, at such rate as may be determined by the Central Government in consultation with the Central Board of Trustees. Paragraph 60 (1) needs to be read with Paragraph 60(4) according to which, "in determining the rate of interest, the Central Government shall satisfy itself that there is no overdrawal of the interest Suspense Account as a result of debit thereto of the interest credited to the accounts of the Members."

The rate of interest is decided for each year based on the estimated earnings of the Fund and estimated liabilities towards members.

The Central Government has approved 8.5% rate of interest for the year 2007-08 to the EPF subscribers.

#### **Review of Industrial relations between management and workers**

580. SHRI C. RAMACHANDRAIAH: Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) whether his Ministry is undertaking a review of industrial relations between the management and workers of the country;

(b) if so, whether the grievances of the low paid employees, contract workforce and wage earners in private industrial units would be looked into;