

## Dattatreya presses for 8.8 per cent EPF payout

- [Somesh Jha](#)

Union Labour Minister Bandaru Dattatreya met Finance Minister Arun Jaitley on Thursday to press for the payout of 8.80 per cent on Employees' Provident Fund (EPF) savings approved by the EPFO board earlier. This comes a day before nationwide protests by central trade unions against the government's move to lower the return on EPF savings for 2015-16 to 8.70 per cent, .

Top labour ministry sources said that the Finance Minister has advised talks at the secretary level between the two ministries before arriving at a final decision. The secretaries of the labour and finance ministries are scheduled to meet on Friday.

"There is a very narrow gap (between the finance ministry's and the labour ministry's proposals). We are in touch with the finance ministry and I am confident that the matter will be resolved," Mr. Dattatreya told *The Hindu* on Thursday.

Last week, the finance ministry had approved 8.70 per cent as interest rate for EPF subscribers for 2015-16 against CBT's decision to give 8.80 per cent.

The move irked the central trade unions, which have planned demonstrations outside EPFO offices.

The labour minister is learnt to have submitted documents explaining the EPFO's central board of trustees' (CBT) decision to give 8.8 per cent interest rate to EPF members.

The CBT is chaired by the Labour Minister.

Even as the tug-of-war between finance and labour ministry continues, a final notification on the interest rate for 2015-16 is awaited.

"The matter has reached the Prime Minister's level. The final decision has to be taken by the Labour Minister," said another senior labour ministry official.

Earlier in the day Mr. Dattatreya had told reporters, "Finance (Ministry) is an advisory one. It will ultimately be the government of India. My ministry and I, as CBT chairman, are also part of the government...will sit together and see that the problem will be solved."

### The tussle

The Finance Ministry has argued that EPFO should retain a surplus of over Rs. 1,000 crore in view of its latest decision to grant interest to inoperative accounts that have received no contribution for three consecutive years.

However, the EPFO has challenged it saying that paying interest on inoperative accounts from 2016-17 was taken into consideration before arriving at the 8.8 per cent interest rate.

The Finance Ministry also wants a lower interest rate on account of a recent cut in the interest rates of small saving schemes, like the Public Provident Fund (PPF).

### ***The Finance Minister has advised secretary-level talks before a final decision***