EMPLOYEES’ PROVIDENT FUND ORGANISATION
NEW DELHI

24th MEETING OF THE
PENSION IMPLEMENTATION COMMITTEE
(SUB-COMMITTEE OF CBT, EPF)

ON

2nd JANUARY 2008

AT

3:30 P.M.

VENUE

CHAMBER OF ADDITIONAL SECRETARY
MINISTRY OF LABOUR, SHRAM SHAKTI BHAWAN
NEW DELHI-110 001.
AGENDA ITEMS FOR 24th MEETING OF PENSION IMPLEMENTATION COMMITTEE

Date of Meeting : 02-01-2008
Time : 3 : 30 p.m.
Venue : CHAMBER OF ADDITIONAL SECRETARY, MINISTRY OF LABOUR, SHRAM SHAKTI BHAWAN, NEW DELHI-110 001.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Confirmation of the Minutes of the 23rd Meeting held on 4-5-2007.</td>
</tr>
<tr>
<td></td>
<td>Any other issue with the permission of the chair.</td>
</tr>
</tbody>
</table>
Item No.1: Confirmation of the minutes of the 23rd meeting of the Pension Implementation Committee held on 4-5-2007.

The draft minutes of the 23rd meeting of the Pension Implementation Committee held on 4-5-2007 were circulated to all members of the PIC vide this office letter No. Pension. 23rd PIC Meeting/2006/4095 dated 21-5-2007 for their information and comments. The comments received from Shri Parduman Singh are enclosed.

The draft minutes are placed before the committee for confirmation.
MINUTES OF THE 23\textsuperscript{RD} MEETING OF PENSI\textsuperscript{ON IMPLEMENTATION COMMITTEE}

The 23\textsuperscript{rd} meeting of the Pension Implementation Committee was held under the Chairmanship of Sh. S. Krishnan, Additional Secretary, Ministry of Labour \& Employment, Government of India on 4.5.2007 at 3.30 PM in his Chamber.

The following members attended the meeting.

1) Sh. Parduman Singh \hspace{1cm} Employees' Representative
2) Sh. A.D. Nagpal \hspace{1cm} Employees' Representative
3) Sh. B.N. Rai \hspace{1cm} Employees' Representative
4) Sh. P. Rajendran \hspace{1cm} Employers' Representative
5) Sh. V. Virmani \hspace{1cm} Employers' Representative
6) Smt. Gurjot Kaur \hspace{1cm} Joint Secretary, Ministry of Labour \& Employment (SS)
7) Sh. Samboo Singh \hspace{1cm} Financial Advisor, Ministry of Labour \& Employment
8) Sh. A. Vishwanathan \hspace{1cm} CPFC
9) Sh. K.C. Pandey \hspace{1cm} Addl. CPFC(Pension)

Sh. Ashwin Dani, Employers’ Representative could not attend the meeting.

Following officials from EPFO were present:

Sh. K.V. Sarveswaran, RPFC(Pension)
Sh. Bhupendra Singh, APFC(Pension)

The meeting was started with brief introduction of the members as this was the first PIC meeting under the Chairmanship of present Addl. Secretary. Sh. K.C. Pandey, the Convener, welcomed all the members. It was pointed out that the meeting was being held after a lapse of more than one year. Sh. A.D. Nagpal suggested to convene at least two meetings in a year. Sh. B.N. Rai advised to send the Agenda Notes well in advance as it was received very late. Chairman directed in future agenda should be placed along with request for date.
Item No. 1: Confirmation of the minutes of the 22\textsuperscript{nd} meeting.

The minutes were confirmed by all the members.

Item No. 2: Action Taken Report on pending matters relating to decisions taken in Earlier meetings.

Addl. CPFC (P) informed members about the pending issues and action taken/status thereof.

Sh. B.N. Rai brought to the notice of all members about the observations he made in the last meeting regarding the discrimination against female workers in some industries, specially Jute Industries where the female workers were retired from the service at the age of 55 years and they had to wait for another three years to get full pension.

The CPFC explained this peculiar problem pointing out the views of Actuary made in the last meeting. He said that in the opinion of the Actuary, the EPS, 95 has to be applied in a holistic way. There might be several minor groups of beneficiaries in the Pension Scheme and it was not possible to take care of individual benefits of each of them. At this stage, the Chairman intervened and said that this matter seemed to be related to the age of retirement and hence to be considered under Equal Remuneration Act. He, however, assured the members to take the opinion of Actuary on this issue once again in order to study the possible remedies.

Sh. B.N. Rai further suggested to appoint a regular Actuary to maintain the continuity in actions related to EPS, 95. Sh. Parduman Singh supported this and also brought to the notice of all about the decision taken in some earlier meetings of PIC to have a separate Actuarial Cell in EPFO. The CPFC explained that owing to the paucity of qualified Actuary it was difficult to appoint a regular Actuary in EPFO. He, however, informed the members that an Actuarial Cell was established in EPFO taking manpower
from the existing officers/staff. Sh. Parduman Singh suggested to impart proper actuarial training to the concerned officers.

Regarding the status report on compliance position of establishments involved in the Supreme Court case on EPS, 95, Sh. A.D. Nagpal wanted to know whether penalty under Section 14B of the EPF & MP Act, 1952 and interest under Section 7Q of the Act was being imposed on all such establishments or only on NTPC Ltd. The CPFC explained it in detail informing all members that the detailed instructions were issued to all field offices on this particular issue after taking the conscious decision. Sh. A.D. Nagpal however, insisted to have a status note on this issue. Chairman directed to furnish the detailed status in the next meeting. Sh. Parduman Singh wanted to know whether the High Courts were competent to give interim stay with regard to compliance by the establishments when the order upholding the validity EPS, 95 had been pronounced by the Hon’ble Supreme Court of India. The CPFC made it clear that the interim stay given by the Hon’ble High Courts/EPF Appellate Tribunal was only to decide the question of law in the 7A proceedings. It was decided to collect the details of all court case.

Sh. B. Rajendran initiated discussion over the issue of high claims of withdrawal benefits eroding the fund to a great extent. During the discussions the various reasons like the dynamics of job market, raising the contribution rate under EPF/EPS, rationalizing the benefits were discussed. Even a separate pattern of investment of Pension Fund was discussed. Sh. Parduman Singh insisted to revive the Special Deposit Scheme.

Sh. B.N. Rai reminded the members of suggestions in the last meeting to hold a special meeting of CBT to discuss issues related to EPS, 95 only. All agreed to request the Chairman, CBT to convene a Special meeting of CBT to discuss Pension issues only.

The information placed was taken on record.

Item No. 4: Amendment in EPS, 95 to stop the Pension on the request of the Pensioner.

The CPFC introduced the item giving reasons to have such a provision in the Scheme. Sh. Parduman Singh expressed his reservations on the issue as this type of case may not be many. Sh. Virmani was in favour of having such a provision. The Financial Advisor, Ministry of Labour & Employment said that he did not see any problem in allowing such a provision. Sh. B.N. Rai also was in agreement with the views of Sh. Parduman Singh on the issue. The Chairman agreed to take the issue to the CBT with the observations of all members.

The Chairman concluded the meeting with vote of thanks.
Shri K.C. Pandey,
A.C.C. (Pension),
E.P.F.O.,
New Delhi.

Dear Shri Pandey,

Please refer to draft minutes of 23rd meeting of the Pension Implementation Committee held on 04-05-2007 circulated vide your letter No. Pension 23rd PIE Meeting 2006/4035 dated 21 May 2007.

As desired I give my comments below:

1. Page 1: Please add in the first para at the end: -
   "It was decided that meetings of P.I.C. should be held on quarterly basis."

2. Page 2: Add the following in first para:
   "and for that purpose some Officers from Actuarial Cell should be sent for training being organised by I.S.S.A."

3. Page 3: Add the following in Para 2 at the end:
   "and no investment of Pension Fund be made in equity."

Yours sincerely,

(Parduman Singh)
Member P.I.C.,
C.L.T., E.P.F.
**Item No.2**  Action taken report on pending matters relating to decision taken in earlier meetings.

<table>
<thead>
<tr>
<th>S.No</th>
<th>Number &amp; Date of meeting</th>
<th>Decision of PIC</th>
<th>Action taken/Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>22nd Meeting of PIC on 20-1-2006</td>
<td>The item regarding pension contribution over and above the statutory limit was approved with the recommendation to take the issue before CBT.</td>
<td>Both the items were discussed in the 176th meeting of CBT and they were clubbed with the other issues related to pension to take up in the comprehensive review.</td>
</tr>
<tr>
<td>2.</td>
<td>22nd Meeting of PIC on 20-1-2006</td>
<td>An item to amend the scheme to incorporate provision for limitation period under Para 7 of the scheme was approved.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>22nd Meeting of PIC on 20-1-2006</td>
<td>It was desired by the committee that a report on the compliance position on account of the Hon’ble Supreme Court’s judgment upholding the Employees’ Pension Scheme,1995 should be placed in the next PIC Meeting.</td>
<td>A report was placed in the 23rd meeting wherein the Chairman had desired to furnish the detailed status relating to the compliance under EPS-1995 in the next meeting. Letters were issued to all the field offices. The information received from some of the regions is enclosed herewith at Annexure -A for information.</td>
</tr>
<tr>
<td>4.</td>
<td>23rd Meeting of PIC on 4-5-2007 (Item No.4)</td>
<td>Amendment in EPS-1995 to stop the pension on the request of the pensioner.</td>
<td>The issue was placed before 177th meeting of CBT wherein it was taken up for discussion but no decision was taken in this regard.</td>
</tr>
<tr>
<td>S.No.</td>
<td>Name of the Region</td>
<td>Name of the establishment and Code No.</td>
<td>Amount due/assessed from 16.11.95 to March. 2007</td>
</tr>
<tr>
<td>-------</td>
<td>-------------------</td>
<td>--------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amount received</td>
</tr>
<tr>
<td>1</td>
<td>Coimbatore</td>
<td>Neyveli Lignite Corporation Ltd</td>
<td>73.85 (16.11.95 to 31.03.04)</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Hindustan Motors Ltd. TN/18771</td>
<td>1.91 (16.11.95 to 02/2003 only)</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Bata India Ltd. (Hosur) TN/34723</td>
<td>0.30 (16.11.95 to 02/2003 only)</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Salem Steel Plant TN/7694</td>
<td>8.39 (16.11.95 to 02/2003 only)</td>
</tr>
<tr>
<td>5</td>
<td>Uttaranchal</td>
<td>O.N.G.C Ltd. Dehradun UP/1261</td>
<td>174.31</td>
</tr>
<tr>
<td></td>
<td>Establishment / Company / Bank</td>
<td>Date of Default</td>
<td>Amount</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------</td>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td>6</td>
<td>Madurai Sri Visalam Chit Funds Limited TN/17048</td>
<td>02/96 to 11/1996</td>
<td>0.07 (Rs.0.035 + 0.035 in respect of 7A &amp; 14(B) dues)</td>
</tr>
<tr>
<td>7</td>
<td>Jalpaiguri Gour Grama Bank WB/1603</td>
<td></td>
<td>0.45</td>
</tr>
<tr>
<td>8</td>
<td>Chandigarh Punjab Tractors (Mohali) PN/3095</td>
<td></td>
<td>Nil</td>
</tr>
<tr>
<td>9</td>
<td>Punjabi State Co-op Bank Ltd. PN/2680</td>
<td></td>
<td>Nil</td>
</tr>
<tr>
<td>10</td>
<td>ICI India Ltd. (Mohali) PN/20626</td>
<td>40.62 Lakhs</td>
<td>Nil</td>
</tr>
<tr>
<td>12</td>
<td>Gujarat State Fertilizer &amp; Chemicals Ltd. (Piyumner Unit) GJ/BF/10985</td>
<td>16.11.95 to 09/1990</td>
<td>0.90</td>
</tr>
<tr>
<td>13</td>
<td>Gujar Electricity Board (Now known as Gujarat Urja Vikas Nigam Ltd.) GJ/BF/920</td>
<td>16.11.95 to 12/2001</td>
<td>107.03</td>
</tr>
<tr>
<td>14</td>
<td>Indian Petro Chemicals Corporation Ltd. GJ/BF/5256</td>
<td>16.11.95 to 11/1999</td>
<td>22.81</td>
</tr>
<tr>
<td></td>
<td>Company/Location</td>
<td>Date and Details</td>
<td>Status</td>
</tr>
<tr>
<td>---</td>
<td>-----------------</td>
<td>------------------</td>
<td>--------</td>
</tr>
</tbody>
</table>
| 15 | Gujarat Alkalis & Chemicals Ltd.  
GJ/BD/10042 | 3.97  
16.11.95 to 02/2002 | 3.97  
Accrued interest | Regular from 03/2002 |
| 16 | Indian Oil Corporation Ltd.  
GJ/BD/4961 | 8.56  
16.11.95 to 06/2003 | 8.56  
Accrued interest | Regular from 07/2003 |
| 17 | N.T.P.C (Surat)  
GJ/SRT/2221 | 0.17  | 0.17  
N.A | The establishment comes under the Category of B(ii) as per the Head Office Circular dt.5.2.2004 |
| 18 | N.T.P.C (Zanor)  
GJ/SRT/0712 | 0.56  | 0.56  
N.A | The establishment comes under the Category of B(ii) as per the Head Office Circular dt.5.2.2004 |
| 19 | Hyderabad  
ICI Paints (i) Ltd.  
AP/4469  
(Unit at Balanagar, Hyderabad)  
Maintained centrally at Kolkata, West Bengal | Dues Not assessed | Inquiry initiated under Section 7A for determination of dues payable under EPS 95 for the period from 16.11.1995 kept in abeyance in view of the Interim Order E.P.No.APO/T.No.614/658 of 1996 dated 19-02-1997 of Hon’ble High Court of Kolkata, directing to maintain “STATUS QUO” on the implementation of EPS’95. SLP filed by the Union of India before the Supreme Court, and the judgement is awaited.  
Meanwhile, it is informed by the Employer vide letter dated 21.4.2005 that they have initiated steps before the Kolkata High Court by moving an application requesting to dispose off the pending petition. The said application was heard on 30-3-2005 by the Hon’ble High Court, upholding the implementing of EPS 1995 with a simultaneous restraining order directing the RPFC Authorities not to take any further action against the company for not contributing under EPS’95 until further orders. Mean while, the establishment started implementing EPS’95 with effect from 1st April 2005 onwards, and as regards period from 16-11-1995 to 31st March 2005 requisite steps will be taken as may be advised by the court. |
<table>
<thead>
<tr>
<th>No.</th>
<th>Company</th>
<th>Address</th>
<th>1st Jan</th>
<th>2nd Jan</th>
<th>3rd Jan</th>
<th>4th Jan</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
<td>NTPC Ltd. (Ramagundam, Karimnagar)</td>
<td>AP/19557</td>
<td>9.54</td>
<td>8.94</td>
<td>Nil</td>
<td>0.45</td>
</tr>
<tr>
<td>21</td>
<td>Mangalore (Karnataka)</td>
<td>N.M.D.C Ltd (Bellarly) KN/5712</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>22</td>
<td>V.I.S.L Ltd Bhadravathi KN/922</td>
<td></td>
<td>Nil</td>
<td>1.97</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>23</td>
<td>Chitadurga Grameen Bank KN/10045</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>24</td>
<td>Cauvery Grameen Bank KN/7300</td>
<td></td>
<td>0.68</td>
<td>0.68</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>25</td>
<td>Vishveshwaraih Grameen Bank KN/1102</td>
<td></td>
<td>0.23</td>
<td>0.23</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>26</td>
<td>Sahyadri Grameen Bank Shimoga KN/11439</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>27</td>
<td>Gokak Mills KN/175</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>28</td>
<td>Tunghadra Grameen Bank KN/6945</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
<tr>
<td>29</td>
<td>Mysore Paper Mills Bhadravathi KN/41</td>
<td></td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>

The OIC, Karimnagar has informed that the case is adjourned and posted to 20-09-2007 for re-assessment for the balance dues. The establishment is complying regularly from July 2004 onwards.

The interest of Rs.235.34 Lakhs has been remitted at R.O. Hyderabad for the period from 16.11.95 to 30.6.2003. Action is being taken to levy damages for the remaining period and the reconciliation of the above amount is being called for.

Part Payment received Penal Damages & 7Q interest to be levied.

Action being taken to levy damages and interest. Information with respect to the status of the contributions called for.

PENAL DAMAGES under Section 14B and interest under Section 7Q not levied due to the fact the Pension Contributions have been paid in A/c No.1 instead of A/c No.10 Necessary transfer effected to regularize the matter.

PENAL DAMAGES under Section 14B and interest under Section 7Q not levied due to the fact the Pension Contributions have been paid in A/c No.1 intested of A/c No.10. Necessary transfer effected to regularize the matter.

The establishment is remitting 8.33% from 16.11.1995 onwards.

Rs.2.50 Crores received on 24.09.1999 Penal Damages & 7Q interest to be levied.

Action being taken to levy damages and interest. Information with respect to the status of the contributions called for.

Rs.3.00 Crores received on 21.03.1998 & 23.03.1998 Penal Damages & 7Q interest to be levied.
<table>
<thead>
<tr>
<th>No.</th>
<th>Name of Establishments</th>
<th>Balance in</th>
<th>Balance in</th>
<th>Balance in</th>
<th>Balance in</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>30</td>
<td>Janatha Co-operative Bank, KN/12073</td>
<td>0.04</td>
<td>0.04</td>
<td>Nil</td>
<td>Nil</td>
<td>Rs.3859/- paid on 22.01.1999. Complete information being called for.</td>
</tr>
<tr>
<td>31</td>
<td>West Coast Paper Mills, KN/1637</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
<td>Rs.1.60 crores received. PD &amp; 7Q to be levied. Complete information being called for.</td>
</tr>
<tr>
<td>32</td>
<td>Reckett Bercgisce, KN/22640</td>
<td>0.10</td>
<td>Nil</td>
<td>Nil</td>
<td>0.02</td>
<td>PD not levied since the Trust has invested the money as per prescribed pattern (b) (iv)</td>
</tr>
<tr>
<td>33</td>
<td>Chikmagalur Kodagu Gramene Bank, KN/11245</td>
<td>118.18</td>
<td>118.18</td>
<td>Nil</td>
<td>Nil</td>
<td>Employer has remitted the EPS contributions in A/c No.1 instead of A/c No.10 for the period from 06/2002 to 10/2003. Hence, levy of damages and interest under Section 14B &amp; 7Q does not arise.</td>
</tr>
<tr>
<td>34</td>
<td>Delhi(South) M/s. Parivar Sewa Sangthan, DL/9387</td>
<td>1.10  (16-11-95 to March 2004)</td>
<td>1.10</td>
<td>Nil</td>
<td>0.12</td>
<td>The establishment is reporting compliance under EPS’95 w.e.f. 4/2004. A case was filed by the establishment under W.P(C) No.1663/97 challenging the EPS 1995. The establishment was party to W.P in High Court under W.P (C) No.2173/97 Establishment falls under the Category of B(iv) as per the HO Circular dt.5.2.2004</td>
</tr>
<tr>
<td>35</td>
<td>Delhi(North) NTPC Ltd, DL/E/17812</td>
<td>0.707</td>
<td>0.707</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>36</td>
<td>NTPC Ltd, DL/E/17811</td>
<td>0.519</td>
<td>0.559</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>37</td>
<td>Indian Oil Corp Ltd, DL/E/1338</td>
<td>24.049</td>
<td>24.049</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>38</td>
<td>Steel Authority of India Ltd, DL/E/4563</td>
<td>3.393</td>
<td>3.393</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>Indian Oil Corp. Ltd, DL/E/3458</td>
<td>1.244</td>
<td>1.244</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>Centre For Women Development Studies, DL/E/9914</td>
<td>0.158</td>
<td>0.158</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td>41</td>
<td>Indian Oil Corp. Ltd, DL/E/2058</td>
<td>9.147</td>
<td>9.147</td>
<td>Nil</td>
<td>Nil</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Establishment</td>
<td>Order Number</td>
<td>Amount</td>
<td>fortnight</td>
<td>Status</td>
<td>Notes</td>
</tr>
<tr>
<td>---</td>
<td>---------------</td>
<td>--------------</td>
<td>--------</td>
<td>-----------</td>
<td>--------</td>
<td>-------</td>
</tr>
<tr>
<td>42</td>
<td>NTPC DL/E/4070</td>
<td>10.474</td>
<td>10.474</td>
<td>Nil</td>
<td>Nil</td>
<td>The establishment is complying</td>
</tr>
<tr>
<td>43</td>
<td>Eicher Goodearth Ltd DL/E/4569</td>
<td>1.939</td>
<td>1.80</td>
<td>Nil</td>
<td>Nil</td>
<td>Final order under Section 7A has been issued and dues assessed for Rs.1,939,91,054/- The establishment deposited the amount of Rs.1,79,99,100/- The establishment has also informed that the balance amount of Rs.13,91,954/- has been paid for resigned/retired employees. Detailed information has been called for from the establishment vide letter dated 3-5-2007. A reminder letter dated 13.07.2007 has also been issued.</td>
</tr>
<tr>
<td>44</td>
<td>Delhi State Cooperative Bank DL/E/1834</td>
<td>0.42</td>
<td>0.42</td>
<td>Nil</td>
<td>Nil</td>
<td>Order under Section 7A has been issued on 16.12.2004. An amount of Rs.15,81,60,751/- has been assessed but not realized as the establishment had filed a writ petition in High Court against the assessment order. Case pending to be heard.</td>
</tr>
<tr>
<td>45</td>
<td>Gas Authority of India Ltd(GAIL) DL/E/7413</td>
<td>2.30</td>
<td>2.30</td>
<td>Nil</td>
<td>Nil</td>
<td>The establishment comes under Category B of the HO Circular dt.5.2.2004 (copy enclosed)</td>
</tr>
<tr>
<td>46</td>
<td>Guntur HPCL (Vizag Unit) Exempted AP/VSP/346</td>
<td>0.62</td>
<td>0.62</td>
<td>Nil</td>
<td>Nil</td>
<td>The establishment comes under Category C of the HO Circular dt.5.2.2004 (copy enclosed)</td>
</tr>
<tr>
<td>47</td>
<td>Guntur HPCL (Vizag Unit) (Un-Exempted)</td>
<td>2.30</td>
<td>2.30</td>
<td>Nil</td>
<td>Nil</td>
<td>The establishment comes under Category A of the HO Circular dt.5.2.2004 (copy enclosed)</td>
</tr>
<tr>
<td>48</td>
<td>NTPC (Vizag) AP/36885</td>
<td>0.42</td>
<td>0.42</td>
<td>Nil</td>
<td>Nil</td>
<td>The establishment comes under Category B of the HO Circular dt.5.2.2004 (copy enclosed)</td>
</tr>
<tr>
<td>49</td>
<td>NMDC Ltd. AP/HYD/3676</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>50</td>
<td>VSP Steel Plant (Exempted) AP/6986</td>
<td>76.08</td>
<td>76.08</td>
<td>Nil</td>
<td>Nil</td>
<td>The establishment comes under Category B of the HO Circular dt.5.2.2004 (copy enclosed)</td>
</tr>
<tr>
<td>51</td>
<td>Chattisgarh NMDC (Kirandul) CG/2279</td>
<td>6.86</td>
<td>0.11</td>
<td>3.18</td>
<td>Nil</td>
<td>Has been paid by the establishment during July 2003 to April 2007 No court case is pending against EPS 1995 in Regional Office, Chattisgarh</td>
</tr>
</tbody>
</table>

13
<table>
<thead>
<tr>
<th>No.</th>
<th>City</th>
<th>Establishment Details</th>
<th>Annual Payable</th>
<th>Total Amount</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>52</td>
<td>N.E.R</td>
<td>Indian Oil Corp. Ltd. (GGHY Refinery Division) AS/313</td>
<td>7.16</td>
<td>7.16</td>
<td>Nil</td>
</tr>
<tr>
<td>53</td>
<td></td>
<td>Hindustan Paper Corporation (Jagirroad) AS/1795</td>
<td>14.10</td>
<td>14.10</td>
<td>Nil</td>
</tr>
<tr>
<td>54</td>
<td></td>
<td>Indian Oil Corporation (AOD) AS/48</td>
<td>18.36</td>
<td>18.36</td>
<td>Nil</td>
</tr>
<tr>
<td>55</td>
<td></td>
<td>Brahamputra Valley Fertilizer Corporation AS/620</td>
<td>11.28</td>
<td>11.28</td>
<td>Nil</td>
</tr>
<tr>
<td>56</td>
<td></td>
<td>WIMCO Ltd. AS/01</td>
<td>0.21</td>
<td>0.21</td>
<td>Nil</td>
</tr>
<tr>
<td>57</td>
<td></td>
<td>Nagaland Pulp &amp; Papers Corporation AS/707</td>
<td>3.05</td>
<td>3.05</td>
<td>Nil</td>
</tr>
<tr>
<td>58</td>
<td>Pune</td>
<td>M/s. Philips India Ltd. (Bhosari) MH/9599</td>
<td>Nil</td>
<td>Nil</td>
<td>Nil</td>
</tr>
</tbody>
</table>
To
All Regional Provident Fund Commissioner
All Regional Provident Fund Commissioner (Pension)
All Officer-in-Charge, SROs/SAOs

Sub:- Judgement of Hon’ble Supreme Court of India upholding the validity of Employees' Pension Scheme, 1995.

This is in reference to the judgment passed by Hon’ble Supreme Court of India upholding the validity of Employees’ Pension Scheme’95. It may be recalled that many establishment/unions have challenged the validity of Employees’ Pension Scheme’95 on the ground that it was unreasonable, arbitrary, and discriminatory in as much as existing benefits from P.F. have depleted to a great extent by diversion of 8.33% of employer’s share and pension payable under the new Scheme is far below the accruals in the Pension Fund.

The Hon’ble Supreme Court of India through its interim order dated 25/08/98 and 10/09/98 permitted continuity of benefit admissible under new Pension Scheme of 1995 and compliance by the employers either under the new Scheme or the old Scheme of 1971 in accordance with the choice of the member concerned and subject to the final decision of the Court. The said interim orders are as under:-

Interim order dated 25/08/98

"Those workmen who want to take the benefit of the scheme of 1995 will have to adopt the procedure under that scheme and will have to contribute appropriately for availing the benefit of the scheme of 1995. The amount contributed by them will have to be remitted to the Regional Provident Fund Commissioner by the concerned workmen respectively. However, those workmen who do not want to adopt the procedure of the scheme of 1995 will be permitted to continue to take the benefit of the earlier scheme of 1971. This will strictly be without prejudice to the rights and contentions of both the sides and awaiting further orders in these LAs."

Interim order dated 10/09/98

"We may make it clear that our earlier order dated 23-8-1998 will have to be read subject to the rider that if the workmen have not opted for the new scheme whatever contributions they had to make under the old scheme will have to be collected and remitted by the employers to the authorities. This clarification about our earlier order will have to be read in continuation of our order dated 25th August, 1998 in all the matters where that order applies".
After considering all petitions and relevant details, the Hon’ble Supreme Court upheld the validity of Employees’ Pension Scheme, 1995 on 11/11/2003. Thus, the interim stay stands vacated on 11/1/2003. While disposing off the case Hon’ble Court also directed that all exemption applications, submitted hence forth, would be examined afresh. Some Writ Petition filed by the Employees challenging the validity of EPS’95 in High Court of Calcutta is to be disposed of by High Court of Calcutta in light of this order passed by Hon’ble Supreme Court.

Now, therefore, all the establishments have to comply under the provisions of Employees’ Pension Scheme’95.

The issue involved is securing compliance and to ensure that transfer of funds is done in an appropriate manner.

The matter has been examined in consultation with Compliance and Finance Division. With the approval of the Central Provident Fund Commissioner, the following guidelines are to be followed:-

A. In respect of unexempted establishments, who have challenged the validity of EPS, 95 and their employees elected to stay with EPFS, 1971 as per the interim order of the Hon’ble Supreme Court, following procedure is suggested:

(i) Those employees who have opted for EPFS, 71 their contribution to the tune of 7 1/6% of PF from employer share is to be diverted to employees pension account with interest declared for relevant year on cumulative basis. Similarly 1 1/6% of employee share contributed to pension fund is to be diverted alongwith interest to PF account.

(ii) In case an employee, who have left employment & had taken EPS component as a part of PF settlement, then

(a) If he does not claim – No action.
(b) If he is seeking pension, then the EPS component with up to date interest has to be deposited.

(Interest = Statutory rate of interest as declared under EPF Scheme’52 on cumulative basis)

(iii) If the member who had opted to remain as FPF member and he died during the pendency of the court case, EPS benefits would be paid subject to the remittance of contributions alongwith interest on cumulative basis as stated above.

(iv) Non FPF member who died during pendency of case, no family pension is payable.

B. In respect of exempted establishment who have not transferred the FPF/EPS component to EPFO then the accumulation are to be transferred to EPFO provided:

(i) If the money is kept in a separate account with the Trust and is also invested separately in a distinct & prescribed manner, verification of the correctness of the contribution, pattern of investment etc. would be done. Fund is required to be audited. Audit certificate and investment details to be furnished to EPFO.
(ii) In cases where accumulations are invested as a part of EPF investments and no clear cut distinction is maintained in regard to EPS contributions then the establishment has to identify the proportion of investment made in the ratio of EPF:EPS. The interest earned on such investments is also to be quantified separately. Accounts, Audit reports etc. would be verified by EPFO.

(iii) Transfer to be made to EPFO in cash only. Transactional Cost, if any, would be borne by Employer. Amount would be remitted with cumulative interest as earned by the Trust form time to time or the statutory rate of EPF Scheme, whichever is higher.

(iv) Although the exempted PF Trust was not authorized to keep pension contribution but they did so as a consequence of interim order of the Supreme Court. Regarding levying of damages only if establishment has transferred pension contribution to the Trust on time and Trust has invested the money as per prescribed pattern then damages are not to be levied.

(v) In respect of those establishments who were allowed to keep pension fund contribution as per separate interim order of Hon'ble Supreme Court made on 22nd November 1999 transfer of money would be made as per (i), (ii) & (iii) above.

(vi) In case where the accumulations are not kept with the trust and are not invested as per prescribed pattern then penalties as applicable under the Act would be applicable.

(vii) In respect of exempt establishments who paid EPS contribution in respect of outgoing/retiring employees for pension payments, the case are to be reviewed especially for receipt of interest at appropriate rate. In case there was a shortfall for e.g., an interest 8.5% was transferred, the difference between statutory rate of interest of EPF and 8.5% to be recovered calculated on cumulative basis.

C. In respect of establishments paid or partly paid neither EFPS, 71 or EPS, 95.

(i) Non payment is a default
(ii) They are liable under penal provisions, including prosecution.
(iii) They are to pay all the arrears forthwith.

D. In respect of unexempted establishment, who have remitted the pension fund contributions as per the option of the member to EPFO regularly in such cases following action is to be taken by EPFO offices.

(i) In case where remittance is made as per EPFS’71 accounts has to be redone. In order to have 8.33% of employer share for pension fund 7-1/6% from employer share alongwith interest is to be diverted to pension account. 1-1/6% of employee share alongwith interest is to be diverted to PF account of member.

IS Division has been requested to develop a Software for this task.
(ii) Amount to be diverted is to be quantified and one time lumpsum amount alongwith interest is to be transferred. This is to be done from employer share and in case of shortfall balance amount be diverted from employee share.

If still there is shortfall an account of loans taken by employee (eg. under 68B etc.) then employee has to pay the balance in one installment alongwith interest and if he is unable to pay then that period would be considered as break in service.

(iii) This entry be marked as withdrawal on account of EPS membership as per Hon'ble Supreme Court decision.

(iv) In cases where accounts are not issued because of establishment not submitting returns then fresh return are to be collected and account issued.

E. All the establishments who have challenged the exemption issue through this case may be requested to submit their proposal afresh, in case they are interested in exemption.

All cases are to be examined individually and regulated accordingly.

Yours faithfully,

(A. VISWANATHAN)
Additional Central Provident Fund Commissioner (Pension)

Copy to:-
1. All Addl. CPFCs
2. FA & CAO
3. Director, NATRSS
4. Director (Vigilance)
5. Director IS-I & IS-II
6. Directors Audit
7. All Dy. Directors (Vigilance)
8. All Zonal Audit Officers
9. All Zonal Training Institutes
10. All Officers in Headquarters.

The Employees’ Pension Scheme, 1995 came into force on 16.11.1995 replacing the erstwhile Employees’ Family Pension Scheme, 1971. Employees’ Pension Scheme, 1995 is a funded scheme with combined features of Defined Benefit and Defined Contribution. Accordingly, the scheme describes the rate of contribution payable as well as the scale of benefits admissible. Because of the pre-defined contribution and benefits provisions, under Para 32 of the Employees’ Pension Scheme, 1995 a provision has been made for annual valuation of Employees’ Pension Fund by a Valuer appointed by the Central Government.

2. It is brought to the notice that 5th, 6th, 7th & 8th Valuations were conducted as at 31.3.2001, 31.3.2002, 31.3.2003 and 31.3.2004 respectively. The 5th Valuation revealed valuation deficit of Rs. 43 crores. The 6th, 7th and 8th Valuation Reports have revealed increasing valuation deficit of Rs. 17,136 crores, Rs. 19,291 crores and 22,021 crores respectively.

3. The Valuation Reports were placed in the Pension Implementation Committee which had decided to recommend certain proposals as detailed below:-

<table>
<thead>
<tr>
<th>Valuation Report</th>
<th>Placed in PIC</th>
<th>Recommendations of PIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>5th &amp; 6th Valuation</td>
<td>Reports placed in 19th &amp; 20th PIC held on 9.12.2003 and 3.2.2004 respectively</td>
<td>In the 20th Meeting of Pension Implementation Committee, the following were recommended:</td>
</tr>
<tr>
<td>Reports (As on 31.3.2001</td>
<td></td>
<td>i) To revise table B and D</td>
</tr>
<tr>
<td>and 31.3.2002 respectively)</td>
<td></td>
<td>ii) Increase in reduction rate from 3% to 5% in early pension cases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>iii) While determining Pensionable salary linking corresponding service period to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>the corresponding wage/wage ceiling for all periods in-between various wage ceilings.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>For other recommendations, including the proposal to increase the age of vesting</td>
</tr>
<tr>
<td></td>
<td></td>
<td>from 58 to 60, the Committee decided that the issues being of utmost importance and of far reaching impact, these shall be discussed and deliberated only in the Central Board of Trustees Meeting.</td>
</tr>
</tbody>
</table>
| 7th Valuation Report (As on 31.3.2003) | Report was placed before PIC in its 21st meeting held on 8.10.2004. | i) Increase the superannuation age from 58 to 60 years  
ii) Need to take up requisite measures in case of future increase in wage ceiling. |
| 8th Valuation Report (As on 31.3.2004) | Report was placed before PIC in its 22nd meeting held on 20.1.2006 | PIC approved placement of earlier recommendations before the Central Board of Trustees. |

4. 5th and 6th Valuation Reports were placed in the 167th meeting of Central Board of Trustees held on 23.2.2004. All the above Reports along with 7th Valuation Report were placed in 170th, 171st, Special meeting, 172nd, 173rd and 174th meeting of CBT held on 6.12.2004, 21.2.2005, 28.5.2005, 21.11.2005, 7.12.2005 and 23.2.2006 respectively. In the Special Meeting of Central Board of Trustees held on 28.5.2005, the agenda item was deferred and it was decided that the Secretary, Ministry of Labour & Employment would call a meeting of the Central Trade Unions for discussing the various recommendations on Employees’ Pension Scheme, 1995.

5. Accordingly, the various recommendations of the Valuer/Consultant Actuary on EPS, 95 were discussed with the delegates of Central Trade Unions in three sessions. The item alongwith the recommendations of Central Trade Unions were again placed in the 176th meeting of Central Board of Trustees held on 7.11.2006, wherein Hon’ble Chairman desired to have a meeting with the senior leaders of All Central Trade Unions for comprehensive review of the Employees’ Pension Scheme, 1995 to evolve consensus on the required changes in the scheme as so many suggestions were made at various levels.

6. Accordingly, the Chairman, CBT held two meetings with the delegates of Central Trade Unions and Employers Associations separately on 16.11.2006.

7. In the Special meeting of CBT held on 24.9.2007 Board unanimously approved only one remedial measure of revision of withdrawal benefits under Table ‘B’ and ‘D’ and also desired to have a comprehensive review of the Scheme so that other items/suggestions placed before the Board for consideration for
changes/amendments in the Employees' Pension Scheme, 1995 could be taken up simultaneously.

8. In this regard, suggestions regarding comprehensive review were called from field offices and CBT Members which were forwarded to Ministry of Labour & Employment being competent authority to modify/amend the scheme with a request that a committee at an appropriate level may be constituted for the comprehensive review with due examination of the suggestions/views received. Copy of letter and suggestions received may be seen as Annexure – B.

9. Submitted for information of the Committee.
Subject: Comprehensive review of Employees’ Pension Scheme’95.

Sir,

According to para 32 of EPS’95, the 5th, 6th, 7th & 8th Valuations were carried out as at 31.3.2001, 31.3.2002, 31.3.2003 and 31.3.2004 respectively by the Valuer, M/s K.A. Pandit appointed by the Govt. of India. The 5th Valuation revealed a valuation deficit of **Rs. 43 crores** while the 6th, 7th and 8th Valuation Reports had revealed an increasing valuation deficit of **Rs.17,136 crores, Rs.19,291 crores and Rs.22,021 crores** respectively. The Valuer had ascribed predominantly two reasons for the deficit:

- **Increase of wage-ceiling from Rs. 5000/- to Rs. 6500/; which has resulted into a deficit of around Rs. 10,000 crores**
- **Reduction in interest rates**

2. The Valuer had further recommended the following remedial measures to wipe out the above deficit:

- **Increase in the retirement age of the member to be increased from 58 to 60 years**
- **Revising the factors of Table B and D**
- **Increase in the reduction rate from 3% to 5% in early pension cases**
- **Liberal pattern of investment to increase the return**
- **Withdrawal under the scheme to be controlled**

3. The 5th and 6th Valuation Reports were placed in the 167th meeting of Central Board of Trustees held on 23.2.2004 and along with 7th Valuation Report were placed in 170th, 171st, Special meeting, 172nd, 173rd and 174th meeting of CBT held on 6.12.2004, 21.2.2005, 28.5.2005, 21.11.2005, 7.12.2005 and 23.2.2006 respectively. As per the decision made in the Special Meeting of Central Board of Trustees held on 28.5.2005. The various recommendations
of the Valuer/Consultant Actuary on EPS, 95 were discussed by the Secretary, Ministry of Labour & Employment with the delegates of Central Trade Unions in three sessions. In the third and last meeting held on 18.7.2005, the Central Trade Unions presented their consolidated views including the revising of Tables ‘B’ & ‘D’

4. In the 176th meeting of Central Board of Trustees held on 7.11.2006, the Chairman while discussing the 5th, 6th, 7th & 8th valuation reports, decided to hold a meeting with the Senior Leaders of all the Central Trade Unions to decide on the comprehensive review of E.P.S. 1995. Accordingly, a meeting was held on 16.11.2006 by the Chairman separately with the delegates of Central Trade Unions and with the delegates of Employees Association. After the said meeting, suggestions regarding comprehensive review were called for from field offices and CBT Members.

5. Accordingly, we have collected various suggestions from our field offices and some of the CBT Members. The same are enclosed for your kind consideration. Since Ministry of Labour & Employment is the competent authority to modify/amend the scheme, it is requested that a Committee at an appropriate level may be constituted to consider the comprehensive review with due examination of the suggestions/views received.

(This issues with the approval of CPFC)

Encl. as above.

Yours faithfully,

(K.C. PANDEY)

Addl. Central Provident Fund Commissioner (Pension)

ISSUED
## Views called for Amendment in E.P.S 95

<table>
<thead>
<tr>
<th>S No.</th>
<th>Para No.</th>
<th>Name of the Officers</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Para 1 (b)</td>
<td>Ms. Kavitha N. George RPFC (Madurai)</td>
<td>Subject to the provisions of the scheme the employees have an option to become the members of the scheme with effect from 1.4.1993, latest by 16.11.1996.</td>
</tr>
<tr>
<td>2.</td>
<td>Para 2 (7)</td>
<td>Shri P.S. Babu Addl.CPFC(SZ)</td>
<td>The expression ‘sons’ ‘daughter’ shall include children legally adopted by the members before cessation of their membership.</td>
</tr>
<tr>
<td></td>
<td>Para 2 (7)</td>
<td>Ms. Kavitha N. George (Madurai)</td>
<td>Employees Pension Fund members son and daughter who are below 25 years of age should be treated in the family.</td>
</tr>
<tr>
<td></td>
<td>Para 2 (X)</td>
<td>Shri R. Samal RPFC(Orissa)</td>
<td>May be deleted</td>
</tr>
<tr>
<td>2(XV)</td>
<td></td>
<td>Ms. N.Kavitha George RPFC, Madurai</td>
<td>2(iv) defines “contributory service”</td>
</tr>
<tr>
<td>Para (2) XVI</td>
<td>Shri P.S. Babu Addl.CPFC(SZ)</td>
<td>We should not insist for 100% disablement but it is required that the member should not be able to do the work which he was doing before disablement. The definition also very clearly denotes “disablement of permanent nature as incapacitates and employees for all the bulk which he/she was capable of performing at the time of disablement”. Hence we need not insists certificate of 100% disablement from the members.</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Para 3</td>
<td>Shri R. Samal RPFC, Orissa</td>
<td>Contribution may be enhanced from the present 8.33% of the employees pay to 10% to 12% of pay or entire employers share (12%) should go to the Pension Fund Government contribution 1.16% at present be raised to 2%</td>
</tr>
<tr>
<td></td>
<td>Para 3</td>
<td>Shri P.S. Babu Addl.CPFC(SZ)</td>
<td>To tied over the present crises of deficit in the pension fund it is suggested that out of the entire share of the employer contribution, 10% may be accounted to the pension fund.</td>
</tr>
<tr>
<td>Para 3</td>
<td>Shri V.G. Divakaran, RPFC, Kerala</td>
<td>To tied over the present crises of deficit in the pension fund it is suggested that out of the entire share of the employer contribution, The entire share of employer’s contribution i.e. 12% be accounted to the Pension Fund. Instead of 8.33% of employees pay full share of employer contribution i.e. 10% or 12% may be remitted to A/c X to increase of corpus of pension fund. The members may also be encouraged to pay higher contribution on voluntary bases to get higher benefits. Receipt of higher contribution will enable better investment opportunities and returns, which can sustain the payable pension such cases.</td>
<td></td>
</tr>
<tr>
<td>Para 3</td>
<td>Shri T.R. S.Kumar RPFC, Bangalore</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Para 3</td>
<td>Shri V Shyamsunder RPFC, Guntur</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Para 6</td>
<td>Shri V.G. Divakaran, RPFC, Kerala</td>
<td>In view of the recent direction of the CBDT regarding compulsory registration under EPF Act of Excluded Funds for recognition under the Income Tax Act, it has become apparent that all the Provident Funds would be registered with the EPFO. This being so the membership clause needs and amendment to make it more simple that “All P.F members drawing salary upto Rs.6500/- shall be compulsory member of the E.P.S 95”.</td>
<td></td>
</tr>
<tr>
<td>Para 6 (a)</td>
<td>Shri V.G. Divakaran, RPFC, Kerala</td>
<td>The membership clause be further amended to make a member eligible for pension on attaining the age of 60 instead of 58 years. For uniformity sake and also taking note of the improved longevity of the Indian workers in the context of improved Medicare facilities.</td>
<td></td>
</tr>
<tr>
<td>Para 6 (a)</td>
<td>Shri R. Samal RPFC (Orissa)</td>
<td>Let the clause ‘or ceases to contribute for a continued period of 2 years’ be insterred before ‘or dies’ in the sentence of this Para</td>
<td></td>
</tr>
<tr>
<td>Para 6 (a)</td>
<td>Shri Bhudev Chatterjee, Actuary</td>
<td>Retirement age to be enhanced to 60 years</td>
<td></td>
</tr>
<tr>
<td>Para 6 (b)</td>
<td>Ms. Kavitha N. George, RPFC, Madurai</td>
<td>Who has been a member of the ceased employees family pension scheme'1971 before the commencement of this scheme from 16.11.1995 and remains employed as on 16.11.1995.</td>
<td></td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Para 6 (c)</td>
<td>Ms. Kavitha N. George, RPFC, Madurai</td>
<td>Who ceased to be a member of the E.F.P.S 1971 between 1.4.1993 and 15.11.1995 and opts to excised his option under paragraph 7 at least by 16.11.2006</td>
<td></td>
</tr>
<tr>
<td>Para 6 (c)</td>
<td>Shri P. Sudhakar Babu, Addl. CPFC(SZ)</td>
<td>31.6.07 may be made the cut-off date w.e.f. which opportunity exceeds option lapses.</td>
<td></td>
</tr>
<tr>
<td>5. Para 7 (2)</td>
<td>Shri P.S. Sudhakar Babu, Addl. CPFC (SZ)</td>
<td>The members referred to in sub-paragraph (c) of paragraph 6 who are alive shall have the option to joint the scheme as per the provision of Para 17 from the date of exit from the employment provided such option are exceeded by the member during his life time.</td>
<td></td>
</tr>
<tr>
<td>Para 7 (2)</td>
<td>Ms. Kavitha N. George, RPFC, Madurai</td>
<td>Members referred to – date of exit from the employment to date of cessation of membership may be taken.</td>
<td></td>
</tr>
<tr>
<td>6. Para 9</td>
<td>Shri V.G. Divakaran, RPFC, Kerala</td>
<td>The concept of actual service for eligibility need to be removed. For deciding the eligibility for membership under the E.P.S’95, i.e. service from 16.11.1995 only should be reckoned. This would help; in avoiding undeceived and unintended elements from reaping the benefits. The minimum eligible service for the pension should be 20 years instead of 10 years so that the funds become more viable.</td>
<td></td>
</tr>
<tr>
<td>Para 9</td>
<td>Shri R. Samal, RPFC, Orissa</td>
<td>Wherever ‘actual service’ is return may be replaced by ‘Pensionable Service’ to count eligible service.</td>
<td></td>
</tr>
<tr>
<td>Para 9</td>
<td>Shri T.R. S.Kumar, RPFC Bangalore</td>
<td>Minimum eligible service should be 20 years for entitlement of pension i.e. short service pension may be removed (Pension for eligible service of 10 years or more but less than 20 years).</td>
<td></td>
</tr>
<tr>
<td>Para 9 (a)</td>
<td>Shri M. Vijayaraj, RPFC, Hyderabad</td>
<td>The service less than 6 months should be ignored, should be suitable amended to provide no benefit under the scheme.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Para 10(2)</td>
<td>Shri M. Vijayaraj, RPFC, Hyderabad</td>
<td>The weightage of 2 years which is now provided under para 10(2) wherein the member Superannuates on attaining the age of 58 years rendering 20 years of Pensionable Service, should be disallowed forthwith</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>8.</td>
<td>Para 11</td>
<td>Shri R. Samal, RPFC Orissa</td>
<td>Determination of Pensionable Salary let the figure ‘36’ replace wherever ‘12’ is written.</td>
</tr>
<tr>
<td></td>
<td>Para 11(1)</td>
<td>Shri P. Sudhakar Babu Addl.CPFC(SZ)</td>
<td>Contradictory period of service being taken as 12 months may instead be made 36 months.</td>
</tr>
<tr>
<td></td>
<td>11(3)</td>
<td>Shri P. Sudhakar Babu Addl.CPFC(SZ)</td>
<td>Maximum pensionable salary may be limited to Rs.6500/- and the proviso to 11(3) may be deleted as this has lead to a lot of litigation and has effected the viability of the pension scheme.</td>
</tr>
<tr>
<td></td>
<td>Para 11(3)</td>
<td>Ms. Kavitha N. George RPFC, Maduari</td>
<td>Maximum pensionable salary should be limited to Rs.6000/- p.m</td>
</tr>
<tr>
<td></td>
<td>Para 11(3)</td>
<td>Shri R. Samal, RPFC Orissa</td>
<td>Let the ceiling be raised to Rs.25000/- keeping in view of the current trend of globalization hike in salaries of sunrise Industries, Management, Technical Engineering areas.</td>
</tr>
<tr>
<td></td>
<td>Para 11(3)</td>
<td>Shri T.R.S Kumar RPFC Bangalore</td>
<td>Para 11(3) may be amended to take care of procrastination by making the employee to pay the difference of 1.16% from employer share.</td>
</tr>
</tbody>
</table>
| Para 12 | Shri Rahul Arya  
|         | APFC(NATRSS)  
| Shri V.G. Diwakaran  
|         | RPFC (Kerala)  
| Shri V.P. Ramaiah  
|         | RC (FA) (Hqrs)  
| Shri V. Shyaamsunder  
|         | RPFC, Guntur  
| Shri P. Sudhakar Babu  
|         | Addl. CPFC(SZ)  
| Shri V.G. Diwakaran  
|         | RPFC (Kerala)  

The phrasing of this Para has created lot of confusion while its interpretation. The wording of this Para may please be simplify so that it becomes clear in its meaning.

The minimum age for receiving reduced pension, considering the improvements in longevity of the worker and the tenure of service of such works should be raised to 55 years instead of 50. The deduction factor should be made applicable for length of service below 35 years. Contrary the quantum of pension may be made as reasonably co-related to actual service and optimum service of 35 years for full pension. For calculating benefits, reconing pensionable service and past service should entirely delink. The provision for minimum pension in respect of past service should not result in the member losing on account of proportionate reduction of formula pension earned by him.

Para 12 needs to be restructured to move the anomalies/inconsistencies etc. and rationalized the benefit on a uniform yardstick and principle.

The deferent skills of minimum pension provided under para 12 also need to be rationalized and made as a single scale.

Many times, the members who have not opted for commutation at the time of submission of Form 10-D are approaching the office to consider their option for commutation since there is no provision the noting the time to excised such option. Hence, one more explanation can be added as follows to the existing explanation under para 12 (a) of the EPS’95 “the option once ex ceased shall be final. If no option is excised, the member shall be deemed no to have excised for option.”

The para should contained a provision to restore original pension after commutation of 100 month’s of drawing the pension of the commutation.
| Para 12 (a) | Shri V.P. Raahiah  
RC(F&A) (Hqrs) |
|-------------|----------------|
| Para 12 (a) | Shri R. Samal  
RPFC, Orissa |
| Commutation of pension as provided under para 12 (a) of EPS’95 came in to force from 16.11.1998. However, the facilities was extended to all member pensioners in payment as on 16.11.1998. But there is no cut off date prescribed for availing this benefits as still such cases even after 7 years to give benefit retrospectively are received. |
| Para 12 (a) | Shri M. Ramakrishnan  
RPFC, Indore(MP) |
| Let the figure ‘58’ be replaced by ‘60’ |
| Para 12 (a) | Shri Ajeet Kumar  
RPFC, Pune |
| At present the Superannuation Pension to the member is paid if he render 10 years of service or more and who retires after attaining the age of 58 years. In this case, the eligible service can be increase 10 years to 15 years which will effect the quantum of work and economic factor also. |
| Para 12 (1)(b)(c) | Shri P. Sudhakar Babu  
Addl. CPFC(SZ) |
| May be marked deleting the word short service as it has no relevance. |
| Para 12 (7) | Shri Ajeet Kumar  
RPFC, Pune |
| A member may not be allowed to draw monthly reduced pension from the date earlier than 58 years of age. In short reduced pension should not be allowed. |
| Para 12 (7) | Shri V.G. Diwakaran  
RPFC (Kerala) |
| Be amended to ensure that a member continuing in service is not allowed to opt for pension before attaining the age 60 years, i.e. the upper age limit for full pension. Opting for reduced pension at a premature age and then continuating the service is quite illogical and an aberration. |
| Para 12 (7) | Shri M. Ramakrishnan  
RPFC, Indore(MP) |
| Member should be not be allowed any pension before attaining 58 years of age. If this is not practicable/feasible, atleast the present reduction factor of 3% for every year the member falls short of 58 years, should be increased, say to 5% to discourage such cases. |
| Para 12 (7) | Ms. Kavitha N. George  
| RPFC, Madurai | Pension need not be released before attainment of 58 years, except increase of disablement, has envisaged under para 15. Reduced pension between 50 to 58 years may be removed. Pension should be paid on attaining the age of 58 years or after completion of 20 years of eligible service before attaining age of 58 years which ever is earlier, except in the case of permanent and total disablement during the service. Reduced pension – instead of 3% a deduction of 5% may be made for every year falling short of 58 years. |
| Para 12 (7) | Shri T.R.S. Kumar  
| RPFC, Bangalore | No reduced pension: only at the age of 60 |
| Para 12 (7) | Shri P. Sudhakar Babu  
| Addl. CPFC (SZ) | The word 'the age exceeding 50 years' appears in the paragraph denotes the member's age should be 51 years. Hence, the same may be deleted and word 'on attaining the age of 50' shall be substituted. Scheme Certificate holder must be eligible to get pension at the age of 60 years provided minimum service is 10 years. No earlier pension, no reduced pension please. Table ‘C’ deleted. |
| Para 12 (8) | Shri R. Samal  
| RPFC, Orissa | |
| Para 12 (8) | Shri P. Sudhakar Babu  
| Addl. CPFC (SZ) | |
| Para 13 | Shri P. Sudhakar Babu  
| Addl.CPFC(SZ) | The provision for return of capital need to be abolished. |
| Para 13 | Shri V.G. Divakaran,  
| RPFC, Kerala | The provision for return of capital need to be abolished. |
| Para 13 | Shri R. Samal  
| RPFC Orissa | Let it be completely deleted. |
| Para 13 | Shri V. Shyamsunder  
| RPFC, Guntur | Since this is a Social Scheme, the provision of commutation and return of capital may be removed. Since they are more of business/benefit nature rather than Social Security measure. The one time requirement of member if any can be met by the member through the Provident Fund accumulation instead of draining the pension scheme. |
| Para 13 | Shri T.R.S. Kumar  
RPFC Bangalore |
|---|---|
| Para 13 (2) | Shri P. Sudhakar Babu  
Addl.CPFC(SZ) |
| 11. | Shri P. Sudhakar Babu  
Addl.CPFC(SZ) |
| Para 14 | Shri Rahul Arya,  
APFC(NATRSS) |
| Para 14 | Shri V. P. Ramaiah  
RC (F&A)(Hqrs) |
| Para 14 | Shri V Shyamsunder  
RPFC, Guntur |

fund. The commutation and return of capital benefits are available for member beneficiaries only, and the other beneficiaries like widow and children do not get such benefits.

To encourage superannuation pension benefit of commutation of pension and ROC may be restricted to superannuation pension for retirement pension benefit of commutation may be stopped.

May be deleted. In this regards it is seen that most of the member are making mistake of giving their wife's name as nominees for return of capital benefit.

Withdrawal benefit may be made payable only when a member attain the age of 50 years and had not rendered the eligible service for monthly pension.

Or

Forfeiture clause may be made applicable with a slab system of 25% forfeiture for eligible service of 1 to 5 years and 15% forfeiture for eligible service of 5 to 9 years.

Efforts should be made to amend para 14 to check withdrawal benefit Table ‘A’, ‘B’ & ‘D’ should be revised so that withdrawal benefit is discouraged.

Allowing withdraw benefits for members below 10 years (prematurely) eligible service needs to be curbed to maintained the viability of fund and to provide pension to all members in old age or in any contingency.

The withdrawal of benefit before completing the eligibly period should be encouraged since this removes the burden of pension payment on the fund. The ceiling of 10 years can also removed for withdrawal of benefits since the scheme has already stabilized.
| Para 14 | Shri N.C. Poddar  
RPFC, Jalpaiguri | It is proposed to reduced the quantum of withdrawal benefit as given under para 14 of EPS'95. The value of Table "A" 'B' & 'D' may be lashed down to discouraged the member under discourage the member under EPS'95 to take withdrawal benefit. |
| --- | --- | --- |
| Para 15 | Shri P. Sudhakar Babu  
Addl.CPFC(SZ) | The minimum eligible membership under the pension scheme shall be made as one year (12 contributory months) This would take care of unsocial elements capitalizing the loophole the scheme. |
| Para 15 | Shri V.G. Divakaran  
RPFC,Kerala | The minimum eligible membership under the pension scheme shall be made as one year (12 contributory months) This would take care of unsocial elements capitalizing the loophole the scheme. |
| Para 15 | Shri R. Samal  
RPFC, Orissa | Permanent and total disablement benefits: Let the rate of the pension be uniform and consolidated amount per month and let the minimum contribution be for 3 months. |
| 13. Para 16 (a) | Shri V.G. Divakaran  
RPFC,Kerala | The minimum eligible service for widow pension should be atlest one year service for the member. Sub-paras b & c also need amendment to restrict the pension entitlement only to the widow failing which only it should passed over to children until they attain up 25 years. The maximum amount of widow pension shall be restrict to 50% of the member pension only. |
| Para 16 (a) | Shri R. Samal  
RPFC, Orissa | The guarantee of pensionary benefit should be restricted to superannuation pension and there upon widow pension only. |
| Para 16 (1) (a) | Shri R. Samal  
RPFC, Orissa | May be deleted. |
<p>| | | Let the contribution for atleasat 3 months be received. The clause one month contribution be re-placed by 'by 3 months contribution' or even '2 years contribution' by extreme view. |
| | | Form No.5/4(PS) must reach the office before death. It must be sealed and sign by APFC(inward for valid acceptability and updated in computer) |</p>
<table>
<thead>
<tr>
<th>Para 16(2)(a)</th>
<th>Shri R. Samal RPFC, Orissa</th>
<th>Table ‘C’ must be deleted. Monthly widow pension be equivalent to the monthly member pension in the death case while in service. In the case of two or more widows only eldest wife legally wedded to the deceased should get. On her death the pension be stopped. Alternatively the widow pension be equally shared amongst all the widows for a period 5 years then stopped.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Para 16 (3) (b)</td>
<td>Shri R. Samal RPFC, Orissa</td>
<td>Monthly children pension should be paid to two children only upto the age of 18 years instant of 25 years.</td>
</tr>
<tr>
<td>Para 16 (3) (d)</td>
<td>Shri N.C. Poddar RPFC, Jalpaiguri</td>
<td>May be amended so that maximum of two children may received children pension at a time and will run from the oldest to the youngest child in that order even if the member is having more than two children keeping the view of the Government of India’s family norms.</td>
</tr>
<tr>
<td>Para 16 (5) (aa)</td>
<td>Shri P. Sudhakar Babu Addl.CPFC(SZ)</td>
<td>Dependent parent pension can instead be made parent pension by deleting word dependent.</td>
</tr>
<tr>
<td>Para 16 (5) (b)</td>
<td>Shri T.R.S Kumar RPFC, Bangalore</td>
<td>The benefit may be extended to the member also if he applied for the benefit after the attainment of 58 years also.</td>
</tr>
<tr>
<td>Para 16 (5) (b)</td>
<td>Shri V. P. Ramaiah RC(F&amp;hriA)(Hqrs)</td>
<td>It need to be re-examined and deleted keeping in view. of the rationalization of Para 14.</td>
</tr>
<tr>
<td>14. Para 17 (2), Para 17((3) Para 17 (3)</td>
<td>Shri V. P. Ramaiah RC(F&amp;A)(Hqrs) Ms. Kavitha N. George, RPFC, Madurai</td>
<td>Options need to be deleted as the Employees Pension Scheme 95 as completed 10 years of its existence. The interest may be clearly spelt out as statutory rate of interest for the corresponding period calculated on cumulative basis.</td>
</tr>
<tr>
<td>15 Para 26</td>
<td>Shri V.G. Divakaran , RPFC, Kerala</td>
<td>The option for investing the pension fund requires to be entrusted to professional fund manager without clipping the wing with the patron prescribed by the Government.</td>
</tr>
</tbody>
</table>
After getting a Scheme Certificate, a member joint Government service, the same withdrawal benefits is to be given to him instated of asking him to wait upto 56 years. The essence of the scheme should be to guarantee a pension for a P.F member who has put in atleast 20 years service and retire at the age of 60 years. The widow pension should taken only if the pensioner and the family pensioner are survived by minor children at no point of time there should be more than one pensioner in respect of a member.

<table>
<thead>
<tr>
<th>16.</th>
<th>Para 33</th>
<th>Shri R. Samal RPFC, Orissa</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Para 33</td>
<td>Shri T.R.S. Kumar RPFC, Bangalore</td>
</tr>
<tr>
<td>17</td>
<td>Para 39</td>
<td>Shri P. Sudhakar Babu Addl.CPFC(SZ)</td>
</tr>
<tr>
<td></td>
<td>Para 39</td>
<td>Shri R. Samal RPFC, Orissa</td>
</tr>
</tbody>
</table>

The post dated cheque for 12 months be issued centrally to save service charges and reduced administrative cost and save service charges or electronics payment system.

Life Certificate/Non-remarriage Certificate may be issues by the district offices of EPFO to avoid fraud/ over payment.

Instead of the present system, the system followed by the Banks for disbursement of Central/State Government pension may please be adopted.

The provision for granting exemption from the operation of pension scheme may be deleted.

Be deleted.
## General suggestion for amendment in E.P.S 95

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the Officer</th>
<th>Suggestion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Shri P. Sudhakar Babu, Addl. CPFC(SZ)</td>
<td>The factor in Table A to Table D should be amended annually based on yield of the fund and CBT should declared the same every year as in the case of relief based on Actuarial Valuation.</td>
</tr>
<tr>
<td>2.</td>
<td>Shri Ajeet Kumar, RPFC Pune</td>
<td>The provision regarding the accepting of contribution on higher salary i.e. over and above the statutory wage ceiling may kindly be clarified suitably.</td>
</tr>
<tr>
<td>3.</td>
<td>Shri M. Vijayaraj RPFC, Hyderabad</td>
<td>In lieu of merging EDLI Scheme with Pension Fund, it is proposed that the member of EDLI Scheme who superannuate shall be provided Medical Insurance/Fixed Medical Allowance to cater pensioner medical bill by brining suitable amendment, can provide for insurance coverage of health for a scheduled period when one become a pension on superannuation.</td>
</tr>
<tr>
<td>4.</td>
<td>Shri R. Samal RPFC, Orissa</td>
<td>Table A,B &amp; D should be revised so that withdrawal benefit is discouraged.</td>
</tr>
<tr>
<td>5.</td>
<td>Shri V. P. Ramaiah RC(F&amp;A)(Hqrs)</td>
<td>Table A,B &amp; D need to be modify based on Actuarial Valuation result from time to time, to keep the scheme viable and sustainable.</td>
</tr>
</tbody>
</table>

1. Massive drive for time bound updation of members basic information.
2. Change in date of birth-viable down guidelines
3. Stringent penalties for fraud and falls documents and strict implementation of the check points.
4. Coverage under section 1(4). In the case of voluntary coverage prospectively there must be provision for continues compliance for atleast 5 years to make a claimant eligible for pension in the event of normal death of the member. In accidental cases 3 months contributions criteria may continue. This will eliminate manipulation of sanction of pension to an unscrupulous non member.
5. A single paged simplified pension claim for both 10-C/10D containing provisions for essential membership data may be devised to make it acceptable under BPR regime.
<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the C.B.T Member</th>
<th>Suggestion</th>
</tr>
</thead>
</table>
| 1.    | Shri Sharad S Patil Secretary General Employers' Federation of India Army & Navy Building 148, Mahatma Gandhi Road Mumbai-400001 Phone No.22844093/42 32 | 1. The assumption on which the plan has been worked out is unrealistic and needs to be received. Salary growth of 10% and interest earnings of 12% have both proved to be unrealistic. Difference of 2% between salary growth and interest rate is also highly unrealistic and needs to be re-looked.  
2. Commutation of Pension: Since an employee on retirement is eligible to receive gratuity, provident fund and if available privilege leave encashment, there is no need to further provide commutation of pension. A basic change in the scheme to this effect is necessary. You may also note that the LIC with its vast experience on the subject provides for commutation of pension at the rate of Rs.70 for 1 against Rs.100 for 1 under the EPS. The discounting of pension may have to be at a rate higher than 3% per annum for service short of retirement age. The normal retirement age is 60 and the pension should be started from the age of 60. Even if the retirement age of an employee were to be less than 60 considering that he is entitled to receive gratuity, provident fund and leave salary upon retirement the hardship to the employee on account of retirement age for pension purposes being raised to 60 will not result in a major hardship to the pensioner.  
3. The final salary type of pension such as the EPS results in lower paid employees subsidizing the pension of the higher paid employees and as such is not fair to the lower paid employees considering this aspect the scheme may have to rectify the anomaly.  
4. No withdrawal of pension be permitted till the employee attains the age of superannuation irrespective of his having discontinued contribution to the pension. The pension is essentially an old age benefit and except in the event of death or total permanent incapacitation does not qualify for any withdrawal.  
5. Salary for the purpose of pension may have to be redefined to exclude PF contribution on leave salary. Liberalization of the definition in its present form would result in greater pension being paid to those who have accumulated leave v/s those who have not accumulated leave. Usual industrial experience is that lower paid salaried people accumulate less of leave as they have greater need to be in their native places in the absence of appropriate housing at the industrial location. |
6. The pension is currently available to the nominee of a bachelor deceased member. Unless the nominee is a family member directly dependent on him the pension in such an event need not be paid.

7. The actuary’s statement to the Parliamentary Committee that EPFS is better than EPS for employees given a salary growth of 10% per year assumes an unrealistic growth across the board. At the lower levels the Pensionable salary does not normally grow at the rate of 10% per annum.

8. Contribution to family pension scheme was 3-1/2% v/s 9-1/2% under the EPF. Proportionate increase on transfer from FPS to EPS has not been made and this aspect also needs to be ratified.

9. EDLI scheme corpus would be substantial and beyond the need. This amount could also be considered for being transferred if required to the pension fund. Both the schemes could also be combined for this purpose.

2. Shri Hasubhai Dave, Advocate, C.B.T Member
   Shram Sadhna
   Opp. Municipal Water Tank
   Gondal Road
   Near Swami Narayan Gurukul
   Rajkot-360 002 (Gujarat)

   Phone No. 0281-2378061
   Fax-0281-2381122

1. Pension Scheme must be continued.
2. If necessary, Amendment may be done.
3. As per the discussing with Central Trade Unions previously, we have already given the suggestions for the pension scheme, it must be carried out.

3. Shri M.P. Mehrotra
   Chartered Accountant
   C-561 Defence Colony
   New Delhi-110024

   Phone No. 24332977
   Fax No. 24337501, 51553091

1. Employer is already contributing 13.61% of the Employees’ pay in the shape of P.F. contribution, Pension contribution, Administration charges and contribution to EDLI scheme, which is quite substantial and there is hardly any scope for increase. Therefore, enhancement of Employers’ contribution may not be proposed for the time-being.

2. The Government contribution to the Fund is 1.16% of the Employees’ salary. This, being a essential social welfare measure, the Government contribution may be raided to at least 2.5%.

3. As per the present guidelines, commencement of pension starts from completion of 58 years or date of retirement or cessation of employment, whichever is earlier. In many organizations, the retirement age is 60 years and in some organizations, it is even more than 60 years. The pension should commence after the actual date of retirement or cessation of employment. The present reference of 58 years should be deleted.
4. The penalty for premature pension should be increased from the present level of 3% per year to at least 5% per year to act as a disincentive for premature pension.

5. The investment pattern should be modified and better managed so as to generate higher income to the Fund.

6. As per accounts for the year 2005-2006, an amount of Rs.14.39 crore has been spent as commission on disbursement of pension. This is a substantial amount. Suitable mechanism like Electronic Transfer of funds to the pensioner’s account may be examined in order to reduce cost. Arrangement with the Bankers of EPFO/Pension Fund should be made to make money transfer free (no commission).

7. In the long run, in view of the uncertainty in rate of interest, it will be difficult to sustain a defined pension benefit scheme like the existing one. A new Pension Scheme has already been introduced for the Central Government Employees joining service w.e.f. 01.01.2004. Many State Governments are also joining the new Pension Scheme. As per the new scheme, fund will be constituted out of contribution at the rate of 10% of salary by the employees. There will be no upper ceiling of salary. There will also be no contribution by the Government i.e. the employer. It is suggested that the employees covered under the existing Employees’ Pension Scheme should also be brought under a scheme similar to New Pension Scheme for the new entrants – say from 01.01.2008 – under which there will be contribution by the Employer and the Government as at present. A small amount of contribution may also be collected from the employees – say @2% of salary. The Fund collected will be invested by the EPFO. At the time of retirement of the employee, the entire amount at his credit will be released to him for making investment in a Pension Scheme of LIC or similar Insurance Companies, which provide for lifelong pension as well as family pension. Under this scheme, the amount of pension will be to the extent the fund can generate as opposed to the certain percentage of the last salary drawn. Therefore, there will be no possibility of deficit in the Pension Fund. Under the new scheme, the enhancement of salary limit to at least Rs.8,000/- p.m. may be considered so as to have pension of a reasonable amount. The existing members will, however, be covered by the existing scheme.
8. Presently, pension under the scheme is available after 10 years of service. It is possible that some employees will get pension after 10/15 years of service after leaving one employment and at the same time get salary for a new employment without actually retiring from service. It is, therefore, suggested that every pensioner should be given a Permanent Account No. (PAN) and the time of his retirement from service.

<table>
<thead>
<tr>
<th>4. संयुक्त सचिव स्थम सिंह प्रशासन द्वारा कल्याण संह भवन रायपुर छत्तीसगढ़</th>
<th>संशोधन हेतु सुझाव</th>
</tr>
</thead>
</table>

1. **वर्तमान में सरकारी क्षेत्र में कर्मचारियों के नियोजन का स्वरूप बदल चुका है विभिन्न सरकारी कार्यालयों में तुलनात्मक श्रेणी, चतुर्थ श्रेणी के कार्यालयों पर कार्यक्षेत्र में दैनिक वेतन भागी कर्मचारियों की संख्या अधिक है, जिन्हें वेतन के अतिरिक्त कोई सुविधा हितलाभ प्राप्त नहीं होती है उनकी असामान्यता मूल्य होने, सेवा निवृत्ति की दशा में पेंशन की पात्रता भी नहीं है अतएव ऐसे दैनिक वेतन भागी कर्मचारियों व उनके परिवार को सामाजिक सुरक्षा प्रदान करने की दृष्टि से उन्हें पेंशन की परिषिद्ध में लाये जाने के संबंध में विचार किया जाना चाहिए।

2. **वर्तमान में नियोजक एवं केन्द्र सरकार द्वारा देय योग्य अंशदान को सौम् 5000/-की बतल सौमा से बढ़ाया जाना चाहिए।

3. **उक्त सभी रास्ता वालों में विविध पेंशन की न्यूमत राशि का समान होनी चाहिए। उक्त योजना का 13 वर्ष पूर्ण हो चुका है। अतएव न्यूमत पेंशन राशि का पुनरीश्न किया जाना चाहिए।

4. **वर्तमान में देश का पारंपरिक परिवार ऐसा नहीं है कि परिवार दो बच्चों तक सीमित हो। माता पिता की अकल नुक्य होने पर जीवित सभी बच्चों को अनुमति पेंशन की सुविधा दिए जाने हेतु संशोधन कर प्रारंभ किये जाने चाहिए।
| क्र. सं. | संयुक्त संचयन
श्रम विभाग
छत्रपति प्रशासन
दादाकल्याण सिंह भवन
रायपुर छत्रपति प्रशासन |
|--------|----------------------------------|
|        | 1. वर्तमान में सरकारी क्षेत्र में कर्मचारियों के
नियोजन का स्वयं बदल चुका है विभिन्न
सरकारी कार्यालयों में तूनीय श्रेणी,
चलुंब श्रेणी के कार्यों पर कार्यरत दैनिक वेतन भी दे
कर्मचारियों की संख्या आऊटसाइड है,
जिन्हें वेतन के आंतरराष्ट्रीय कारों से प्रभावित होता
प्राप्त नहीं होतें हैं उनकी असामान्य भूमिका
होते, सेवा नियम की दशा में पेशन की पात्रता
भी नहीं है अतः ऐसे दैनिक वेतन भी कर्मचारियों
बजट परिवार को सामान्य सुरक्षा प्रदान करने की दृष्टि से उन्हें पेशन की
परिहार में लाये जाने के संबंध में विचार किया
जाना चाहिए। |
|        | 2. वर्तमान में नियोजक एवं कैंडर सरकार द्वारा
देय योगा अंशांक की सीमा 5000/-की
वेतन सीमा से बढ़ायी जानी चाहिए। |
|        | 3. उक्त सभी परिस्थितियों में विश्वास पेशन की
न्यूनतम पेशन राशि प्राप्त होती है।
उक्त योजना का अंत कल, 13 वर्ष पूर्ण हो चुके है।
अतः न्यूनतम पेशन राशि का पुनर्क्रिया
किया जाना चाहिए। |
|        | 4. वर्तमान में देश का परिवारिक परिवृत्त ऐसा
नहीं है कि परिवार दो बच्चों तक सम्मिलित हो।
माता पिता का अंकाल मूल्य होने पर जीवित
सभी बच्चों का अनुशंसा पेशन की सुविधा दिया
जाने हेतु संशोधन कर प्रवक्ता किये जाने
चाहिए। |

To

All Members,
Pension Implementation Committee,
(CBT, EPF)

Sub: Draft minutes of the 24th meeting of the Pension Implementation Committee held on 02-01-2008.

Sir,

A copy of the draft minutes of the above meeting as approved by the Chairman, Pension Implementation Committee is forwarded herewith. It is requested to send your comments, if any, within 10 days from the date of receipt of this letter.

Encl: As above.

Yours faithfully,

( K.C. PANDY )

ADDL. CENTRAL PROVIDENT FUND COMMISSIONER

Copy to:-
1. PPS to Secretary (Labour), Ministry of Labour, New Delhi.
2. PS to Addl. Secretary (Labour) & Chairman, PIC.
3. PS to Joint Secretary (Social Security), Ministry of Labour, New Delhi.
5. Director, Ministry of Labour, New Delhi.
6. PS to CPFC

ISSUED
MINUTES OF THE 24TH MEETING OF THE PENSION IMPLEMENTATION COMMITTEE

The meeting was held under the Chairmanship of the Shri. S. Krishnan, Additional Secretary, Ministry of Labour & Employment, Government of India in his chamber at Shram Shakti Bhawan, New Delhi 110001.

The following members attended the meeting:

1. Shri. A.D. Nagpal — Employees’ Representative
2. Shri. B.N. Rai — Employees’ Representative
3. Shri. Ashwin Dani — Employers’ Representative
4. Shri. P. Rajendran — Employers’ Representative
5. Smt Gurjot Kaur — Joint Secretary, Ministry of Labour & Employment (SS)
6. Dr Shakuntala — Controller of Accounts, Ministry of Labour & Employment
7. Shri A. Viswanathan — CPFC
8. Shri K. C. Pandey — Addl. CPFC (Pension) & Convener

Shri. V. Virmani Employers’ Representative could not attend the meeting.

Following officials were present:

Shri. S.D. Xavier, Under Secretary
Shri. Raman Dhanasekar, APFC (Pension)
Shri. Vishal Agarwal, APFC (Pension)

The meeting started by the member expressing their condolences on the demise of Shri. Parduman Singh, Employees’ Representative. The CPFC remembered how Shri. Parduman Singh was one of the early members of the CBT as early as from 1978 and how in the CBT Meeting held in June 1980 at Shimla, he insisted on the creation of a separate pension scheme for the contributors of Provident Fund and for the indexation of the Provident Fund. In a way, Shri. Parduman Singh is regarded as the Father of the Pension Scheme in India and in particular EPS ’95. He was one of the members of CBT and PIC with the longest tenure. A condolence resolution was passed in the honour of the late Shri. Parduman Singh and would be sent to his family members. All the members observed silence for two minutes as a mark of respect.

Item No. 1: Confirmation of the minutes of the 23rd Meeting held on 4.5.2007

The minutes were confirmed by all the members. The comments received from Shri. Parduman Singh were also noted for inclusion as part of the minutes.
Item No. 2 : Action Taken Report on pending matters relating to decisions taken in earlier meetings

Addl. CPFC (P) informed the members about the pending issues and action taken/status thereof.

Shri B.N. Rai brought to the notice of the committee the pending issue of constitution of an Actuarial Cell at EPFO. CPFC stated that already the actuarial cell is functioning in EPFO with an officer pursuing the actuarial course with the Institute of Actuaries of India posted therein. Further he pointed out that the actuaries are such a rare breed of professionals, hard to find in the market and as such it is not possible to post a qualified actuary in the actuarial cell by paying the market salary. However, he has added that there are some officers of EPFO who are pursuing the actuarial course who could be groomed. Shri. A.D. Nagpal referred the example of LIC where they have incentives given to their employees who pursue such courses and requested to have a similar system in EPFO also. CPFC promised that a separate detailed status would be prepared on this and placed in the next meeting, to which the Chairman also concurred. Chairman further desired to take some positive step in this regard as best as possible.

With regard to the report on the compliance position under EPS'95 as per the Judgement of the Hon'ble Supreme Court, Shri. A.D. Nagpal had pointed out that still some of the regions had not levied the damages and interest as per Section 7Q. He further brought to the attention of the committee, the circular dt.5.2.2004 issued subsequent to the pronouncement of the Judgement by Hon'ble Supreme Court, enclosed along with the report in the Agenda booklet, wherein at item B(iv) it was given that “Although the exempted PF Trust was not authorized to keep pension contribution but they did so as a consequence of interim order of the Supreme Court. Regarding levying of damages only if establishment has transferred pension contribution to the Trust on time and Trust has invested the money as per prescribed pattern then damages are not be levied”. He pointed out, that this administrative instruction was issued by EPFO without the approval of PIC or CBT or without legal advice and wondered how the damages are not to be leviable when the establishment has retained the money with itself committing default and further observed that the power of waiver itself is vested with CBT and that too only in the BIFR cases.

The CPFC explained by reading the Interim Orders of the Hon’ble Supreme Court dt.25.8.1998 and 10.9.1998 wherein the apex court had categorically ruled that the contributions of the workmen either in the new Scheme EPS’95 or in the old Scheme FPS’71 had to be remitted by the employers to the authorities. Hence wherever, the workmen opting to stay with FPS’71, 1.16% of the employer’s share together with 1.16% of the employee’s share would be remitted to the pension fund and the balance in both the shares would be remitted to the provident fund account kept at the RPFC’s Office in case of unexempted establishments or to the Provident Fund trust in the case of exempted
establishments. In case of workmen opting to stay with EPS’95, 8.33% of the employer’s share of the PF would be diverted to the pension fund, while the balance of the employer’s share together with the employee’s share would be accounted to the provident fund account kept at the RPFC’s office or the exempted PF trust depending upon whether the establishment is exempted or unexempted as the case may be. The CPFC referred the guidelines A, B & C of the above circular especially the sub-paragraphs (iv), (v), (vi) & (vii) of B and specifically in B(vi) wherein it is very clearly mentioned that “In case where the accumulations are not kept with the trust and are not invested as per the prescribed pattern then penalties as applicable under the Act would be applicable”. Further CPFC clarified that in the case of establishments, wherever the employer had discharged his liabilities by paying the contributions then damages as such are not leviable provided the contributions are paid in time. Moreover in the interest of equity and principle of natural justice, we cannot punish the employers by imposing the damages when they have discharged their duties in time. Further, CPFC brought to the notice of the committee that this circular was issued after due consultation with the Compliance and Finance Divisions. After discussion, the Chairman indicated the concurrence that the order issued by CPFC appeared to be in order. Shri Rai pointed out that the information on actions taken especially with regard to Section 7A & 14B are not complete and in respect of some regions no information is available. The Chairman desired that CPFC should take the issue with all RPFCs and ensure completion of status.

Item No. 3: Status Report on the Comprehensive Review of the EPS’95

ACC(P) introduced the item and informed the committee that a formal letter has been sent to the Government for constituting a committee at an appropriate level for the comprehensive review with due examination of the suggestions/views received from the various CBT members/officials of EPFO. The Chairman stated that EPFO had desired Domain expertise to assist the Government in the exercise of the comprehensive Review. The Joint Secretary pointed out that though the EPF & MP Act, 1952 is owned by the Government of India, still EPFO could do this exercise and bring the proposal through CBT with actuarial gains and losses on each of the suggestion. CPFC stated that the names of two actuaries would also be suggested to be included in the above committee for a professional view on the review. Shri. A.D. Nagpal also stated that the Act and the schemes framed thereunder are basically owned by the Government and reiterated that the Pension Scheme has to be sustained for the benefit of the working class. The issue should not be further delayed as it is giving adverse comments. Joint Secretary(SS) suggested that if the actuarial impact of the individual suggestions are arrived at, then it would facilitate the review. CPFC stated that the impact of some provisions like ROC, commutation etc. can be reviewed as a starting step. Shri. Ashwin Dani pointed out the recent trend of fluctuations in the interest rates and insisted that the same has also to be kept in mind at the time of the comprehensive review. The CPFC had also concurred
with this and stated that the Actuary would definitely had to take this aspect into consideration along with the other parameters. Shri. Rajendran suggested that the various suggestions can be grouped based on the impact as High, Medium and Low for easy decision making during the review.

Shri. B N Rai informed that various grievances have been received from members of certain places on the non-increase in the quantum of the pension amount, late payment of pension, delayed service etc. and suggested that some monitoring system should be devised at appropriate level. CPFC requested the names of such places, so that the issue could be studied and feedback can be given in the next meeting.

The meeting ended with the thanks to the chair.