



कर्मचारी भविष्य निधि संगठन  
(श्रम मंत्रालय, भारत सरकार)

Employees' Provident Fund Organisation  
(Ministry of Labour & Employment, Govt. Of India)

मुख्य कार्यालय/Head Office

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No. Actuary 18(2)2008/Vol.III

Dated: 03 JUL 2014

To,

All Regional Provident Fund Commissioners  
Regional Offices/Sub Regional Offices

**Sub: Preparatory action for implementing proposals for enhancing minimum pension to Rs 1000/-per month and increase in wage ceiling to Rs.15,000/- per month in the Employees' Pension Scheme 1995 (EPS)- regarding**

Sir,

As you may be aware that proposals for enhancing minimum pension to Rs.1000/- per month and increasing wage ceiling to Rs.15,000/- per month under Employees Pension Scheme have been approved by the Central Government. These proposals have been included in the Union Budget 2014-15 and the Gazette notifications bringing in amendments to the EPS and other schemes for implementing these proposals are likely to be issued very soon.

In this regard in order to be prepared for implementing the proposed modifications, you are requested to take advance preparation actions in major areas in relation to EPS.

1. **Change in calculation of pensionable salary:**

The proposed amendments in EPS include the fact that the pensionable salary for calculating pension shall be the average monthly pay drawn during the contributory period of service in the span of 60 months preceding the date of exit from the membership of the Employees' Pension Fund. The pensionable salary shall be calculated on pro-rata basis for the period upto the date of Notification where wage ceiling is Rs.6, 500/- and for the subsequent period where the wage ceiling would be Rs.15, 000/- per month. Similarly, the Withdrawal benefit shall be based on the weightage of wages at different wage ceilings. Accordingly, requisite steps are to be taken so that full details of wages for 60 months are available to settle

the pension claims in accordance with the proposed modification. In this regard, Form 10-C & Form 10-D are also being redesigned to incorporate the above changes and shall be circulated soon. However in the meantime preparation be made for attaching additional sheet for giving details of 60 months of wages along with Form 10-D.

2. **Option for contribution on higher salary:**

The proposed amendments contain a provision that wherever employer & employees have opted to contribute on salary exceeding Rs.6,500/-, such employer & employees will have to exercise a fresh option to contribute on salary exceeding Rs.15,000/- per month subject to the condition that such member would have to contribute the Govt.'s share contribution @ 1.16% on the salary exceeding Rs.15,000/- from his /her share of contribution. The fresh option is to be exercised within a period of 6 months. It is essential to know with certainty the employees who are currently permitted to contribute to EPS on higher wages, so that fresh options can be called for. Accordingly, you may immediately flag all such cases of contribution on salary exceeding Rs.6,500/- and obtain fresh options in a time bound manner. It may be made known to the existing optees that if the fresh option is not exercised it shall be deemed that the employee has not opted in allowing contribution over wage ceiling and the contributions to Employees Pension Fund made above the wage ceiling in respect of the member shall be diverted to the Provident Fund account of the member along with interest as declared under the Employees Provident Fund Scheme from time to time. Furthermore, the proposed amendments would delete the provisions for contribution on higher salary and as such no options should be allowed in this regard.

3. **EPS to apply only to EPF members whose pay at the time of becoming PF member is not more than Rs.15,000/- per month:**

The proposed amendments have a provision whereby only such new PF members shall become EPS members whose pay at the time of joining will be less than or equal to Rs 15,000/-. Accordingly, the entire employer and employee contribution shall remain in the Provident Fund and no diversion to EPS shall be made for all new PF members having salary more than 15,000/- at the time of joining.

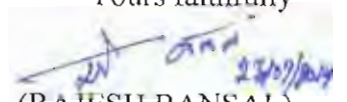
4. **Minimum pension will be enhanced to Rs. 1000/- per month under EPS:**

The proposed amendments in EPS will provide a minimum pension of Rs. 1000/- per month. The minimum pension in respect of member and widow (er)/nominee/dependent parents shall be Rs. 1000/- and accordingly the minimum children & orphan pension will also increase proportionately to Rs. 250/- and Rs. 750/- respectively. Necessary amendments in application software are being made to release the enhanced pension as well as related arrears. Preparations should be made to give publicity to this fact after release of notifications. Preparation should also be made to give appropriate letters/advice to banks and pensioners after release of notification.

Accordingly, you may immediately make efforts to publicize the above facts and to make preparations for taking actions listed above.

(This issues with the approval of the CPFC)

Yours faithfully



(RAJESH BANSAL)

ADDL. CENTRAL P.F.COMMISSIONER (Hqrs.)

**Copy to :**

FA & CAO with reference to UO Note No. Actuarial 18(2)2008/Vol.II dated 29-4-2014 with request to carry out necessary changes in the software on priority to facilitate the actions mentioned above.