

EPFO may decide to pay 8.5 % rate for 2012-13 today

EPFO's trustees are likely to decide on Monday the payment of 8.5 per cent interest to its over five crore subscribers on their PF deposits for 2012-13, higher than 8.25 per cent provided in the previous financial year.

"... 8.5 per cent rate of interest for the year 2012-13 is feasible," said a note prepared by the EPFO which was considered by its advisory body Finance and Investment Committee (FIC) on February 15. According to the EPFO's estimates, payment of 8.6 per cent interest rate would result in a deficit of Rs 240.49 crore whereas 8.5 per cent rate of return on PF deposits for current fiscal would leave a surplus of Rs 4.13 crore.

"The Employees' Provident Fund Organisation's (EPFO) apex decision making by the Central Board of Trustees (CBT) is scheduled to meet on Monday where they may take up the issue of interest rate payment for the current financial year", a source said.

In FIC meeting held on February 15, union leaders refused to discuss the issue regarding payment of interest in the current financial year.

This was because the agenda note for the issue was not provided well in advance to them, sources said.

They added the note was tabled during the meeting. They said the EPFO's estimates would now be directly tabled before CBT meeting scheduled on February 25, for final approval.

The notification on interest rate is issued by the government after concurrence with the finance ministry.

Although EPFO announces interest rate at the beginning of the year, there has been a delay this time.

Trade unions have been pressing for an early meeting of the CBT to decide on the interest rate for the current financial year.

EPFO had paid 8.25 per cent interest to its subscribers for 2011-12, lower than the 9.5 per cent disbursed in 2010-11.

(Business Standard)