

## **EPF interest rate will be raised to 8.6% this year**

Interest rate on EPF will be increased to 8.6 per cent for the year 2012-2013. This will benefit around five crore EPF subscribers.

The Labour & Employment Minister, Shri Mallikarjun Kharge informed the Rajya Sabha that as per para 60(1) of the Employees' Provident Funds Scheme, 1952, rate of interest on the Employees Provident Fund is determined by the Central Government in consultation with the Central Board of Trustees, Employees Provident Fund. Central Government declared 8.25% rate of interest on EPF accumulation for the year 2011-12 based on the earnings of the Fund during the year.

"The rates were brought down due to lower income (on investment in Special Deposit Schemes). There is no question of minimum or maximum interest rates. We distribute it as per our revenue. Next time, it will be 8.6 per cent," minister said.

The Employees' Provident Fund Organisation (EPFO) had brought down the rate of interest to 8.25 per cent for 2011-12. The rates stood at 9.5 per cent in 2010-11.

The retirement fund body EPFO has deposits of more than Rs 55,000 crore in the Special Deposit Schemes (SDS) aimed at providing better returns to non-government provident funds and other such funds.