

**GOVERNMENT OF INDIA  
MINISTRY OF LABOUR AND EMPLOYMENT  
RAJYA SABHA  
UNSTARRED QUESTION NO. 399  
TO BE ANSWERED ON 25.07.2024**

**INCREASING MINIMUM LIMIT IN EPF PENSION**

**399. SHRI M. SHANMUGAM:  
SHRI VAIKO:**

**Will the Minister of Labour and Employment be pleased to state:**

- (a) whether Government is receiving demands from stakeholders, like, trade unions and public representatives, for increasing the minimum limit in the EPF pension, if so, the details thereof and the response of Government thereto;**
- (b) whether, in view of the rise in cost of living index and hike in wages, Government would consider a hike in minimum pension of the EPF subscribers;**
- (c) if so, by when it is expected to be announced; and**
- (d) whether the pension calculation formula will be revised, if so, the response thereto?**

**ANSWER**

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT  
(SUSHRI SHOBHA KARANDLAJE)**

**(a) to (d): Yes, various representations have been received from various stakeholders to increase the minimum pension under the Employees' Pension Scheme (EPS), 1995.**

**The Employees' Pension Scheme (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, for 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.**

**Contd..2/-**

**:: 2 ::**

**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**

**70**

**It is evident that the amount of pension is based on a predefined formula. 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% of wages provided annually towards EPS to Employees' Provident Fund Organisation (EPFO).**

**Considering the demands of Employees' Pension Scheme (EPS), 1995 pensioners, the Government constituted a High Empowered Monitoring Committee (HEMC) for complete evaluation and review of EPS 1995. The Committee considered the issue of dearness allowance under EPS, 1995 and has recommended, inter-alia, that linking the pension admissible under EPS 95 with cost of living index is not feasible in view of actuarial position of the Fund.**

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