

GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO: 1858

ANSWERED ON:13.03.2023

Interest Dues in EPFO

Gautham Sigamani Pon

- (a)whether it is a fact that lakhs of Employees Provident Fund members are yet to get interest dues announced in the budget for 2021-22, if so, the details thereof;
- (b)whether it is also true that the Government was escaping from paying the said due interest stating that the delay in distributing interest was due to a software upgrade, if so, the details thereof;
- (c)whether it is also true that the Employees Provident Fund Organization is not responding to any queries made in this regard, if so, the details thereof; and
- (d)if so, the reasons therefor and time by which the interest is likely to be paid to EPF beneficiaries?

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

ANSWER

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

(a):As per the provisions of Paragraph 60(1) of the Employees' Provident Fund (EPF) Scheme, 1952, Employees' Provident Fund Organisation (EPFO) 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 of Trustees (CBT), Employees' Provident Fund (EPF). Account updation with interest credit is a comprehensive exercise requiring scrutiny of each individual transaction made in respect of each and every individual member's accounts, thus making the entire process very exhaustive. Till 06.03.2023 accounts of members of 98 per cent. of the contributory establishments have been credited with interest. This is an ongoing

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process which is taken up in a scheduled manner without hampering the regular claim settlements.

(b):Updating of member passbook with interest is an entry process only, the date on which the interest is entered in the passbook of the member has no actual financial bearing as the interest earned for the year. His monthly running balances is always added to the closing balance of that year. Hence, the member does not suffer any financial loss.

Due to the introduction of the new TDS provision from 2021-22, the accounting process had to undergo a major revision, making the exercise more tedious warranting an enhanced level of scrutiny.

It was also necessary to make revisions in the passbook of the members so that it provides entire information to them in a simpler, readable form.

The process required new development, testing, debugging and stabilization of critical elements of the software.

(c):A permanent grievance redressal mechanism in the form of CPGRAMS and EPFIGMS is in place in EPFO. All grievances received are regularly monitored and addressed promptly and with due diligence. EPFO has continuously communicated to its members and has ensured that no withdrawals are affected on account of the TDS implementation. EPFO has settled more than 3.6 crore claims submitted by members with up to date interest.

(d):This is an ongoing process which has been taken up in a scheduled manner post development of software and by 06.03.2023, the process has been completed in respect of 98 per cent of contributory establishments.
