

Lower rates on PF: Minister seeks PM Modi's intervention



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Labour minister Bandaru Dattatreya has sought PM [Narendra Modi](#)'s intervention to address the trade unions' concerns over the finance ministry's decision to prune interest rates on employees' provident fund (EPF) to 8.7% for 2015-16 from 8.8% prescribed by the Central Board of Trustees (CBT), EPFO's highest-decision making body.

Labour ministry sources said Dattatreya has already met with the PM and apprised him of the likely situation that could crop up in the event of workers' protest, which is almost a certainty. The unions have already threatened to stage demonstrations in front of all EPFO offices on April 29.

Though what transpired at the meet could not be affirmed, sources said the labour ministry does not want to invite any more backlash from the central trade unions (CTUs), particularly after the recent Bengaluru event when buses were torched by the workers in protest against the bar on withdrawal of employers' contribution from the PF money till the age of 58 years. The government also had to recently abort its plan to tax EPF.

The CBT, chaired by Dattatreya, had in February proposed an interim 8.8% interest rate to be credited to the accounts of around five crore EPF subscribers for the 2015-16 fiscal.

At 8.7%, the rate would be the lowest in three years.

Sources said the labour minister also discussed the issue with finance minister [Arun Jaitley](#) and requested him to reconsider the

decision.