

Increase in Employees' Pension Fund pension

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Representations have been received from various stakeholders including trade unions and public representatives to increase the minimum pension under the Employees' Pension Scheme (EPS), 1995 from existing Rs. 1000/- per month.

The EPS, 1995 is a "Defined Contribution-Defined Benefit" Social Security Scheme. The corpus of the Employees' Pension Fund is made up 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. All benefits under the scheme are paid out of such accumulations. The fund is valued annually as mandated under paragraph 32 of the EPS, 1995 and as per the valuation of the fund as on 31.03.2019, there is an actuarial deficit.

Amount of member's pension under the Scheme is determined taking into account the pensionable period of service and pensionable salary as per following formula:

Pensionable Service X Pensionable Salary

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However, the Government, for the first time, in the year 2014, provided a minimum pension of Rs. 1000 per month to the pensioners under the EPS, 1995 by providing budgetary support, which was in addition to the budgetary support of 1.16 per cent of wages provided annually towards EPS to Employees' Provident Fund Organisation (EPFO).

This information was given by Union Minister of State for Labour and Employment Shri Rameshwar Teli in a written reply in the Lok Sabha today.

MJPS/NSK

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